

**Oceania Capital Partners Limited**

**(ABN 52 111 554 360)**

**2022 Financial Report**

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2022

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**DIRECTORS' REPORT**FOR THE YEAR ENDED 31 MARCH 2022

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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 2022 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 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 Seardel 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.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2022

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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 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 Crimsafe and Glow Dreaming.

**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	4	4
Robert Moran	4	4
Brian Scheiner	4	4

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.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2022

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

- 97% interest in the Crimsafe Holdings Pty Ltd ("Crimsafe"), a provider of security screen products.
- 25% interest in Boody Australia Pty Ltd ("Boody")
- 55% interest in Glow Dreaming Holdings Pty Ltd ("Glow")
- 22.91 % in WINR Corporation Pty Ltd ('WINR')
- 35.8 % interest in RZT Holdings Pty Ltd ("RZT")
- 9.75% interest in TAE Holdings Pty Ltd ("TAE")
- 4.46% interest in Sports Entertainment Group Limited ("SEG")

#### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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 \$2,000,000. On 5 August 2021, the Consolidated Entity acquired a further 10% interest in Glow for \$600,000.

On 11 March 2022, the Consolidated Entity disposed of its interest EON Broadcasting Pty Ltd ("EON"). After accounting for debt, the proceeds received by the shareholders of EON amounted to \$21,967,000. The Consolidated Entity also received a debt repayment of \$5,079,000 from EON.

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 2022 was \$21,446,000 (2021: \$15,302,000).

The current period result includes:

- Interest income of \$140,000 (2021: \$57,000).
- A \$6,928,000 (2021: \$6,758,000) mark-to-market adjustment to the carrying value of listed securities.
- Revenue of \$43,051,000 (2021: \$40,814,000) and a profit before tax contribution of \$4,441,000 from the operations of Crimsafe (2021: \$4,135,000).
- Aggregate share of loss of associates of \$155,000 (2021: \$25,000).
- An impairment of \$974,000 relating to the Consolidated Entity's investment in RZT.
- Profit before tax of \$3,552,000 (2021: \$3,495,000 full year) from the discontinued operations of EON Broadcasting Pty Ltd ("EON") up until the date of disposal, and a \$10,120,000 profit on the disposal of EON.

The prior period result includes:

- An operating loss of \$143,000 from the discontinued operations of EON 2CH Pty Ltd ("2CH") up until the date of disposal, and a \$3,088,000 profit on the disposal of 2CH.
- A realised profit on the disposal of listed securities of \$40,000.

#### *Financial Position*

At 31 March 2022 the Consolidated Entity had net assets of \$114,500,000 (2021: \$95,827,000) and cash at bank of \$27,895,000 (2021 \$10,047,000), of which \$24,445,000 is held by the Company.

At 31 March 2022 the Consolidated Entity's total borrowings amounted to \$3,890,000 (2021: \$4,165,000). Of these borrowings, \$3,418,000 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.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2022

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**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.

**DIVIDENDS**

A dividend of 7 cents per share totalling \$2,086,000 was declared and paid during the year (2021: \$2,384,000).

**SHARE CAPITAL**

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

**EVENTS SUBSEQUENT TO REPORTING DATE**

On 1 April 2022, the Consolidated Entity entered into a conditional agreement to dispose of its interest in TAE. As at the date of this report the share sale remains subject to a number of conditions.

On 31 May 2022, the Consolidated Entity acquired additional 25 million shares in the capital of Sports Entertainment Group Limited (ASX: SEG) for an amount of \$5,000,000. Following this acquisition, the Consolidated Entity has a 13.52% interest in SEG.

On 10 June 2022 the Consolidated Entity acquired a 22.7% interest in the Apache Unit Trust ("Apache") for \$10,000,000 and provided \$3,000,000 loan funding to Apache.

Other than 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:

<b>Directors</b>	<b>Fully paid ordinary shares</b>
Michael Jacobson	2,392,927
Robert Moran	600,000
Brian Scheiner	2,378,930

**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.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2022

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**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 2022.

