Oceania Capital Partners Limited

(ABN 52 111 554 360)

2023 Financial Report

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 2023 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 (ASX: MPR) (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 was also 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, STG Holdings Pty Ltd ("STG") 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.

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 STG and Crimsafe.

COMPANY SECRETARY

Lionel Baldwin

CA (SA), B.Comm (Hons)

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

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.

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

	Referred to in this report as	**% interest**
Crimsafe Holdings Pty Ltd	Crimsafe	97.0
Boody Australia Pty Ltd	Boody	23.1
Glow Dreaming Holdings Pty Ltd	Glow	55.0
WINR Corporation Pty Ltd	WINR	22.9
RZT Holdings Pty Ltd	RZT	35.8
Sports Entertainment Group Limited	SEG	13.5
Apache Unit Trust	Apache	22.1
Puremedic Health Pty Ltd	Puremedic	20.0
STG Holdings Pty Ltd	STG	33.3

Significant changes in state of affairs

The following significant changes during the year are noted:

- On 31 May 2022, the Consolidated Entity acquired additional 25 million shares in the capital of SEG for $5,000,000.
- On 10 June 2022, the Consolidated Entity acquired a 22.1% interest in Apache for $10,000,000 and provided $3,000,000 loan funding to Apache.
- 24 June 2022, the Consolidated Entity acquired a 20% interest in Puremedic for $1,250,000.
- On 23 August 2022, the Consolidated Entity the disposed of its interest in TAE Holdings Pty Ltd ("TAE"). The Consolidated Entity received net cash consideration of $15,801,000 and shares in the acquiror, ASDAM Holdings Pty Ltd, with an estimated market value of $3,633,000.
- On 27 October 2022, the Consolidated Entity acquired a 33.33% interest in STG for $13,300,000.

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 2023 was $19,263,000 (2022: $21,446,000).

The current period result includes:

- Interest income of $957,000 (2022: $140,000).
- A $3,308,000 (2022: $6,928,000) mark-to-market adjustment to the carrying value of listed securities.
- Revenue of $54,984,000 (2022: $43,051,000) and a profit before tax contribution of $5,182,000 from the operations of Crimsafe (2022: $4,441,000).
- Aggregate share of loss of associates of $1,436,000 (2022: $155,000 loss).
- A $14,867,000 profit on the disposal on the Consolidated Entity's interest in TAE
- An impairment of $842,000 relating to the Consolidated Entity's investment in RZT.
- An impairment of $1,104,000 relating to the Consolidated Entity's investment in Puremedic.

The prior period result includes:

- Profit before tax of $3,552,000 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.
- An impairment of $974,000 relating to the Consolidated Entity's investment in RZT.

Financial Position

At 31 March 2023 the Consolidated Entity had net assets of $129,314,000 (2022: $114,500,000) and cash at bank of $4,663,000 (2022 $27,895,000), of which $3,120,000 is held by the Company.

At 31 March 2023 the Consolidated Entity's total borrowings amounted to $7,370,000 (2022: $3,890,000). Of these borrowings, $7,210,000 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.

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

The following dividends were declared and paid during the year:

Date	*Cents per share*	*Total dividend*
29 July 2022	2	$596,084.44
27 October 2022	10	$2,980,422.20
29 March 2023	5	$1,490,211.10

The following dividends were declared and paid during the prior year:

Date	*Cents per share*	*Total dividend*
10 January 2022	7	$2,086,295.54

SHARE CAPITAL

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

EVENTS SUBSEQUENT TO REPORTING DATE

On 26 May 2023, the Company declared a fully franked dividend of 56 cents per share ("the Dividend"). HCI Australian Operations Pty Ltd, the holder of 17,546,213 shares in the Company agreed to receive listed shares, at market value, as part settlement of its share of the Dividend. All other shareholders received 56 cents per share in cash.

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:

Directors	*Fully paid ordinary shares*
Michael Jacobson	5,892,927
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.

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 2023.

