

Oceania Capital Partners Limited

(ABN 52 111 554 360)

2021 Financial Report

CONTENTS

	Page
Directors' Report	3
Lead Auditor's Independence declaration	8
Financial Statements	9
Director's declaration	44
Independent Auditor's Report	45

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report together with the financial report of the Consolidated Entity, comprising Oceania Capital Partners Limited ("the Company" or "OCP") and its controlled entities (together "the Consolidated Entity") for the year ended 31 March 2020 and the Independent Auditor's report thereon.

DIRECTORS

The following were the Directors of the Company throughout, and since the end of, the financial year:

Robert Moran	Non-Executive Chairman
Michael Jacobson	Executive Director
Brian Scheiner	Executive Director

Details of the experience and qualifications of the Directors in office at the date of this report are:

Robert Moran

LLB, B.Ec, MAICD

Non-Executive Chairman

Robert Moran served as Managing Director of the Company until June 2014 and was appointed as Non-Executive Chairman in July 2014. He has been involved as a principal investor for many years at a board and strategic level in a variety of businesses and sectors and taking an active involvement in the underlying businesses. He is experienced in investment banking activities, including financings, capital raisings, mergers and acquisitions and has practiced corporate and commercial law at a senior level.

Robert represents the Company's interests as a director of EON Broadcasting Pty Ltd ("EON"), Sunshine Coast Broadcasters Pty Ltd ("SCB") and RZT Holdings Pty Ltd.

Robert is also a director of MPower Group Limited (since 2002).

Michael Jacobson

B.Bus.Sci, CA (SA), CFA

Executive Director

Michael served as Non-Executive Director of the Company from March 2012 to June 2014 when he was appointed as an Executive Director of the Company.

Michael was an executive of Hosken Consolidated Investments Limited Group ("Hosken Group"), a public listed entity incorporated in South Africa and listed on the Johannesburg Stock Exchange. He joined the Hosken Group in 2003 and served as an executive until he left South Africa in January 2011 to jointly found HCI Australian Operations Pty Ltd, the Company's majority shareholder. As an executive in the Hosken Group, Michael held directorships in several Hosken subsidiaries, the larger ones being Tsogo Sun Holdings, Mettle and Sear del Investment Corporation. He also served on numerous audit and remuneration committees. Michael also served as Chief Executive Officer of Johnnic Holdings, which was a Johannesburg Stock Exchange listed property and gaming company. Michael is a non-executive director of Montauk Renewables Inc., listed on the NASDAQ.

Michael represents the Company's interests as a director of Crimsafe Holdings Pty Ltd ("Crimsafe"), RZT Holdings Pty Ltd and Boody Australia Pty Ltd.

Brian Scheiner

BA, LLB, H DIP Advanced Company Law, H Dip Tax

Executive Director

Brian served as Non-Executive Director of the Company from March 2012 to June 2014, when he was appointed as an Executive Director of the Company.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Prior to joining the Hosken Group, Brian had co-founded a successful corporate advisory business. Before that, he spent 10 years at one of the largest law firms in South Africa, where he was a full equity partner, practicing in the corporate and commercial department. He joined the Hosken Group in 2003 and served as an executive until 2007. He and his family then relocated to Australia. Brian re-joined the Hosken Group to jointly found HCI in 2011.

Brian represents the Company's interests as a director of EON, SCB, and Crimsafe.

COMPANY SECRETARY**Lionel Baldwin**

CA (SA), B.Comm (Hons)

Lionel joined the Hosken Group in 2002 where he held various executive positions in group finance. He has held directorships in several Hosken Group subsidiaries. In January 2011 he left South Africa to jointly found HCI. Lionel performs the role of Chief Financial Officer for the Company and represents the Company as a director of EON, SCB and Crimsafe.

DIRECTOR MEETINGS

The number of Board meetings held and the number of meetings attended by each of the directors of the Company during the financial year were:

DIRECTOR	BOARD MEETINGS	
	A	B
Michael Jacobson	5	5
Robert Moran	5	5
Brian Scheiner	5	5

A - Number of meetings held during the time the director held office during the period.

B - Number of meetings attended.

ENVIRONMENTAL REGULATION

The Company and its controlled entities were not subject to any specific environmental regulations during the period.

OPERATING AND FINANCIAL REVIEW

The principal activity of the Company during the current and prior reporting periods was investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary objective has been on investing in businesses which have characteristics of resilience and will grow over the investment period, enabling a successful, profitable exit for the Company.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Consolidated Entity's principal investments at the end of the year were:

- 96.5% interest in EON Broadcasting Pty Limited ("EON"), the owner and operator of two commercial FM radio stations in the Queensland Sunshine coast.
- 97% interest in the Crimsafe Holdings Pty Ltd ("Crimsafe"), a provider of security screen products.
- 22.5% interest in Boody Australia Pty Ltd ("Boody")
- 19.68% in WINR Corporation Pty Ltd ("WINR"), acquired in May 2019 and September 2019
- 34.2% interest in RZT Holdings Pty Ltd ("RZT"), acquired in December 2019
- 9.75% interest in TAE Holdings Pty Ltd ("TAE"), acquired in December 2019

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 1 July 2020 the Consolidated Entity disposed of its interest EON 2CH Pty Ltd for \$5 million in cash and 10 million shares in Sports Entertainment Network Limited (ASX: SEG). There were no other significant changes and events affecting the Consolidated Entity during the year under review and until the date of this report.

Results of operations

The net after tax profit of the Consolidated Entity for the year to 31 March 2021 was \$15.3 million (2020: \$4 million loss).

The current period result includes:

- Interest income of \$0.05 million (2020: \$0.2 million).
- A realised profit on the disposal of listed securities of \$0.4 million (2020: \$1.4 million).
- A \$6.8 million upward (2020: \$2.4 million downward) mark-to-market adjustment to the carrying value of listed securities.
- Revenue of \$9.9 million (2020: \$11.4 million) and a profit before tax contribution of \$3.5 million from the operations of Sunshine Coast Broadcasters Pty Ltd (SCB) (2020: \$3.8 million).
- Revenue of \$41.2 million (2020: \$39.5 million) and a profit before tax contribution of \$4.1 million from the operations of Crimsafe (2020: \$2.3 million loss). The prior period also included an impairment of goodwill associated with Crimsafe of \$4.0 million.
- Aggregate share of loss of associates of \$0.1 million (2020: \$0.3 million).
- An operating loss of \$0.1 million (2020: \$2.1 million full year loss) from the discontinued operations of EON 2CH Pty Ltd ("2CH") up until the date of disposal, and a \$3 million profit on disposal of 2CH.

Financial Position

At 31 March 2021 the Consolidated Entity had net assets of \$95.8 million (2020: \$82.5 million) and cash at bank of \$10.0 million (2020 \$11.0 million).

At 31 March 2021 the Consolidated Entity's borrowings amounted to \$4.2 million (2020: \$5.2 million). These borrowings are: non-recourse to the Company, relate to the bank borrowings of Crimsafe Holdings Pty Ltd and are secured over the assets of the Crimsafe group of entities.