**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  
29 June 2022

**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 2022, 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, 29 June 2022



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**FOR THE YEAR ENDED 31 MARCH 2022**

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**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<i>In thousands of dollars</i>	<b>Note</b>	<b>2022</b>	<b>2021 Restated</b>
Revenue from sales	1	43,051	40,814
Other income	1	1,110	746
<b>Total revenue</b>		<b>44,161</b>	<b>41,560</b>
Profit on sale of financial assets		-	371
Share of loss of equity accounted investments		(155)	(25)
Fair value adjustment of financial assets		6,928	6,758
<b>Total operating income</b>		<b>50,934</b>	<b>48,664</b>
Raw materials and inventory		(21,831)	(21,897)
Employee benefits expense	2	(10,198)	(8,326)
Promotions and marketing		(3,150)	(3,352)
Administration and other operating expenses		(3,323)	(3,001)
Depreciation – property, plant & equipment	8	(469)	(389)
Depreciation – right-of-use assets		(1,078)	(1,072)
Finance costs – lease liabilities		(272)	(305)
Finance costs – other		(137)	(119)
Impairment		(974)	-
<b>Profit before income tax</b>		<b>9,502</b>	<b>10,203</b>
Income tax expense	4	(909)	(505)
<b>Profit for the year from continuing operations</b>		<b>8,593</b>	<b>9,698</b>
Profit for the year from discontinued operations	3	12,853	5,604
<b>Profit for the year</b>		<b>21,446</b>	<b>15,302</b>
<b>Attributable to:</b>			
Equity holders of the parent entity		21,350	15,224
Non-controlling interests		96	78
<b>Profit for the year</b>		<b>21,446</b>	<b>15,302</b>

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<i>In thousands of dollars</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Profit for the year</b>		21,446	15,302
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(112)	416
Other comprehensive (loss) profit for the year, net of tax		(112)	416
<b>Total comprehensive income for the year</b>		<b>21,334</b>	<b>15,718</b>
<b>Attributable to:</b>			
Equity holders of the parent entity		21,241	15,808
Non-controlling interests		93	(90)
<b>Total comprehensive income for the year</b>		<b>21,334</b>	<b>15,718</b>

**CONSOLIDATED BALANCE SHEET**  
AS AT 31 MARCH 2022

<i>In thousands of dollars</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	27,895	10,047
Trade and other receivables	6	10,740	11,721
Inventories	7	12,492	10,847
Other financial assets	11	35,952	28,021
<b>Total current assets</b>		<b>87,079</b>	<b>60,636</b>
<b>Non-current assets</b>			
Other receivables	6	3,748	1,496
Other financial assets	11	4,750	4,750
Investments accounted for using the equity method	18	12,096	7,149
Property, plant and equipment	8	2,159	3,233
Right-of-use assets	9	6,075	8,303
Intangible assets	10	19,062	38,500
Deferred tax assets	4	2,272	2,893
<b>Total non-current assets</b>		<b>50,162</b>	<b>66,324</b>
<b>Total assets</b>		<b>137,241</b>	<b>126,960</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		6,355	8,505
Borrowings	15	3,730	750
Lease liabilities	9	1,018	1,098
Current tax liabilities		595	472
Employee benefits		674	873
<b>Total current liabilities</b>		<b>12,372</b>	<b>11,698</b>
<b>Non-current liabilities</b>			
Borrowings	15	160	3,415
Lease liabilities	9	5,878	7,946
Employee benefits		125	253
Deferred tax liabilities	4	4,206	7,821
<b>Total non-current liabilities</b>		<b>10,369</b>	<b>19,435</b>
<b>Total liabilities</b>		<b>22,741</b>	<b>31,133</b>
<b>Net assets</b>		<b>114,500</b>	<b>95,827</b>
<b>EQUITY</b>			
Share capital	12	230,876	230,876
Reserves	13	25,248	25,357
Accumulated losses		(141,942)	(161,206)
<b>Equity attributable to owners of Oceania Capital Partners Limited</b>		<b>114,182</b>	<b>95,027</b>
Non-controlling interests		318	800
<b>Total equity</b>		<b>114,500</b>	<b>95,827</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 31 MARCH 2022