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
28 June 2023

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Australia

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 2023, 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, 28 June 2023

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

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

In thousands of dollars	Note	2023	2022
Revenue from sales	1	54,984	43,051
Other income	1	2,660	1,110
Total revenue		**57,644**	**44,161**
Profit on sale of financial assets		14,867	-
Share of loss of equity accounted investments		(1,436)	(155)
Fair value adjustment of financial assets		3,308	6,928
Total operating income		**74,383**	**50,934**
Raw materials and inventory		(28,504)	(21,831)
Employee benefits expense		(13,153)	(10,198)
Promotions and marketing		(3,693)	(3,150)
Administration and other operating expenses		(4,361)	(3,323)
Depreciation – property, plant & equipment	7	(691)	(469)
Depreciation – right-of-use assets		(1,124)	(1,078)
Finance costs – lease liabilities		(285)	(272)
Finance costs – other		(183)	(137)
Impairment		(1,946)	(974)
Profit before income tax		**20,443**	**9,502**
Income tax expense	3	(1,180)	(909)
Profit for the year from continuing operations		19,263	8,593
Profit for the year from discontinued operations	2	-	12,853
Profit for the year		**19,263**	**21,446**
Attributable to:			
Equity holders of the parent entity		19,232	21,350
Non-controlling interests		31	96
Profit for the year		**19,263**	**21,446**

In thousands of dollars	Note	2023	2022
Profit for the year		19,263	21,446
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		618	(112)
Other comprehensive (loss) profit for the year, net of tax		618	(112)
Total comprehensive income for the year		**19,881**	**21,334**
Attributable to:			
Equity holders of the parent entity		19,263	21,241
Non-controlling interests		618	93
Total comprehensive income for the year		**19,881**	**21,334**

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

In thousands of dollars	Note	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	4	4,663	27,895
Trade and other receivables	5	17,303	10,740
Inventories	6	17,384	12,492
Other financial assets	10	41,543	35,952
Total current assets		**80,893**	**87,079**
Non-current assets			
Other receivables	5	6,888	3,748
Other financial assets	10	3,633	4,750
Investments accounted for using the equity method	17	34,482	12,096
Property, plant and equipment	7	3,970	2,159
Right-of-use assets	8	6,948	6,075
Intangible assets	9	21,250	19,062
Deferred tax assets	3	2,626	2,272
Total non-current assets		**79,797**	**50,162**
Total assets		**160,690**	**137,241**
LIABILITIES			
Current liabilities			
Trade and other payables		9,663	6,355
Borrowings	14	3,312	3,730
Lease liabilities	8	1,138	1,018
Current tax liabilities		508	595
Employee benefits		1,361	674
Total current liabilities		**15,982**	**12,372**
Non-current liabilities			
Borrowings	14	4,058	160
Lease liabilities	8	6,717	5,878
Employee benefits		124	125
Deferred tax liabilities	3	4,495	4,206
Total non-current liabilities		**15,394**	**10,369**
Total liabilities		**31,376**	**22,741**
Net assets		**129,314**	**114,500**
EQUITY			
Share capital	11	230,876	230,876
Reserves	12	25,847	25,248
Accumulated losses		(127,777)	(141,942)
Equity attributable to owners of Oceania Capital Partners Limited		**128,946**	**114,182**
Non-controlling interests		368	318
Total equity		**129,314**	**114,500**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

In thousands of dollars	Note	Share capital	Equity reserve	Foreign exchange translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at 31 March 2021		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)
Total comprehensive profit for the year		-	-	(109)	21,350	21,241	93	21,334
Transactions with owners in their capacity as owners								
Dividend		-	-	-	(2,086)	(2,086)	-	(2,086)
Disposal of subsidiary		-	-	-	-	-	(339)	(339)
Dividend paid by subsidiary		-	-	-	-	-	(236)	(236)
Balance at 31 March 2022		230,876	25,690	(442)	(141,942)	114,182	318	114,500
Profit for the year		-	-	-	19,232	19,232	31	19,263
Other comprehensive profit		-	-	599	-	599	19	618
Total comprehensive profit for the year		-	-	599	19,232	19,831	50	19,881
Transactions with owners in their capacity as owners								
Dividend		-	-	-	(5,067)	(5,067)	-	(5,067)
Balance at 31 March 2023		230,876	25,690	157	(127,777)	128,946	368	129,314