LIKELY DEVELOPMENTS AND PROSPECTS

The Company will continue its policy of seeking to make investments in opportunities as identified by the Board of Directors and to add value to these over time. Disclosure of specific information regarding likely developments in the activities of the Company and the Consolidated Entity and the expected results of those activities is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly this information has not been disclosed in this report.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

DIVIDENDS

A dividend of 8 cents per share totalling \$2.4 million was declared and paid during the year (2020: \$nil).

SHARE CAPITAL

There were no changes to the share capital of the Company during the year under review.

EVENTS SUBSEQUENT TO REPORTING DATE

On 14 May 2021 the Consolidated Entity completed the acquisition of a 45% interest in Glow Dreaming Holdings Pty Ltd for an aggregate consideration of \$2 million. On 24 June 2021 the Consolidated Entity's subsidiary, EON Broadcasting Pty Ltd, drew down in full on a \$6 million secured term loan facility. On 30 June 2021 the Consolidated Entity provided a loan of \$1 million to Boody Australia Pty Limited. Other than above or as disclosed elsewhere in this report, the directors are not aware of any other matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

DIRECTORS INTERESTS

Director's interests in the shares of Oceania Capital Partners Limited (OCP) as at the date of this report:

Directors	Fully paid ordinary shares
Michael Jacobson	2,385,427
Robert Moran	600,000
Brian Scheiner	2,371,430

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company's Constitution provides that the Company may indemnify any current or former Director, Secretary or executive officer of the Company or of a subsidiary of the Company out of the property of the Company against every liability incurred by a person in that capacity (except a liability for legal costs) and against all legal costs incurred in defending proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity. The Company has entered into Deeds of Access and Indemnity with each of the Officers.

In accordance with the provisions of the Corporations Act 2001, the Company has a Directors and Officers Liability policy which covers all past, present or future Directors, secretaries and executive officers of the Company and its controlled entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid. The indemnification and insurances are limited to the extent required by law.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

AUDIT AND NON-AUDIT SERVICES

Details of amounts paid or payable to BDO, the Company's auditor, for audit services and non-audit services are set out in note 23 to the financial statements. Having considered the nature and value of non-audit services provided by BDO to the Consolidated Entity during the year under review, the directors are satisfied that the provision of these services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the year ended 31 March 2021.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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



Robert Moran
Chairman

Dated at Sydney

6 July 2021

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF OCEANIA CAPITAL PARTNERS LIMITED

As lead auditor of Oceania Capital Partners Limited for the year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Oceania Capital Partners Limited and the entities it controlled during the period.



Grant Saxon
Director

BDO Audit Pty Ltd

Sydney, 6 July 2021

FINANCIAL STATEMENTS: CONTENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Page
Financial statements	
Consolidated Income Statement	10
Consolidated Statement of Comprehensive Income	11
Consolidated Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes to the financial statements	
About this report	15
Results for the year	
1. Income	17
2. Government grants	17
3. Discontinued operation	18
Income taxes	
4. Income taxes	19
Assets	
5. Cash and cash equivalents	21
6. Trade and other receivables	22
7. Inventories	23
8. Property, plant and equipment	24
9. Leases	25
10. Intangible assets	28
11. Other financial assets	29
Capital	
12. Share capital	31
13. Reserves	31
14. Dividends	31
15. Borrowings	32
Risk	
16. Financial risk management	33
17. Impairment of non-financial assets	37
Group structure	
18. Investments accounted for using the equity method	39
19. Subsidiaries	40
Unrecognised items	
20. Commitments and contingencies	41
21. Events after the reporting period	41
Other	
22. Parent entity disclosures	42
23. Auditor's remuneration	42
24. Related party transactions	43

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

<i>In thousands of dollars</i>	Note	2021	2020 Restated
Revenue from sales	1	50,722	50,918
Other income	1	746	1,087
Total revenue		51,468	52,005
Profit (loss) on sale of financial assets		371	1,473
Share of loss of equity accounted investments		(25)	(307)
Fair value adjustment of financial assets		6,758	(2,434)
Total operating income		58,572	50,737
Raw materials and inventory		(21,897)	(21,467)
Broadcast production costs		(744)	(677)
Employee benefits expense	2	(11,280)	(12,231)
Selling costs		(1,387)	(1,602)
Promotions and marketing		(3,560)	(4,284)
Administration and other operating expenses		(3,638)	(5,293)
Depreciation – property, plant & equipment	8	(635)	(743)
Depreciation – right-of-use assets		(1,240)	(688)
Finance costs – lease liabilities		(354)	(197)
Finance costs – other		(138)	(277)
Impairment of goodwill		-	(4,000)
Profit (Loss) before income tax		13,699	(722)
Income tax expense	4	(1,342)	(1,247)
Profit (Loss) for the year from continuing operations		12,357	(1,969)
Profit for the year from discontinued operations	3	2,945	(2,134)
Profit (loss) for the year		15,302	(4,103)
Attributable to:			
Equity holders of the parent entity		15,224	(3,998)
Non-controlling interests		78	(105)
Profit (Loss) for the year		15,302	(4,103)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

<i>In thousands of dollars</i>	Note	2021	2020
Profit (loss) for the year		15,302	(4,103)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		416	(590)
Other comprehensive profit (loss) for the year, net of tax		416	(590)
Total comprehensive income (loss) for the year		15,718	(4,693)
Attributable to:			
Equity holders of the parent entity		15,808	(4,570)
Non-controlling interests		(90)	(123)
Total comprehensive income(loss) for the year		15,718	(4,693)

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

<i>In thousands of dollars</i>	Note	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	5	10,047	11,033
Trade and other receivables	6	11,721	11,327
Inventory	7	10,847	9,251
Other financial assets	11	28,021	11,053
Current tax assets		-	269
Total current assets		60,636	42,933
Non-current assets			
Other receivables	6	1,496	1,612
Other financial assets	11	4,750	4,750
Investments accounted for using the equity method	18	7,149	7,111
Property, plant and equipment	8	3,233	4,581
Right-of-use assets	9	8,303	11,580
Intangible assets	10	38,500	42,790
Deferred tax assets	4	2,893	3,090
Total non-current assets		66,324	75,514
Total assets		126,960	118,447
LIABILITIES			
Current liabilities			
Trade and other payables		8,505	8,614
Borrowings	15	750	1,562
Lease liabilities	9	1,098	1,051
Current tax liabilities		472	92
Employee benefits		873	999
Total current liabilities		11,698	12,318
Non-current liabilities			
Borrowings	15	3,415	3,719
Lease liabilities	9	7,946	10,901
Employee benefits		253	202
Deferred tax liabilities	4	7,821	8,861
Total non-current liabilities		19,435	23,683
Total liabilities		31,133	36,001
Net assets		95,827	82,446
EQUITY			
Share capital	12	230,876	230,876
Reserves	13	25,357	24,941
Accumulated losses		(161,206)	(173,911)
Equity attributable to owners of Oceania Capital Partners Limited		95,027	81,906
Non-controlling interests		800	540
Total equity		95,827	82,446