<i>In thousands of dollars</i>	Share capital	Equity reserve	Foreign exchange translation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
<b>Balance at 1 April 2020</b>	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
<b>Total comprehensive profit for the year</b>	-	-	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)
<b>Balance at 31 March 2021</b>	230,876	25,690	(333)	(161,206)	95,027	800	95,827
Profit for the year	-	-	-	21,350	21,350	96	21,446
Other comprehensive profit	-	-	(109)	-	(109)	(3)	(112)
<b>Total comprehensive profit for the year</b>	-	-	(109)	21,350	21,241	93	21,334
<i>Transactions with owners in their capacity as owners</i>							
Dividend	-	-	-	(2,086)	(2,086)	-	(2,086)
Disposal of subsidiary	-	-	-	-	-	(339)	(339)
Dividend paid by subsidiary	-	-	-	-	-	(236)	(236)
<b>Balance at 31 March 2022</b>	230,876	25,690	(442)	(141,942)	114,182	318	114,500

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<i>In thousands of dollars</i>	<b>Note</b>	<b>2022</b>	<b>2021 Restated</b>
<b>Operating activities</b>			
Receipts from customers		46,684	43,706
Payments to suppliers and employees		(47,238)	(42,676)
Interest received		108	46
Income taxes paid		(795)	(91)
Net cash (used in) from continuing operations	5	(1,241)	985
Net cash from discontinued operations		2,952	3,883
<b>Net cash from operating activities</b>		<b>1,711</b>	<b>4,868</b>
<b>Investing activities</b>			
Dividends received		137	726
Payments for purchase of property, plant and equipment		(799)	(550)
Loans advanced		(3,090)	(162)
Payments for purchase of other financial assets		(172)	(7,460)
Proceeds on disposal of interest in associate		-	356
Payment for acquisition of interest in associates		(4,908)	(100)
Proceeds on disposal of EON Broadcasting	19	24,589	-
Proceeds on disposal of EON 2CH		-	4,966
Proceeds on change of interest in EON Broadcasting		-	150
<b>Net cash from (used in) investing activities</b>		<b>15,757</b>	<b>(2,074)</b>
<b>Financing activities</b>			
Dividend paid		(2,086)	(2,384)
Dividend paid by subsidiary		(236)	(70)
Borrowings raised (repaid)		2,940	(1,187)
Payment of interest and borrowing costs		(238)	(139)
<b>Net cash from (used in) financing activities</b>		<b>380</b>	<b>(3,780)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>17,848</b>	<b>(986)</b>
Cash and cash equivalents at the beginning of the year		10,047	11,033
Cash and cash equivalents at the end of the year	5	27,895	10,047

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**NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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This consolidated financial report for the year ended 31 March 2022 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 29 June 2022.

**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 11.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**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. Inventories
- 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 2022**

**1. Income**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021 Restated</b>
<b>Sales revenue</b>		
Sale of goods	43,051	40,814
<b>Other income</b>		
Interest income	140	57
Dividend income	970	689
<b>Total other income</b>	<b>1,110</b>	<b>746</b>

**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 2022**

**2. Government grants (continued)**

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

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021 Restated</b>
JobKeeper payments	-	(435)
Employee costs	10,198	8,761
<b>Employee costs after JobKeeper payments</b>	<b>10,198</b>	<b>8,326</b>

**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**

*Current year*

On 2 February 2022, the company entered into an agreement to dispose of its interest in EON Broadcasting Pty Ltd, the disposal was completed on 11 March 2022, on which date control of EON Broadcasting Pty Ltd and its wholly owned subsidiary, Sunshine Coast Broadcasters Pty Ltd (collectively "EON"), 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>	<b>Period end 10 March 2022</b>	<b>Year ended 31 March 2021</b>
Revenue	11,039	9,908
Expenses	(7,487)	(6,412)
Profit before tax	3,552	3,496
Taxation	(819)	(837)
Profit after tax	2,733	2,659
Profit on disposal of discontinued operations (refer note 19)	10,120	-
<b>Net profit (loss) attributable to discontinued operations</b>	<b>12,853</b>	<b>2,659</b>

During the year EON contributed \$2,952,000 (2021: \$3,984,000) to net operating cash flows. A profit of \$10,120,000 million arose on the disposal of EON, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill.