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

In thousands of dollars	Note	2023	2022
Operating activities			
Receipts from customers		57,882	46,684
Payments to suppliers and employees		(59,735)	(47,238)
Interest received		207	108
Income taxes paid		(2,093)	(795)
Net cash (used in) from continuing operations	4	(3,739)	(1,241)
Net cash from discontinued operations		-	2,952
Net cash from operating activities		**(3,739)**	**1,711**
Investing activities			
Dividends received		319	137
Payments for purchase of property, plant and equipment		(1,009)	(799)
Loans advanced		(6,295)	(3,090)
Loans repayments received		1,500	-
Proceeds on disposal of TAE		15,837	-
Payments for purchase of other financial assets		(5,626)	(172)
Proceeds on disposal of other financial assets		4,102	-
Proceeds on disposal of interest in associate			-
Payment for acquisition of interest in associates		(24,612)	(4,908)
Proceeds on disposal of EON Broadcasting		-	24,589
Payment for acquisition of FBF, net of cash acquired		(2,434)	-
Net cash from (used in) investing activities		**(18,218)**	**15,757**
Financing activities			
Dividends paid		(5,067)	(2,086)
Dividend paid by subsidiary		-	(236)
Borrowings raised (repaid)		3,792	2,940
Payment of interest and borrowing costs		-	(238)
Net cash from (used in) financing activities		**(1,275)**	**380**
Net decrease in cash and cash equivalents		(23,232)	17,848
Cash and cash equivalents at the beginning of the year		27,895	10,047
Cash and cash equivalents at the end of the year	**4**	**4,663**	**27,895**

This consolidated financial report for the year ended 31 March 2023 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 28 June 2023.

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 10.

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.

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:

3. Income taxes
6. Inventories
7. Property, plant and equipment
8. Leases
9. Intangible assets
10. Other financial assets
16. 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 18.

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.

1. Income

In thousands of dollars	**2023**	**2022**
Sales revenue		
Sale of goods	54,984	43,051
Other income		
Interest income	957	140
Dividend income	1,703	970
Total other income	2,660	1,110

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.

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. Discontinued operations

Prior year

In the prior year disposed 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 gain on 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:

In thousands of dollars	**Period end 10 March 2022**
Revenue	11,039
Expenses	(7,487)
Profit before tax	3,552
Taxation	(819)
Profit after tax	2,733
Profit on disposal of discontinued operations (refer note 18)	10,120
Net profit attributable to discontinued operations	**12,853**

During the prior year EON contributed $2,952,000 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.

3. Income taxes

Income tax expense recognised in the income statement

In thousands of dollars	**2023**	**2022**
Current tax	1,174	1,034
Deferred tax	6	(125)
Income tax expense	**1,180**	**909**

Deferred income tax in the income statement relates to:

Tax losses	-	-
Other	6	(125)
	6	**(125)**

Reconciliation

In thousands of dollars	**2023**	**2023**
Profit (loss) before tax		
Continuing operations	20,443	9,502
Discontinued operations	-	12,853
	20,443	22,355
Income tax at the Australian tax rate of 30%	6,134	6,707
Non-deductible expenses	68	175
Previously unrecognised tax losses now recouped	(7,047)	(4,391)
Tax losses not recognised	2,554	-
Other	(529)	(1,582)
Income tax on profit before tax	1,180	909

Unrecognised tax assets

In thousands of dollars	**2023**	**2023**
Tax losses for which no deferred tax asset has been recognised	151,035	172,929
Potential tax benefit at 30%	45,311	51,879

Deferred income tax in the balance sheet relates to :

In thousands of dollars	**2023**	**2023**
Employee entitlements	-	188
Lease liabilities	2,356	1,890
Other	270	194
Total deferred tax assets	2,626	2,272
Right-of-use assets	1,945	1,656
Intangible assets	2,550	2,550
Total deferred tax liabilities	4,495	4,206

3. 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.

4. Cash & cash equivalents

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

In thousands of dollars	**2023**	**2023**
Cash at bank	2,247	3,895
Deposits at call	2,416	24,000
Total cash & cash equivalents	**4,663**	**27,895**

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

In thousands of dollars	**2023**	**2023**
Profit (loss) for the year	19,264	8,593
Non- cash items:		
Depreciation	1,815	1,547
Impairment	1,946	974
Fair value movement of financial assets	(3,308)	(6,929)
Share of loss of associates	1,436	155
(Profit) loss on sale of other financial assets	(14,867)	-
Other non-cash items	(167)	(130)
Dividends received	(1,703)	(970)
Lease payments	(1,046)	(1,176)
Finance costs	-	409
Changes in assets and liabilities:		
Increase in receivables	(2,369)	(1,001)
Increase in inventories	(4,735)	(1,645)
Increase in net current and deferred tax assets and liabilities	(913)	114
Increase in creditors	704	(1,213)
Increase in employee entitlements	203	31
Net cash (outflow) inflow from continuing operating activities	**(3,739)**	**(1,241)**

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.