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

<i>In thousands of dollars</i>	Share capital	Equity reserve	Foreign exchange translation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
Balance at 1 April 2019	243,359	25,690	(177)	(169,913)	98,959	687	99,646
Loss for the year	-	-	-	(3,998)	(3,998)	(105)	(4,103)
Other comprehensive losses	13	-	(572)	-	(572)	(18)	(590)
Total comprehensive losses for the year	-	-	(572)	(3,998)	(4,570)	(123)	(4,693)
<i>Transactions with owners in their capacity as owners</i>							
Share buy-back	(12,483)	-	-	-	(12,483)	-	(12,483)
Dividend paid by subsidiary	-	-	-	-	-	(24)	(24)
Balance at 31 March 2020	230,876	25,690	(749)	(173,911)	81,906	540	82,446
Balance at 1 April 2020	230,876	25,690	(749)	(173,911)	81,906	540	82,446
Profit for the year	-	-	-	15,224	15,224	78	15,302
Other comprehensive profit	13	-	416	-	416	12	428
Total comprehensive profit for the year	-	-	416	15,224	15,640	90	15,730
<i>Transactions with owners in their capacity as owners</i>							
Dividend	14	-	-	(2,384)	(2,384)	-	(2,384)
Change of interest in subsidiary	-	-	-	(135)	(135)	240	105
Dividend paid by subsidiary	-	-	-	-	-	(70)	(70)
Balance at 31 March 2021	230,876	25,690	(333)	(161,206)	95,027	800	95,827

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

<i>In thousands of dollars</i>	Note	2021	2020 Restated
Operating activities			
Receipts from customers		55,558	54,883
Payments to suppliers and employees		(49,820)	(50,294)
Interest received		46	208
Income taxes paid		(815)	(1,937)
Net cash from continuing operations	5	4,969	2,860
Net cash used in discontinued operations		(101)	(1,576)
Net cash from operating activities		4,868	1,284
Investing activities			
Proceeds from sale of other financial assets		-	8,687
Dividends received		726	866
Payments for purchase of property, plant and equipment		(550)	(838)
Loans advanced		(162)	24
Payments for purchase of other financial assets		(7,460)	(4,750)
Proceeds on disposal of interest in associate		356	-
Payment for acquisition of interest in associates		(100)	(2,400)
Proceeds on disposal of EON 2CH	19	4,966	-
Proceeds on change of interest in EON Broadcasting		150	-
Net cash used in (from) investing activities		(2,074)	1,589
Financing activities			
Share buy-back		-	(12,483)
Dividend paid		(2,384)	-
Dividend paid by subsidiary		(70)	(24)
Repayment of borrowings		(1,187)	(1,683)
Payment of interest and borrowing costs		(139)	(277)
Net cash used in financing activities		(3,780)	(14,467)
Net decrease in cash and cash equivalents		(986)	(11,594)
Cash and cash equivalents at the beginning of the year		11,033	22,627
Cash and cash equivalents at the end of the year	5	10,047	11,033

**NOTES TO THE FINANCIAL STATEMENTS: RESULTS FOR THE YEAR
FOR THE YEAR ENDED 31 MARCH 2021**

This consolidated financial report for the year ended 31 March 2021 comprises Oceania Capital Partners Limited (“the Company”), its subsidiaries (together referred to as “the Consolidated Entity”) and the Consolidated Entity’s interest in associates and jointly controlled entities. The principal accounting policies adopted in the preparation of the consolidated financial report are set out below, and have been consistently applied by each entity in the Consolidated Entity to all periods presented, unless otherwise stated.

Oceania Capital Partners Limited is a limited liability company incorporated and domiciled in Australia. The company is a for-profit entity for the purposes of preparing financial statements.

The principal activity of the Company is investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary focus is on investing capital in businesses which will grow over the investment period, enabling a successful profitable exit for the Company.

The financial statements were approved by the Board of Directors on 6 July 2021.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for profit oriented entities. The consolidated financial report of the Consolidated Entity complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for the following which are measured at fair value:

- derivative financial instruments
- financial assets

The methods used to measure fair values are discussed further in note 8.

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company’s functional and presentational currency and the functional currency of the entities in the Consolidated Entity at balance date.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191. In accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Key judgements and estimates

In the process of applying the Consolidated Entity's accounting policies management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

4. Income taxes
7. Inventory
8. Property, plant and equipment
9. Leases
10. Intangible assets
11. Other financial assets
17. Impairment of non-financial assets

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Consolidated Entity. A list of controlled entities (subsidiaries) at year end is contained in note 19.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-Group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Foreign currency

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at balance date. The income and expenses of foreign operations are translated into Australian dollars at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at exchange rates at the dates of the transactions). Any exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

Transactions in foreign currencies are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items that are outstanding at reporting date are translated at the foreign exchange rate prevailing at that date. Foreign exchange gains and losses arising on translation are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rates prevailing at the dates the fair value was determined.

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS: RESULTS FOR THE YEAR
FOR THE YEAR ENDED 31 MARCH 2021**

1. Income

<i>In thousands of dollars</i>	2021	2020 Restated
Sales revenue		
Advertising revenue	9,908	11,421
Sale of goods	40,814	39,496
Total sales revenue	50,722	50,917
Other income		
Interest income	57	221
Dividend income	689	866
Total other income	746	1,087

Recognition and measurement

Revenue

Revenue is income that arises in the course of ordinary activities of the Consolidated Entity and is recognised at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

Commercial radio broadcasting

Revenue represents revenue earned primarily from the sale of advertising airtime and related activities, including sponsorship. Revenue is recorded when the service is provided being primarily when the advertisement is aired. Commissions payable to media agencies are recognised as selling costs. Other regular sources of operating revenue are derived from commercial production for advertisers. Revenue from commercial production is recognised on invoice, at the time of completion.

Security screens

Security screens revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest income

Interest income is recognised in the income statement on an accruals basis, using the effective interest method.

Dividend income

Dividend income is recognised in the income statement when the entity's right to receive payment is established.

2. Government grants

As part of its response to COVID-19, in March 2020 the Australian Government announced various stimulus measures resulting from the economic fallout from the coronavirus lockdown. One such stimulus measure was the payment of subsidies to qualifying employers under the JobKeeper Payment scheme (JobKeeper). The initial JobKeeper payments were a wage subsidy whereby employers who qualify for the stimulus received \$1,500 per fortnight for each eligible employee who was employed by the company during the period from March 2020 to September 2020. The Group determined that it was eligible to receive the initial JobKeeper payments, \$1.4 million was received under the scheme. Further to the initial JobKeeper wage subsidy the scheme was extended for two further quarters. The Group determined that it was not eligible to receive any subsidy during the extended period.

**NOTES TO THE FINANCIAL STATEMENTS: RESULTS FOR THE YEAR
FOR THE YEAR ENDED 31 MARCH 2021**

2. Government grants (continued)

The impact of JobKeeper payments on the Income Statement is shown below:

<i>In thousands of dollars</i>	2021	2020
JobKeeper payments	(1,348)	-
Employee costs	12,628	12,231
Employee costs after JobKeeper payments	11,280	12,231

Recognition and measurement

JobKeeper payments are government grants and are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants are recognised in the period as necessary to match them with related costs which they are intended to compensate. Government grants are reported as a deduction from the related expense

3. Discontinued operations

On 5 June 2020, the company disposed of its interest in EON 2CH Pty Ltd, the disposal was completed on 1 July 2021 on which date control of EON 2CH Pty Ltd and its wholly owned subsidiary, Radio 2CH Pty Ltd (collectively "EON 2CH") passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss disposal are disclosed in note 19.