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**NOTES TO THE FINANCIAL STATEMENTS: RESULTS FOR THE YEAR  
FOR THE YEAR ENDED 31 MARCH 2022**

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**3. Discontinued operations (continued)***Prior year*

On 5 June 2020, the company entered into an agreement to dispose 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 prior year, were as follows:

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

During the prior year EON 2CH contributed negative \$101,000 to net operating cash flows. In the prior year, a profit of \$3,088,000 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 2022**

**4. Income taxes**

**Income tax expense recognised in the income statement**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
Current tax	1,034	1,507
Deferred tax	(125)	(165)
<b>Income tax expense</b>	<b>909</b>	<b>1,342</b>
Deferred income tax in the income statement relates to:		
Tax losses	-	-
Other	(125)	(165)
	<b>(125)</b>	<b>(165)</b>

**Reconciliation**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
Profit (loss) before tax		
Continuing operations	9,502	13,699
Discontinued operations	12,853	2,945
	22,355	16,644
Income tax at the Australian tax rate of 30%	6,707	4,993
Non-deductible expenses	175	188
Previously unrecognised tax losses now recouped	(4,391)	(1,123)
Tax losses not recognised	-	(2,547)
Other	(1,582)	(169)
<b>Income tax on profit before tax</b>	<b>909</b>	<b>1,342</b>

**Unrecognised tax assets**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
Tax losses for which no deferred tax asset has been recognised	172,929	187,644
Potential tax benefit at 30%	51,879	56,293

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

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
Employee entitlements	188	286
Lease liabilities	1,890	2,500
Other	194	107
<b>Total deferred tax assets</b>	<b>2,272</b>	<b>2,893</b>
Right-of-use assets	1,656	2,271
Intangible assets	2,550	5,550
<b>Total deferred tax liabilities</b>	<b>4,206</b>	<b>7,821</b>

#### **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 2022**

**5. Cash & cash equivalents**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
Cash at bank	3,895	7,089
Deposits at call	24,000	2,958
<b>Total cash &amp; cash equivalents</b>	<b>27,895</b>	<b>10,047</b>

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

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b> <b>Restated</b>
Profit (loss) for the year	8,593	9,698
<i>Non- cash items:</i>		
Depreciation	1,547	1,461
Impairment	974	-
Fair value movement of financial assets	(6,929)	(6,758)
Share of loss of associates	155	25
(Profit) loss on sale of other financial assets	-	30
Other non-cash items	(130)	120
Dividends received	(970)	(689)
Lease payments	(1,176)	(964)
Finance costs	409	424
<i>Changes in assets and liabilities:</i>		
Increase in receivables	(1,001)	(1,575)
Increase in inventories	(1,645)	(1,596)
Increase in net current and deferred tax assets and liabilities	114	415
Increase in creditors	(1,213)	339
Increase in employee entitlements	31	55
<b>Net cash (outflow) inflow from continuing operating activities</b>	<b>(1,241)</b>	<b>985</b>

**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 2022**

**6. Trade and other receivables**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<b>Current</b>		
Trade receivables	8,762	9,820
Provision for doubtful debts	-	(4)
Interest receivable	3	-
Pre-payments and other receivables	1,975	1,905
<b>Total current trade &amp; other receivables</b>	<b>10,740</b>	<b>11,721</b>
<b>Non-current</b>		
Other loans receivable	3,748	1,496
<b>Total non-current trade &amp; other receivables</b>	<b>3,748</b>	<b>1,496</b>

**Trade receivables past due but not impaired**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
Under three months	1,842	1,144
Three to six months	-	443
<b>Total receivables not considered impaired</b>	<b>1,842</b>	<b>1,587</b>

The Consolidated entity has recognised an expense in respect of bad and doubtful trade receivables during the period ended 31 March 2022 of \$187,184 (2021: \$14,690).