5. Trade and other receivables

In thousands of dollars	2023	2022
Current		
Trade receivables	13,840	8,762
Provision for doubtful debts	-	-
Interest receivable	-	3
Other loans receivable	1,502	-
Pre-payments and other receivables	1,961	1,975
Total current trade & other receivables	**17,303**	**10,740**

In thousands of dollars	2023	2022
Non-current		
Other loans receivable	6,888	3,748
Total non-current trade & other receivables	**6,888**	**3,748**

Trade receivables past due but not impaired

In thousands of dollars	2023	2022
Under three months	2,552	1,842
Three to six months	-	
Total receivables not considered impaired	**2,552**	**1,842**

Trade receivables past due but not impaired

The Consolidated entity has not recognised an expense in respect of bad and doubtful trade receivables during the period ended 31 March 2023 (2022: $187,184).

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.

6. Inventories

In thousands of dollars	**2023**	**2022**
Current		
Finished goods	17,384	12,492

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 $7,500 (2022: $nil). Any reasonably possible change in the estimate is unlikely to have a material impact.

7. Property, plant and equipment

In thousands of dollars	**Leasehold improvements**	**Plant and equipment**	**Total**
Cost			
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
Additions	-	1,046	1,046
Business combinations	4	1,446	1,450
Disposals	-	(51)	(51)
Net exchange differences	-	99	99
Balance at 31 March 2023	189	6,626	6,815
Accumulated depreciation			
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
Depreciation	14	677	691
Disposals	-	(3)	(3)
Net exchange differences	-	45	45
Balance at 31 March 2023	70	2,775	2,845
Carrying amounts			
At 31 March 2022	129	2,030	2,159
At 31 March 2023	119	3,851	3,970

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.

8. Leases

The balance sheet shows the following amounts relating to leases:

In thousands of dollars	**2023**	**2022**
Right-of-use assets		
Buildings	6,948	6,075
Lease liabilities		
Current	1,138	1,018
Non-current	6,717	5,878
	7,855	6,896

Additions to the right-of-use assets during the current financial year were $1,943,000 (2022: $nil).

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

In thousands of dollars	**2023**	**2022**
Depreciation charge of right-of-use of assets		
Buildings	1,124	1,078
Interest expense (included in finance costs)	285	272
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)	35	34

The total cash outflow for leases in the year was $1,248,000 (2022: $ 1,228,000).

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.

8. 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-

8. 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 2023, 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.

9. Intangible assets

In thousands of dollars	**2023**	**2022**
Brands and related intangibles – at cost		
Crimsafe	8,500	8,500
Goodwill – at cost - Crimsafe		
Opening balance	14,562	14,562
Business combination	2,188	-
Closing balance	16,750	14,562
Goodwill – impairment		
Crimsafe	(4,000)	(4,000)
Total intangible assets	21,250	19,062

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 16 for further details on impairment.

Intangible assets

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

Intangible asset	**Useful life**
Crimsafe brands	Indefinite

10. Other financial assets

In thousands of dollars	2023	2022
Current		
Other financial assets through profit or loss		
Investment in listed securities	41,543	35,952
Total current financial assets	**41,543**	**35,952**
Non-current		
Other financial assets through profit or loss		
Other unlisted investments	3,633	4,750
Total non-current financial assets	**3,633**	**4,750**

Fair value measurement

(a) Fair value hierarchy

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

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

In thousands of dollars	Level 1	Level 2	Level 3	Total
2023				
Financial assets designated at fair value through profit or loss				
Listed securities	41,543	-	3,633	45,176
2022				
Financial assets designated at fair value through profit or loss				
Listed securities	35,952	-	4,750	40,702

10. 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.

11. Share capital

	Company		Company	
	31 March 2023 shares	**31 March 2022 shares**	**31 March 2023 $'000**	**31 March 2022 $'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.

12. Reserves

In thousands of dollars	**2023**	**2022**
Equity reserve		
Opening balance	25,690	25,690
Closing balance	25,690	25,690
Foreign currency translation reserve		
Opening balance	(442)	(333)
Translation differences during the year	599	(109)
Closing balance	157	(442)
Total reserves	**25,847**	**25,248**

(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.

13. Dividends

The following fully franked dividends were declared and paid during the year:

Date	*Cents per share*	*Total dividend*
29 July 2022	2	$596,084.44
27 October 2022	10	$2,980,422.20
29 March 2023	5	$1,490,211.10

During the prior year a fully franked dividend of 7 cents per share was paid.

Estimated franking credits at 31 March 2023 available for the payment of dividends in subsequent financial years based on a tax rate of 30% total $7,429,646 (2022: $9,056,510).