The results of the discontinued operations, which have been included in profit for the year, were as follows:

<i>In thousands of dollars</i>	Period end 30 June 2020	Year ended 31 March 2020
Revenue	432	2,502
Expenses	(575)	(4,636)
Loss before tax	(143)	(2,134)
Profit on disposal of discontinued operations (refer note 19)	3,088	-
Net profit (loss) attributable to discontinued operations	2,945	(2,134)

During the year EON 2CH contributed negative \$101,000 (2020: \$1,576,000 negative) to net operating cash flows. A profit of \$3.1 million arose on the disposal of EON 2CH, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill.

NOTES TO THE FINANCIAL STATEMENTS: INCOME TAXES
FOR THE YEAR ENDED 31 MARCH 2021

4. Income taxes

Income tax expense recognised in the income statement

<i>In thousands of dollars</i>	2021	2020
Current tax	1,507	1,186
Deferred tax	(165)	61
Income tax expense	1,342	1,247
Deferred income tax in the income statement relates to:		
Tax losses	-	-
Other	(165)	61
	(165)	61

Reconciliation

<i>In thousands of dollars</i>	2021	2020
Profit (loss) before tax		
Continuing operations	13,699	(722)
Discontinued operations	2,945	(2,134)
	16,644	(2,856)
Income tax at the Australian tax rate of 30%	4,993	(857)
Non-deductible expenses	188	2,177
Previously unrecognised tax losses now recouped	(1,123)	(1,051)
Tax losses not recognised	(2,547)	1,025
Other	(169)	(47)
Income tax on profit before tax	1,342	1,247

Unrecognised tax assets

<i>In thousands of dollars</i>	2021	2020
Tax losses for which no deferred tax asset has been recognised	187,644	194,562
Potential tax benefit at 30%	56,293	58,369

Deferred income tax in the balance sheet relates to the following:

<i>In thousands of dollars</i>	2021	2020
Employee entitlements	286	309
Lease liabilities	2,500	2,677
Other	107	104
Total deferred tax assets	2,893	3,090
Right-of-use assets	2,271	2,588
Intangible assets	5,550	6,273
Total deferred tax liabilities	7,821	8,861

4. Income taxes (continued)

Recognition and measurement

The income tax expense or benefit on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax is the expected tax payable on the current period's taxable income, using tax rates enacted or substantially enacted at balance date. Current tax also includes any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the underlying items and the tax rates which are enacted or substantially enacted at balance date and expected to apply when the assets are recovered or liabilities are settled. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising from the recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation

The Company and its wholly-owned Australian controlled entities formed a tax consolidated group on 1 July 2005 meaning that all members of the tax consolidated group are taxed as a single entity. The Company is the head entity of the tax consolidated group.

Key estimate: unrecognised deferred tax assets

The Consolidated Entity has unrecognised benefits relating to carried forward tax losses. These losses relate to a taxable losses incurred on the disposal of investments by the Consolidated Entity in 2011 and 2016. The Consolidated Entity has determined that at this stage future eligible income to utilise the tax assets are not sufficiently probable.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

5. Cash & cash equivalents

<i>In thousands of dollars</i>	2021	2020
Cash at bank	7,089	2,754
Deposits at call	2,958	8,279
Total cash & cash equivalents	10,047	11,033

Reconciliation of net profit after tax to net cash flows from continuing operations

<i>In thousands of dollars</i>	2021	2020 Restated
Profit (loss) for the year	12,357	(1,969)
<i>Non-cash items:</i>		
Depreciation	1,106	1,431
Goodwill impairment	-	4,000
Fair value movement of financial assets	(6,758)	2,434
Share of loss of associates	25	307
(Profit) loss on sale of other financial assets	30	(1,473)
Other non-cash items	119	(571)
Dividends received	(689)	(866)
Lease payments	(1,126)	(558)
Finance costs	1,261	474
<i>Changes in assets and liabilities:</i>		
Increase in receivables	(676)	(1,093)
Increase in inventories	(1,596)	(871)
Increase in net current and deferred tax assets and liabilities	528	(689)
Increase in creditors	386	2,126
Increase in employee entitlements	2	178
Net cash inflow from continuing operating activities	4,969	2,860

Recognition and measurement

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management strategy are reported within liabilities in the Balance Sheet, but included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

6. Trade and other receivables

<i>In thousands of dollars</i>	2021	2020
Current		
Trade receivables	9,820	9,983
Provision for doubtful debts	(4)	(15)
Interest receivable	-	17
Pre-payments and other receivables	1,905	1,342
Total current trade & other receivables	11,721	11,327
Non-current		
Other loans receivable	1,496	1,612
Total non-current trade & other receivables	1,496	1,612

Trade receivables past due but not impaired

<i>In thousands of dollars</i>	2021	2020
Under three months	1,144	1,667
Three to six months	443	1,115
Total receivables not considered impaired	1,587	2,782

The Consolidated entity has recognised an expense in respect of bad and doubtful trade receivables during the period ended 31 March 2021 of \$14,690 (2020: \$13,679).

Recognition and measurement

Trade receivables are initially recognised at fair value. Trade receivables are generally due for settlement within 30 to 60 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A general provision for impairment of trade receivables is raised using a forward looking expected credit loss approach based on lifetime expected credit losses. The Consolidated Entity has established a provision matrix that is based on the Consolidated Entity's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

7. Inventories

<i>In thousands of dollars</i>	2021	2020
<i>Current</i>		
Finished goods	10,847	9,251

The costs of individual items of inventory are determined using weighted average costs.

Recognition and measurement

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of overhead expenditure. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Key estimate: net realisable value

The key assumptions, which require the use of management judgement, are the variables affecting costs recognised in bringing the inventory to their location and condition for sale, estimated costs to sell and the expected selling price. These key assumptions are reviewed at least annually. The total expense relating to inventory write-downs during the year was \$nil (2020: \$36,677). Any reasonably possible change in the estimate is unlikely to have a material impact.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

8. Property, plant and equipment

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Cost			
Balance at 31 March 2019	1,225	5,583	6,808
Additions	12	826	838
Disposals	(104)	(63)	(167)
Balance at 31 March 2020	1,133	6,346	7,479
Additions	24	540	564
Disposals	(47)	(1,826)	(1,873)
Net exchange differences	(11)	(99)	(110)
Balance at 31 March 2021	1,099	4,961	6,060
Accumulated depreciation			
Balance at 31 March 2019	128	1,990	2,118
Depreciation	232	714	946
Disposals	(106)	(60)	(166)
Balance at 31 March 2020	254	2,644	2,898
Depreciation	104	531	635
Disposals	(44)	(588)	(632)
Net exchange differences	(1)	(73)	(74)
Balance at 31 March 2021	313	2,514	2,827
Carrying amounts			
At 31 March 2020	879	3,702	4,581
At 31 March 2021	786	2,447	3,233