**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.

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**NOTES TO THE FINANCIAL STATEMENTS: ASSETS**  
FOR THE YEAR ENDED 31 MARCH 2022

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**7. Inventories**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<i>Current</i>		
Finished goods	12,492	10,847

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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 (2021: \$nil). 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 2022

**8. Property, plant and equipment**

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
<b>Cost</b>			
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
Additions	3	796	799
Disposals	(918)	(1,679)	(2,597)
Net exchange differences	1	8	9
Balance at 31 March 2022	185	4,086	4,271
<b>Accumulated depreciation</b>			
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
Depreciation	98	603	701
Disposals	(355)	(1,067)	(1,422)
Net exchange differences	-	6	6
Balance at 31 March 2022	56	2,056	2,112
<b>Carrying amounts</b>			
At 31 March 2021	786	2,447	3,233
At 31 March 2022	129	2,030	2,159

**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 2022**

**9. Leases**

The balance sheet shows the following amounts relating to leases:

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<i>Right-of-use assets</i>		
Buildings	6,075	8,303
<i>Lease liabilities</i>		
Current	1,018	1,098
Non-current	5,878	7,946
	<b>6,896</b>	<b>9,044</b>

Additions to the right-of-use assets during the current financial year were \$nil (2021: \$nil)

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

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<i>Depreciation charge of right-of-use of assets</i>		
Buildings	1,078	1,072
Interest expense (included in finance costs)	272	354
Expense relating to short-term leases (included in operating costs)	65	-
Expense relating to leases of low-value assets that are not shown as short-term leases (included in occupancy costs)	34	26

The total cash outflow for leases in the year was \$1,228,000 (2021: \$ 1,292,000).

**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, e.g. 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 2022, potential future cash outflows of \$4,357,752 (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 2022

**10. Intangible assets**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<i>Commercial radio licences – at cost</i>		
Sunshine Coast Broadcasters	-	10,000
<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
<i>Security screens</i>		
Crimsafe	14,562	14,562
<i>Goodwill – impairment</i>		
<i>Security screens</i>		
Crimsafe	(4,000)	(4,000)
<b>Total intangible assets</b>	<b>19,062</b>	<b>38,500</b>

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.

<b>Intangible asset</b>	<b>Useful life</b>
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 2022**

**11. Other financial assets**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<b>Current</b>		
<i>Other financial assets through profit or loss</i>		
Investment in listed securities	35,952	28,021
<b>Total current financial assets</b>	<b>35,952</b>	<b>28,021</b>
<b>Non-current</b>		
<i>Other financial assets through profit or loss</i>		
Other unlisted investments	4,750	4,750
<b>Total non-current financial assets</b>	<b>4,750</b>	<b>4,750</b>

**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>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>2022</b>				
<i>Financial assets designated at fair value through profit or loss</i>				
Listed securities	35,952	-	4,750	40,702
<b>2021</b>				
<i>Financial assets designated at fair value through profit or loss</i>				
Listed securities	28,021	-	4,750	32,771

**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 2022**

**12. Share capital**

	Company		Company	
	31 March 2022 shares	31 March 2021 shares	31 March 2022 \$'000	31 March 2021 \$'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>	2022	2021
<i>Equity reserve</i>		
Opening balance	25,690	25,690
Closing balance	25,690	25,690
<i>Foreign currency translation reserve</i>		
Opening balance	(333)	(749)
Translation differences during the year	(109)	416
Closing balance	(442)	(333)
<b>Total reserves</b>	<b>25,248</b>	<b>25,357</b>

(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 7 cents (2021: 8 cents) per share totalling \$2,086,296 (2021: \$2,384,338), fully franked based on a corporate tax rate of 30%.

Estimated franking credits at 31 March 2022 available for the payment of dividends in subsequent financial years based on a tax rate of 30% total \$9,056,510 (2021: \$6,850,461).