14. Borrowings

In thousands of dollars	**2023**	**2022**
Current		
Secured bank borrowings	3,152	3,418
Other	160	312
Non-current		
Secured bank borrowings	4,058	-
Other	-	160
Total Borrowings	**7,370**	**3,890**

Secured bank borrowings
Secured bank borrowings relate to those of the Consolidated Entity's subsidiary, Crimsafe Holdings Pty Ltd ("Crimsafe").

Crimsafe had unrestricted access to the following facilities at 31 March 2012:

- $4.5m loan facility expiring January 2025 bearing interest of one-month BBSY plus 1.1%pa, with principal repayments of $125,000 per quarter;
- $2.5m loan facility subject to annual renewal in August 2023 bearing interest of one-month BBSY plus 2.4%pa, with principal repayments of $205,000 per quarter;
- $1.5m overdraft facility; and
- $0.9m rental guarantee facility.

Of the total debt facilities available on 31 March 2023, $1,288,000 were unused. An additional $1,400,000 facility is available on settlement of the deferred purchase consideration payable in relation to the acquisition of FBF Pty Ltd

The secured bank borrowings are secured over all of the assets of the Company's subsidiary entities: Crimsafe Holdings Pty Ltd, Crimsafe Security Systems Pty Ltd, Proline Quality Finishing Pty Ltd, FBF Pty Ltd and IPH International Pty Ltd. The carrying value of assets pledged as security is as follows:

In thousands of dollars	**2023**	**2022**
Total current assets	34,475	26,189
Total non-current assets	34,775	29,539
Total assets pledged	**69,250**	**55,728**

The Company has subordinated a claim of $26,493,000 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.

15. 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 2023.

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

In thousands of dollars	**2023**	**2022**
Bank borrowings	7,210	3,418
Weighted average interest rate	4.12%	2.83%

15. 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 2023 would have on equity and profit or loss (before tax) at the reporting date. The analysis was performed on the same basis in 2022.

	2023		**2022**	
In thousands of dollars	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
100 basis point decrease	42	42	36	36
100 basis point increase	(42)	(42)	(36)	(36)

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.

15. 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.

	2023		**2022**	
In thousands of dollars	**Carrying amount**	**Market or fair value**	**Carrying amount**	**Market or fair value**
Listed shares (accounted for using the fair value method)	41,543	41,543	35,952	35,952

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 2023 would have resulted in an increase or decrease in the fair value of the shares of approximately $4,154,000 (2022: $3,595,000).

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.

15. 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.

			Past due but not impaired					
In thousands of dollars	**Total**	**Neither past due nor impaired**	**<30 days**	**30-60 days**	**60-90 days**	**>90 days**	**Collectively impaired**	**Individually impaired**
2023								
Cash & cash equivalents	4,663	4,663	-	-	-	-	-	-
Receivables	17,303	14,753	1,105	236	1,117	92	-	-
Other financial assets	41,543	41,543	-	-	-	-	-	-
	63,509	60,959	1,105	236	1,117	92	-	-
2022								
Cash & cash equivalents	27,895	27,895	-	-	-	-	-	-
Receivables	10,740	8,898	771	262	809	-	-	-
Other financial assets	35,952	35,952	-	-	-	-	-	-
	74,587	72,745	771	262	809	-	-	-

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.

15. 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).

			Residual contract maturities				
In thousands of dollars	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 to 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
2023							
Trade & other payables	9,663	9,663	9,663	-	-	-	-
Interest bearing loans and borrowings	7,370	7,796	1,128	2,551	4,117	-	-
	17,033	17,459	10,791	2,551	4,117	-	-
2022							
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	-	-

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 2023.

(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.

16. 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 (FVLCOD) 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 their relate ("'CGU").

The recoverable amount of the Consolidated Entities CGU's at 31 March 2023 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 16.5% (2022: 15.5%),
- revenue growth rates of 4%;
- operating cost growth rates of between 2.5% and 3.5% over the forecast period, and;
- a long term growth rate of 2.5%.

As at 31 March 2023, a 5% increase in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the Crimsafe CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease by 3% or the operating expense growth assumption was to increase by 3% over the forecast period it would result in the Crimsafe CGU carrying amount exceeding its recoverable amount.

FBF CGU

Given that the acquisition took place close to the year-end, impairment testing has been assessed with reference to the acquisition price.