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The carrying amount of an item of property, plant and equipment includes the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will eventuate and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the income statement as incurred. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- leasehold improvements : shorter of lease term or useful life
- other plant and equipment : 2-20 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

Key estimate: property, plant and equipment

The estimations of useful lives, residual value and amortisation methods require management judgement and are reviewed annually. If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years). Such revisions are generally required when there are changes in economic circumstances impacting specific assets or groups of assets. These changes are limited to specific assets and as such, any reasonably possible change in the estimate is unlikely to have a material impact on the estimations of useful lives, residual value or amortisation methods.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

9. Leases

The balance sheet shows the following amounts relating to leases:

<i>In thousands of dollars</i>	2021	2020
<i>Right-of-use assets</i>		
Buildings	8,303	11,580
<i>Lease liabilities</i>		
Current	1,098	1,051
Non-current	7,946	10,901
	9,044	11,952

Additions to the right-of-use assets during the current financial year were \$nil (2020: \$6,850,314)

The following amounts relating to leases are included in the Consolidated Income Statement:

<i>In thousands of dollars</i>	2021	2020
<i>Depreciation charge of right-of-use of assets</i>		
Buildings	1,240	984
Interest expense (included in finance costs)	294	294
Expense relating to short-term leases (included in occupancy costs)	766	766
Expense relating to leases of low-value assets that are not shown as short-term leases (included in occupancy costs)		43

The total cash outflow for leases in the year was \$1,292,000 (2020: \$ 1,741,000).

Recognition and measurement

The Consolidated Entity leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 2 to 10 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Consolidated Entity allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Consolidated Entity is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

9. Leases (continued)

In the prior financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 April 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 the Consolidated Entity.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), 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 Consolidated Entity under residual value guarantees
- the exercise price of a purchase option if the Consolidated Entity is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Consolidated 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 in the Consolidated Entity, the lessee'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, the Consolidated Entity:

- where possible, 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
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Consolidated Entity, which do not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security

The Consolidated Entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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 are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Consolidated Entity is reasonably certain to exercise a purchase option, the right-of-

9. Leases (continued)

use asset is depreciated over the underlying asset's useful life. The Consolidated Entity has chosen not to revalue the right-of-use buildings held by the Consolidated Entity.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets generally comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Consolidated Entity. These are used to maximise operational flexibility in terms of managing the assets used in the Consolidated Entity's operations. The majority of extension and termination options held are exercisable only by the Consolidated Entity and not by the respective lessor.

Key judgement: determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, offices and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Consolidated Entity is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Consolidated Entity is typically reasonably certain to extend (or not terminate).
- Otherwise, the Consolidated Entity considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Consolidated Entity could replace the assets without significant cost or business disruption.

As at 31 March 2020, potential future cash outflows of \$5,068,000 (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Consolidated Entity becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

10. Intangible assets

<i>In thousands of dollars</i>	2021	2020
<i>Commercial radio licences – at cost</i>		
Sunshine Coast Broadcasters	10,000	10,000
Radio 2CH	-	2,410
<i>Brands and related intangibles – at cost</i>		
Crimsafe	8,500	8,500
<i>Goodwill – at cost</i>		
<i>Commercial radio broadcasting</i>		
Sunshine Coast Broadcasters	9,438	9,438
Radio 2CH	-	1,880
<i>Security screens</i>		
Crimsafe	14,562	14,562
<i>Goodwill – impairment</i>		
<i>Security screens</i>		
Crimsafe	(4,000)	(4,000)
Total intangible assets	38,500	42,790

Goodwill is monitored by management at an entity level within each of the Consolidated Entity's operating segments.

Recognition and measurement

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Refer to note 17 for further details on impairment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method is reviewed at each financial year end. Intangible assets with indefinite lives are tested for impairment in the same way as goodwill.

Intangible asset	Useful life
Commercial radio licences	Indefinite
Crimsafe brands	Indefinite

Key judgement: useful life of intangible assets

The Crimsafe brand has been assessed as having an indefinite useful life on the basis of strong brand strength, ongoing expected profitability and continuing support. Radio broadcasting licences have been assessed as having an indefinite useful life. These licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. The Directors understand that the revocation of a commercial radio licence has never happened, without cause, in Australia and have no reason to believe that the licences have a finite life.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

11. Other financial assets

<i>In thousands of dollars</i>	2021	2020
Current		
<i>Other financial assets through profit or loss</i>		
Investment in listed securities	28,021	11,053
Total current financial assets	28,021	11,053
Non-current		
<i>Other financial assets through profit or loss</i>		
Other unlisted investments	4,750	4,750
Total non-current financial assets	4,750	4,750

Fair value measurement

(a) Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

<i>In thousands of dollars</i>	Level 1	Level 2	Level 3	Total
2021				
<i>Financial assets designated at fair value through profit or loss</i>				
Listed securities	28,021	-	4,750	32,771
2020				
<i>Financial assets designated at fair value through profit or loss</i>				
Listed securities	11,053	-	4,750	15,803

11. Other financial assets (continued)

(b) Valuation techniques used to determine fair values

Level 1

The fair value of financial instruments traded in active markets, such as publicly traded securities and available-for-sale securities, are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Consolidated Entity is the closing bid price at balance date.

Level 2 & 3

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques and/or consideration of specific circumstances affecting recovery of the financial instruments at balance date.

(c) Other financial instruments not carried at fair value

The Consolidated Entity also has financial assets and liabilities which are not measured at fair value on the Balance Sheet. The fair values of these instruments are not materially different to their carrying value.

Recognition and measurement

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition or subsequently re-designated in compliance with accounting standards. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial instruments are designated at fair value through profit or loss if the Consolidated Entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial instruments that are classified as at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS: CAPITAL
FOR THE YEAR ENDED 31 MARCH 2021

12. Share capital

	Company		Company	
	31 March 2021 shares	31 March 2020 shares	31 March 2021 \$'000	31 March 2020 \$'000
Ordinary fully paid shares	29,804,222	29,804,222	230,876	230,876

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

13. Reserves

<i>In thousands of dollars</i>	2021	2020
<i>Equity reserve</i>		
Opening balance	25,690	25,690
Closing balance	25,690	25,690
<i>Foreign currency translation reserve</i>		
Opening balance	(749)	(177)
Translation differences during the year	416	(572)
Closing balance	(333)	(749)
Total reserves	25,357	24,941

(a) Equity reserve

In accordance with Accounting Standards, a financial asset was recognised in respect of unpaid share capital receivable from shareholders, discounted to fair value at recognition. This treatment resulted in the recognition of \$25.7 million of interest income during the financial years 2005 to 2007 which represented the unwinding of the discount over the term to recovery of the receivable. The Directors have determined that this income should not be used to pay future dividends and approved the transfer of this amount to an equity reserve.

(b) Foreign currency translation reserve

The foreign currency translation reserve comprises of all foreign exchange differences arising from the translation of the financial statements of controlled foreign entities.