**NOTES TO THE FINANCIAL STATEMENTS: CAPITAL**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15. Borrowings**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<b>Current</b>		
Secured bank borrowings	3,418	750
Other	312	-
<b>Non-current</b>		
Secured bank borrowings	-	3,415
Other	160	-
<b>Total Borrowings</b>	<b>3,890</b>	<b>4,165</b>

*Secured bank borrowings*

Secured term loan of \$3.4 million (2021: \$4.2 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>	<b>2022</b>	<b>2021</b>
Total current assets	26,189	25,132
Total non-current assets	29,539	30,590
<b>Total assets pledged</b>	<b>55,728</b>	<b>55,722</b>

The Company has subordinated a claim of \$23.5 million against Crimsafe Holdings Pty Ltd in favour of the lender.

The bank borrowings referred to 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 2022.

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

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
Bank borrowings	3,418	5,281
Weighted average interest rate	2.83%	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 2022 would have on equity and profit or loss (before tax) at the reporting date. The analysis was performed on the same basis in 2021.

<i>In thousands of dollars</i>	2022		2021	
	Profit or loss	Equity	Profit or loss	Equity
100 basis point decrease	43	43	47	47
100 basis point increase	(43)	(43)	(47)	(47)

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.

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**NOTES TO THE FINANCIAL STATEMENTS: RISK**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**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>	2022		2021	
	Carrying amount	Market or fair value	Carrying amount	Market or fair value
Listed shares (accounted for using the fair value method)	35,952	35,952	28,021	28,021

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 2022 would have resulted in an increase or decrease in the fair value of the shares of approximately \$3,595,000 (2021: \$2,802,000).

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 2022

**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		
<b>2022</b>								
Cash & cash equivalents	27,895	27,895	-	-	-	-	-	-
Receivables	10,740	8,898	771	262	809	-	-	-
Other financial assets	35,952	35,952	-	-	-	-	-	-
	<b>74,587</b>	<b>72,745</b>	<b>771</b>	<b>262</b>	<b>809</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2021</b>								
Cash & cash equivalents	10,047	10,047	-	-	-	-	-	-
Receivables	11,725	10,134	448	410	286	443	4	-
Other financial assets	28,021	28,021	-	-	-	-	-	-
	<b>49,793</b>	<b>48,202</b>	<b>448</b>	<b>410</b>	<b>286</b>	<b>443</b>	<b>4</b>	<b>-</b>

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 2022**

**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
<b>2022</b>							
Trade & other payables	6,355	6,355	6,355	-	-	-	-
Interest bearing loans and borrowings	3,890	3,957	517	3,160	280	-	-
	10,245	10,312	6,872	3,160	280	-	-
<b>2021</b>							
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	-	-

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 2022.

(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 (FVLCD) or value in use (VIU).

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 Consolidated Entities CGU's at 31 March 2022 was determined based on a VIU discounted cash flow model. VIU calculations use cash flow projections based on the 2023 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**

#### *Crimsafe CGU*

- Assumptions used in the value in use calculation include:
- a pre-tax discount rate of 15.5% (2021: 15.5%),
- 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 2022, 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 4% or the operating expense growth assumption was to increase by 5.5% over the forecast period it would result in the Crimsafe CGU carrying amount exceeding its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS: GROUP STRUCTURE**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**18. Investments accounted for using the equity method**

*Investment in associates*

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

- 25.0% in Boody Australia Pty Ltd
- 23.9% in WINR Pty Ltd
- 35.8 % in RZT Holdings Pty Ltd
- 55.0% in Glow Dreaming 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>	<b>2022</b>	<b>2021</b>
<b>Carrying amount</b>	<b>12,095</b>	<b>7,149</b>
Aggregate amounts of the groups share of:		
Loss from continuing operations	(155)	(25)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(155)</b>	<b>(25)</b>

**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: GROUP STRUCTURE**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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 (%)	
			2022	2021
EON Broadcasting Pty Ltd	Australia	Ordinary	-	96.5
Sunshine Coast Broadcasters Pty Ltd	Australia	Ordinary	-	96.5
OCP Shelf 2 Pty Ltd	Australia	Ordinary	100.0	100.0
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 11 March 2022 the Consolidated Entity disposed of its interest in EON Broadcasting Pty Ltd and its wholly owned subsidiary, Sunshine Coast Broadcasters Pty Ltd (collectively "EON").