17. Investments accounted for using the equity method

Investment in associates

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

	2023	2022
Boody Australia Pty Ltd	23.1%	25.0%
WINR Pty Ltd	23.9%	23.9%
RZT Holdings Pty Ltd	35.8%	35.8%
Glow Dreaming Holdings Pty Ltd	55.0%	55.0%
Apache Unit Trust	22.1%	-
STG Holdings Pty Ltd	33.3%	-

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

In thousands of dollars	2023	2022
Carrying amount	**34,482**	**12,095**
Aggregate amounts of the groups share of:		
Loss from continuing operations	(1,436)	(155)
Other comprehensive income	-	-
Total comprehensive income	(155)	(25)

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.

18. 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 (%) 2023	2022
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
FBF Pty Ltd	Australia	Ordinary	97.7	-
OCP Boody Holdings Pty Ltd	Australia	Ordinary	100.0	100.0

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 2023 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.

19. Business combinations

Acquisition

On 4 December 2022, the Consolidated Entity's subsidiary Crimsafe Holdings Pty Ltd, acquired a 100% interest in FBF Pty Ltd ("FBF"). The assets and liabilities provisionally recognised on the acquisition of FBF are as follows:

In thousands of dollars	**Fair value recognised on acquisition**
Trade & other receivables	2,731
Inventory	157
Property, plant and equipment	1,448
Right-of-use assets	1,673
Deferred tax asset	504
Trade and other payables	(1,380)
Lease liabilities	(1,680)
Deferred tax liability	(502)
Employee benefit obligations	(1,038)
Net identifiable assets	1,913
Goodwill	2,150
Net assets acquired	4,063
Deferred consideration	(1,629)
Net cash outflow	2,434
Cash balances acquired	271
	2,705

From the date of acquisition, FBF contributed revenue of $4,236,000 and profit after tax of $238,000. It is not practical to determine the effect on revenue and profit of the Consolidated Entity had the acquisition taken place on 1 April 2022. Goodwill is attributable to various factors including FBF's assembled workforce, market position and product accreditations.

19. Business combinations (continued)

Disposal (in Prior year)

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

Satisfied by:	
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. Business combinations (continued)

Recognition and measurement

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Consolidated Entity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by acquisition basis, the Consolidated Entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Entity reports provisional amounts for which the accounting is incomplete. Those provisional figures are adjusted during the measurement period (which cannot exceed one year from the acquisition date) to reflect new information obtained about the facts and circumstances that existed as at the date of the acquisition date that, if known, would have affected the amounts recognised as of that date.

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 26 May 2023, the Company declared a fully franked dividend of 56 cents per share ("the Dividend"). HCI Australian Operations Pty Ltd, the holder of 17,546,213 shares in the Company agreed to receive listed shares, at market value, as part settlement of its share of the Dividend. All other shareholders received 56 cents per share in cash.

Other than above, or disclosed elsewhere in this financial report, there have been no significant events subsequent to balance date. The Company had no contingent liabilities, capital expenditure or investment commitments at 31 March 2023.

22. Parent entity disclosures

In thousands of dollars	2023	2022
Result of the parent entity		
Profit for the year	22,378	28,779
Other comprehensive income	-	-
Total comprehensive income for the period	22,378	28,779
Financial position of the parent entity at period end		
Current assets	45,361	60,890
Total assets	124,470	109,494
Current liabilities	836	450
Total liabilities	836	770
Total equity of the parent comprising:		
Share Capital	230,876	230,876
Equity reserve	25,690	25,690
Distributable profit reserve	57,697	41,816
Accumulated losses	(190,629)	(189,658)
	123,634	108,724

The Company had no contingent liabilities, capital expenditure or investment commitments at 31 March 2023.

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:

In dollars	2023	2022
Audit services		
BDO Audit Pty Ltd:		
Statutory audit and review of financial reports	125,962	102,074
Non - Audit services		
BDO Services Pty Ltd:		
Tax advisory and consulting	42,060	51,275
Other services	100,000	-

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:

In dollars	**2023**	**2022**
Short-term employee benefits	1,263,836	1,175,322
Other- long term benefits	16,316	40,356
Post-employment benefits	74,213	67,317
Total KMP remuneration	1,354,365	1,282,995

Remuneration paid to directors of parent company, HCI Australian Operations Pty Ltd, during the period was $1,186,365 (2022: $1,126,995).

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.

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

a) the consolidated financial statements and notes set out on pages 10 to 47 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 2023 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 16.

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 2023.

Signed in accordance with a resolution of the Directors.

Robert Moran
Chairman
28 June 2023

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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 2023, 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 2023 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.

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

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 2023, 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

This description forms part of our auditor’s report.

BDO Audit Pty Ltd

Grant Saxon

Director

Sydney, 28 June 2023