14. Dividends

During the year the Company paid a dividend of 8 cents per share totalling \$2,384,338 (fully franked based on a corporate tax rate of 30%).

Estimated franking credits at 31 March 2021 available for the payment of dividends in subsequent financial years based on a tax rate of 30% total \$6,850,461 (2020: \$6,758,422).

NOTES TO THE FINANCIAL STATEMENTS: CAPITAL
FOR THE YEAR ENDED 31 MARCH 2021

15. Borrowings

<i>In thousands of dollars</i>	2021	2020
Current		
Secured bank borrowings	750	1,562
Non-current		
Secured bank borrowings	3,415	3,719
Total Borrowings	4,165	5,281

Secured bank borrowings

(i) Secured term loan of \$0.8 million secured over all of the assets of the Company's subsidiaries EON Broadcasting Pty Ltd and Sunshine Coast Broadcasters Pty Ltd, was repaid in full during the year.

(ii) Secured term loan of \$4.2 million (2020: \$4.5 million) bearing interest at BBSY plus 2.75% repayable in quarterly instalments of, with a final instalment of \$ 2.5 million due in December 2022. The loan is secured over the all of the assets of the Company's subsidiary entities: Crimsafe Holdings Pty Ltd, Crimsafe Security Systems Pty Ltd, Proline Quality Finishing Pty Ltd, Crimsafe North America LLC and IPH International Pty Ltd. The carrying value of assets pledged as security is as follows:

<i>In thousands of dollars</i>	2021	2020
Total current assets	25,132	20,575
Total non-current assets	30,590	36,394
Total assets pledged	55,722	56,969

The Company has subordinated a claim of \$18.9 million against Crimsafe Holdings Pty Ltd in favour of the lender.

The bank borrowings referred to in (i) and (ii) above are subject to certain financial covenants. These include maximum leverage and interest cover ratios. The Consolidated Entity has complied with all financial covenants during the year.

Recognition and measurement

All loans and borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

16. Financial risk management

The Consolidated Entity has exposure to a variety of financial risks, which are categorised as market risk, credit risk, and liquidity risk. This note presents information about the Consolidated Entity's exposure to each of these risks. Additional disclosures are presented throughout this financial report. The understanding and management of risk, particularly preservation of capital, is critical to the Company. The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business.

Documented policies and processes to enable appropriate management of business and investment risk have been adopted. Investee entities are responsible for their own risk management. The Company oversees the risk management practices of investee entities through representation on the boards of those entities and involvement in actively assisting and overseeing the management of the businesses.

The risk management policies and analysis described below and throughout this financial report refer to those practices adopted by the entities that are members of the Consolidated Entity.

(a) Market risk

Market risk refers to the potential for changes in the market value of the Consolidated Entity's investment positions or earnings streams. There are various types of market risks including exposures associated with interest rates, foreign currencies and equity market prices. The Consolidated Entity may use derivative financial instruments to hedge certain risk exposures. The methods used to measure the types of risk to which the Consolidated Entity is exposed are described below.

(i) Interest rate risk

The nature of the Company's business has been to invest in listed and unlisted entities. As part of the funding arrangements for transactions, the Board may elect to raise a level of debt to partially fund the Consolidated Entity's investments. Debt funding exposes the Consolidated Entity to the risk of movements in interest rates.

Interest rate swaps may be used by the Consolidated Entity to manage exposure to interest rate risk. The majority of the derivative financial instruments are floating-to-fixed interest rate swaps. Such derivative financial instruments have the economic effect of converting assets and liabilities from variable interest rate to fixed interest rate arrangements. Under the interest rate swaps, the relevant entity agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The Consolidated Entity had no exposure to interest rate swaps at 31 March 2021.

As at the end of the reporting period, the Consolidated Entity had the following variable rate borrowings outstanding:

<i>In thousands of dollars</i>	2020	2021
Bank borrowings	5,281	5,281
Weighted average interest rate	4.18%	4.18%

16. Financial risk management (continued)

Interest Rate Sensitivity

The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to a reasonable possible change in interest rates, with all other variables held constant. It assesses the effect that a 100 basis point increase or decrease in the yield curve in the Australian interest rate at 31 March 2021 would have on equity and profit or loss (before tax) at the reporting date. The analysis was performed on the same basis in 2020.

<i>In thousands of dollars</i>	2021		2020	
	Profit or loss	Equity	Profit or loss	Equity
100 basis point decrease	47	47	61	61
100 basis point increase	(47)	(47)	(61)	(61)

A sensitivity of 100 basis points has been selected as this is considered reasonable given the current level of short-term and long-term interest rates and the volatility observed both on an historical basis and market expectations for future movements.

(ii) Foreign currency risk

The Company has made investments in Australian dollars only. Each of the businesses in which the Consolidated Entity has invested may conduct operations outside of Australia and may be exposed to foreign currency exchange risk. Each investee entity is responsible for managing its own exposure to these risks.

OCP's policy is to require operating subsidiary companies to manage their foreign exchange risk against their functional currency.

Sensitivity analysis

The Consolidated Entity is not considered to have any material sensitivity to foreign currency exchange risks.

For the Consolidated Entity, any foreign currency translation risk associated with foreign investments results in some volatility to the foreign currency translation reserve. The impact on the foreign currency translation reserve relates to translation of the net assets of foreign controlled entities including the impact of hedging. The movement taken to the foreign currency translation reserve takes into account the related hedges and represents the impact of the unhedged portion.

(iii) Equity price risk

The Consolidated Entity is exposed to equity securities price risk arising from its investment in listed securities. Hedging is not entered into in respect of the risk of a general decline in equity market values. The Consolidated Entity does not actively hedge its exposure to the risk of a general decline in equity market values, believing that such strategies are not cost-effective. Instead, the Consolidated Entity prefers to actively manage the underlying business or asset to ensure that its fundamental value is preserved and enhanced.

The Consolidated Entity may enter into hedges of highly probable forecast transactions for payments for listed equity investments. At the reporting date, no derivatives were held for that purpose.

NOTES TO THE FINANCIAL STATEMENTS: RISK
FOR THE YEAR ENDED 31 MARCH 2021

16. Financial risk management (continued)

Equity pricing sensitivity

The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to equity price risk at balance date.

<i>In thousands of dollars</i>	2021		2020	
	Carrying amount	Market or fair value	Carrying amount	Market or fair value
Listed shares (accounted for using the fair value method)	28,021	28,021	11,053	11,053

Listed securities are measured at fair value as represented by the share price at balance date. A 10% movement in the share price as at 31 March 2021 would have resulted in an increase or decrease in the fair value of the shares of approximately \$2.8 million (2020: \$1.11 million).

The price risk for any other unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

The Consolidated Entity is not exposed to commodity price risk.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company or its subsidiaries. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk arises from all financial assets included in the statement of financial position.

The Company has invested in listed and unlisted entities. The Company, or a subsidiary entity, will usually only provide loans to investee entities when it forms part of the overall funding provided for an investment transaction. Approval of such funding is the responsibility of the Board.