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

*In thousands of dollars*

Cash and cash equivalents	123
Trade and other receivables	1,851
Property, plant and equipment	1,171
Right-of-use assets	1,003
Intangible assets	19,438
Deferred tax assets	383
Trade and other payables	(926)
Current tax liability	(117)
Lease liabilities	(1,068)
Employee benefits	(413)
Borrowings	(8,292)
Deferred tax liabilities	(3,301)
Net assets disposed of	9,852
Gain on disposal before costs to sell (included in profit for the year from discontinued operations)	10,120
Total consideration	20,515
<i>Satisfied by:</i>	
Cash	20,515

*Net cash inflow arising on disposal:*

Consideration received in cash	20,515
Loan repayment from subsidiary	5,079
Costs to sell	(881)
Cash and cash equivalents disposed of	(124)
	24,589

### **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 2022 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 1 April 2022, the Consolidated Entity entered into a conditional agreement to dispose of its interest in TAE. As at the date of this report the share sale remains subject to a number of conditions.

On 31 May 2022, the consolidated entity acquired additional 25 million shares in the capital of Sports Entertainment Group Limited (ASX: SEG) for an amount of \$5,000,000. Following this acquisition, the Consolidated Entity has a 13.52% interest in SEG.

On 10 June 2022 the Consolidated Entity acquired a 22.7% interest in the Apache Unit Trust ("Apache") for \$10,000,000 and provided \$3,000,000 loan funding to Apache.

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 2022**

**22. Parent entity disclosures**

<i>In thousands of dollars</i>	<b>2022</b>	<b>2021</b>
<b>Result of the parent entity</b>		
Profit for the year	28,779	5,616
Other comprehensive income	-	-
Total comprehensive income for the period	28,779	5,616
<b>Financial position of the parent entity at period end</b>		
Current assets	60,890	31,843
Total assets	109,494	82,906
Current liabilities	450	180
Total liabilities	770	291
<b>Total equity of the parent comprising:</b>		
Share Capital	230,876	230,876
Equity reserve	25,690	25,690
Distributable profit reserve	41,816	15,706
Accumulated losses	(189,658)	(189,658)
	108,724	82,614

The company had no contingent liabilities, capital expenditure or investment commitments at 31 March 2022.

**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>	<b>2022</b>	<b>2021</b>
<b>Audit services</b>		
BDO Audit Pty Ltd:		
Statutory audit and review of financial reports	102,074	143,313
<b>Non - Audit services</b>		
BDO Services Pty Ltd:		
Tax advisory and consulting	51,275	60,319
Other services	-	-

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**NOTES TO THE FINANCIAL STATEMENTS: OTHER**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**24. Related party transactions**

*Ultimate controlling entity*

CAZ Investments Limited

*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>	<b>2022</b>	<b>2021</b>
Short-term employee benefits	1,175,322	1,127,048
Other- long term benefits	40,356	15,903
Post-employment benefits	67,317	62,127
<b>Total KMP remuneration</b>	<b>1,282,995</b>	<b>1,205,078</b>

Remuneration paid to directors of parent company, HCI Australian Operations Pty Ltd, during the period was \$1,126,995 (2021: \$1,053,078).

*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.

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**DIRECTORS' DECLARATION**  
FOR THE YEAR ENDED 31 MARCH 2022

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

- a) the consolidated financial statements and notes set out on pages 9 to 44 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 2022 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 2022.

Signed in accordance with a resolution of the Directors.



Robert Moran  
Chairman

29 June 2022

## 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 2022, 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 2022 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 2022, 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/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

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

**Grant Saxon**

Director

Sydney, 29 June 2022