Operating businesses that the Company invests in will have their own credit risk policies. The Company is actively involved in assisting and overseeing the managing of the business of investee entities, including overseeing that appropriate policies are in place.

The carrying amount of the financial assets recognised in the Balance Sheet best represents the Consolidated Entity's maximum exposure to credit risk at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS: RISK
FOR THE YEAR ENDED 31 MARCH 2021

16. Financial risk management (continued)

Ageing of financial assets

The following table summarises the credit risk of the Consolidated Entity's financial assets by assessing the ageing of the carrying amount of financial assets. It also details any financial assets that are individually impaired and a description of collateral held where relevant.

<i>In thousands of dollars</i>	Total	Neither past due nor impaired	Past due but not impaired				Collectively impaired	Individually Impaired
			<30 days	30-60 days	60-90 Days	>90 days		
2021								
Cash & cash equivalents	10,047	10,047	-	-	-	-	-	-
Receivables	11,725	10,134	448	410	286	443	4	-
Other financial assets	28,021	28,021	-	-	-	-	-	-
	49,793	48,202	448	410	286	443	4	-
2020								
Cash & cash equivalents	11,033	11,033	-	-	-	-	-	-
Receivables	11,342	8,546	512	676	478	1,115	15	-
Other financial assets	11,053	11,053	-	-	-	-	-	-
	33,428	30,632	512	676	478	1,115	15	-

Based on past payment behaviour and analysis of customer credit risk, unimpaired past due amounts are considered to be collectible in full.

(c) Liquidity risk

Liquidity risk is the risk that the Company or its subsidiaries will not be able to meet financial obligations as they fall due.

The Board has approved a Financial Management Policy applicable to the Company and its wholly owned subsidiaries. The Financial Management Policy includes policies for the investment of surplus cash and monitoring of the liquidity position.

Operating businesses in which the Company has invested and which are not wholly owned are required to manage their own liquidity requirements so as to meet their financial obligations as they fall due. This includes maintaining an appropriate level of surplus cash to support the business and having appropriate overdraft and debt facilities available. The Company is represented on the boards of these entities and is able to monitor the liquidity position.

The liquidity position of the Consolidated Entity is monitored for the impact of potential investment acquisitions or divestments, including any potential borrowing requirements.

NOTES TO THE FINANCIAL STATEMENTS: RISK
FOR THE YEAR ENDED 31 MARCH 2021

16. Financial risk management (continued)

The following table analyses the Consolidated Entity's financial liabilities into relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows (including both interest and principal cash flows).

<i>In thousands of dollars</i>	Carrying amount	Contractual cash flows	Residual contract maturities				
			6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
2021							
Trade & other payables	8,505	8,505	8,505	-	-	-	-
Interest bearing loans and borrowings	4,165	4,353	435	430	3,488	-	-
	12,670	12,858	8,940	430	3,488	-	-
2020							
Trade & other payables	8,614	8,614	8,614	-	-	-	-
Interest bearing loans and borrowings	5,281	5,688	852	896	888	3,052	-
	13,895	14,302	9,466	896	888	3,052	-

The borrowings of the Consolidated Entity are subject to certain financial covenants; these include debt service cover ratios and maximum leverage ratios. The Consolidated Entity has ongoing procedures in place to monitor compliance with these covenants. The Consolidated Entity has complied with all such covenants during the year ended 31 March 2021.

(d) Capital risk management

The Board reviews the Company's capital plan including dividend policy, share issuance or repurchase programmes and the issuance of debt.

The Company, directly or indirectly, has invested in listed and unlisted operating businesses. In making investment decisions, the Board considers an appropriate level of equity investment and debt for each transaction with the aim of reducing the equity requirement and maximising the return on capital invested.

17. Impairment of non-financial assets

Testing for impairment

The Consolidated Entity tests, property, plant and equipment, intangibles and goodwill for impairment:

- at least annually for indefinite life intangibles and goodwill, and ;
- where there is an indication that the asset may be impaired, which is assessed at least each reporting date; or
- where there is an indication that previously recognised impairment (on assets other than goodwill) may have changed.

If the asset does not generate independent cash flows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs.

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal (FVLCO) or value in use (VIU).

17. Impairment of non-financial assets (continued)

The value of the Consolidated Entity's Broadcasting licences, Brands and goodwill are tested for impairment at the individual entity level to which they relate ("CGU").

The recoverable amount of the Radio 2CH CGU was determined with reference to the agreement entered into by the Consolidated Entity to dispose of its interest in the Radio 2CH CGU for an amount in excess of its carrying value after accounting for estimated selling costs. The recoverable amount of the Consolidated Entities other CGU's at 31 March 2020 was determined based on a VIU discounted cash flow model. VIU calculations use cash flow projections based on the 2020 financial budget extended over the subsequent four year period ("forecast period") using estimated growth rates. Cash flows beyond the five year period are extrapolated using growth rates that do not exceed the long term average growth rate for the business in which the CGU operates. The estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Discount rates used in both calculations are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary. Other assumptions are determined with reference to external sources of information and use consistent, conservative estimates for variables such as terminal cash flow multiples. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values.

Key assumptions

Sunshine Coast Broadcasters ("SCB") CGU

Assumptions used in the value in use calculation include:

- a pre-tax discount rate of 15.5% (2020: 14.25%);
- revenue growth rates of 5%;
- operating cost growth rates of 2.5%, and;
- and a long term growth rate of 2.5%.

As at 31 March 2021, no reasonable increase in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the SCB CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease to below 0% or the operating expense growth assumption was to increase from 2.5% to above 15% over the forecast period it would result in the SCB CGU carrying amount exceeding its recoverable amount.

Crimsafe CGU

Assumptions used in the value in use calculation include:

- a pre-tax discount rate of 15.5% (2020: 14.4%),
- revenue growth rates of 4%;
- operating cost growth rates of 2.5%, and;
- a long term growth rate of 2.5%.

As at 31 March 2021, no reasonable increase in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the Crimsafe CGU carrying amount exceeding its recoverable amount. As at 31 March 2021, a 7% increase in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the Crimsafe CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease by 3% or the operating expense growth assumption was to increase by 2.5% over the forecast period it would result in the Crimsafe CGU carrying amount exceeding its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS: UNRECOGNISED ITEMS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Investments accounted for using the equity method

Investment in associates

The Consolidated Entity has the following interest interests in individually immaterial associates:

- 22.5% equity interest in Boody Australia Pty Ltd
- 20% in WINR Pty Ltd
- 34% interest in RZT Holdings Pty Ltd

The summarised aggregated financial information of the Consolidated Entity's share in these associates is as follows:

<i>In thousands of dollars</i>	2021	2020
Carrying amount	7,149	7,111
Aggregate amounts of the groups share of:		
Loss from continuing operations	(25)	(307)
Other comprehensive income	-	-
Total comprehensive income	(25)	(307)

Recognition and measurement

Associates are those entities in which the Consolidated Entity has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Consolidated Entity has joint control, established by contractual agreement. In the consolidated financial statements, investments in associates and jointly controlled entities are accounted for using either fair value through profit or loss or the equity method of accounting as designated as appropriate to each investment.

The Consolidated Entity's investments in associates and jointly controlled entities include goodwill identified on acquisition net of impairment losses, if any. Where the equity method is applied, the consolidated financial statements include the Consolidated Entity's share of the total recognised gains and losses of associates or jointly controlled entities on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Consolidated Entity's share of losses exceeds its interest in an associate or jointly controlled entity, the Consolidated Entity's carrying amount is reduced to \$Nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred obligations or made payments on behalf of the associate or jointly controlled entity.

Where the fair value method is applied, the carrying amount of investments in associates or jointly controlled entities is restated to the assessed fair value with changes recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS: RISK
FOR THE YEAR ENDED 31 MARCH 2021

19. Subsidiaries

The Consolidated Financial Statements incorporate the assets, liabilities and results of the following entities:

Name of entity	Country of incorporation	Class of shares / units	Effective Equity Holding (%)	
			2021	2020
EON Broadcasting Pty Ltd	Australia	Ordinary	96.5	98.0
Sunshine Coast Broadcasters Pty Ltd	Australia	Ordinary	96.5	98.0
OCP Shelf 2 Pty Ltd	Australia	Ordinary	100.0	100.0
EON 2CH Pty Ltd	Australia	Ordinary	-	85.5
Radio 2CH Pty Ltd	Australia	Ordinary	-	85.5
Crimsafe Holdings Pty Ltd	Australia	Ordinary	97.0	97.0
Crimsafe Security Systems Pty Ltd	Australia	Ordinary	97.0	97.0
Proline Quality Finishing Pty Ltd	Australia	Ordinary	97.0	97.0
IPH International Pty Ltd	Australia	Ordinary	97.0	97.0
IP Unit Trust	Australia	Units	97.0	97.0
Crimsafe North America, LLC	USA	Ordinary	97.0	97.0
OCP Boody Holdings Pty Ltd	Australia	Ordinary	100.0	100.0

As referred to in note 3, on 1 July 2020 The Consolidated Entity disposed of its interest in EON 2CH Pty Ltd and its wholly owned subsidiary, Radio 2CH Pty Ltd (collectively "EON 2CH").

The net assets of EON 2CH at the date of disposal were as follows:

In thousands of dollars

Cash and cash equivalents	28
Trade and other receivables	535
Property, plant and equipment	1,140
Right-of-use assets	1,775
Intangible assets	4,290
Trade and other payables	(422)
Lease liabilities	(1,827)
Employee benefits	(110)
Deferred tax liabilities	(723)
Net assets disposed of	4,686
Gain on disposal (included in profit for the year from discontinued operations)	3,088
Total consideration	7,774

Satisfied by:

Cash	4,994
10 million shares in Sports Entertainment Group Limited (ASX: SEG)	2,780
	7,774

Net cash inflow arising on disposal:

Consideration received in cash	4,994
Cash and cash equivalents disposed of	(28)
	4,966

19. Subsidiaries (Continued)

Recognition and measurement

The consolidated financial statements of Oceania Capital Partners Limited incorporate the assets and liabilities of all entities controlled by the Company as at 31 March 2021 and the results of all controlled entities for the year then ended. Control exists when the Consolidated Entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

20. Commitments and contingencies

Certain subsidiaries of the Company are party to various legal actions that have arisen in the normal course of business. It is expected that any liabilities arising from such legal action would not have a material effect on the Consolidated Entity's financial performance.

21. Events after the reporting date

On 14 May 2021 the Consolidated Entity completed the acquisition of a 45% interest in Glow Dreaming Holdings Pty Ltd for an aggregate consideration of \$2 million. On 24 June 2021 the Consolidated Entity's subsidiary, EON Broadcasting Pty Ltd, drew down in full on a \$6 million secured term loan facility. On 30 June 2021 the Consolidated Entity provided a loan of \$1 million to Boody Australia Pty Limited.

Other than above or disclosed elsewhere in this financial report, there have been no significant events subsequent to balance date.

NOTES TO THE FINANCIAL STATEMENTS: OTHER
FOR THE YEAR ENDED 31 MARCH 2021

22. Parent entity disclosures

<i>In thousands of dollars</i>	2021	2020
Result of the parent entity		
Profit for the year	5,616	3,023
Other comprehensive income	-	-
Total comprehensive income for the period	5,616	3,023
Financial position of the parent entity at period end		
Current assets	31,843	18,283
Total assets	82,906	80,077
Current liabilities	180	260
Total liabilities	291	352
Total equity of the parent comprising:		
Share Capital	230,876	230,876
Equity reserve	25,690	25,690
Distributable profit reserve	15,706	12,817
Accumulated losses	(189,658)	(189,658)
	82,614	79,725

The company had no contingent liabilities, capital expenditure or investment commitments at 31 March 2021.

23. Auditors' remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

<i>In dollars</i>	2021	2020
Audit services		
BDO Audit Pty Ltd:		
Statutory audit and review of financial reports	143,313	197,474
Non - Audit services		
BDO Services Pty Ltd:		
Tax advisory and consulting	60,319	102,903
Other services	-	1,919

NOTES TO THE FINANCIAL STATEMENTS: OTHER
FOR THE YEAR ENDED 31 MARCH 2021

24. Related party transactions

Ultimate controlling entity

SJB Investco Pty Ltd

Controlling entity

HCI Australian Operations Pty Ltd

Key management personnel

The following were key management personnel (KMP) of the Consolidated Entity at the end of the reporting period:

Directors

Robert Moran (Chairman)
Michael Jacobson (Executive Director)
Brian Scheiner (Executive Director)

Executive

Lionel Baldwin (Chief Financial Officer and Company Secretary, Oceania Capital Partners Limited)

(a) Details of remuneration

Details of the total remuneration of all key management personnel (KMP), including their personally related entities, are as follows:

<i>In dollars</i>	2021	2020
Short-term employee benefits	1,127,048	907,337
Other- long term benefits	15,903	13,797
Post-employment benefits	62,127	62,838
Total KMP remuneration	1,205,078	983,972

Remuneration paid to directors of parent company, HCI Australian Operations Pty Ltd, during the period was \$1,053,078 (2020: \$851,972).

Other

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Company or the Consolidated Entity since the end of the previous financial period and there were no material contracts involving key management personnel interests existing at balance date.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 MARCH 2021

In the opinion of the Directors of Oceania Capital Partners Limited ("the Company"):

- a) the consolidated financial statements and notes set out on pages 10 to 43 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards, other mandatory professional reporting requirements and the Corporations Regulations 2001.
- 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.

The Directors draw attention the notes to the financial statements, which include a statement of compliance with International Financial Reporting Standards on page 15.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the year ended 31 March 2021.

Signed in accordance with a resolution of the Directors.



Robert Moran
Chairman

Dated at Sydney this 6th day of July 2021.

INDEPENDENT AUDITOR'S REPORT

To the members of Oceania Capital Partners Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Oceania Capital Partners Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 March 2021, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 March 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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



Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A small, stylized version of the BDO logo, with the letters 'BDO' in a cursive, handwritten style.

A handwritten signature in black ink, appearing to read 'Grant Saxon'.

Grant Saxon

Director

Sydney, 6 July 2021