

**Oceania Capital Partners Limited**

**(ABN 52 111 554 360)**

**2024 Financial Report**

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**AUDITORS INDEPENDENCE REPORT**  
FOR THE YEAR ENDED 31 MARCH 2024

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**DIRECTORS' REPORT**FOR THE YEAR ENDED 31 MARCH 2024

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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 2024 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.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2024

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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 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	3	3
Robert Moran	3	3
Brian Scheiner	3	3

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.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2024

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**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:

	<b>Referred to in this report as</b>	<b>% interest</b>
Crimsafe Holdings Pty Ltd	Crimsafe	97.0
Boody Australia Pty Ltd	Boody	23.1
Glow Dreaming Holdings Pty Ltd	Glow	55.0
WINR Coporation Pty Ltd	WINR	24.1
RZT Holdings Pty Ltd	RZT	35.9
Sports Entertainment Group Limited	SEG	13.5
Apache Unit Trust	Apache	22.1
Puremedic Health Pty Lyd	Puremedic	23.0
STG holdings Pty Ltd	STG	46.5

*Significant changes in state of affairs*

The following significant changes during the year are noted:

- 17 May 2023, the Consolidated Entity acquired a further 3% interest in Puremedic for \$25,000
- On 11 August 2023, the Consolidated Entity's interest in STG increased to 46.5% as a result of a share-buyback by STG and a further acquisition of STG shares by the Consolidated Entity for \$6,700,000.

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 result of the Consolidated Entity for the year to 31 March 2024 was a \$6,627,000 loss (2023: \$19,263,000 profit).

The current period result includes:

- Interest income of \$1,629,000 (2023: \$957,000).
- A \$149,000 downward (2023: \$3,308,000 upward) mark-to-market adjustment to the carrying value of listed securities.
- Revenue of \$70,782,000 (2023: \$54,984,000) and a profit before tax contribution of \$3,703,000 from the operations of Crimsafe (2023: \$5,182,000).
- Aggregate share of loss of associates of \$1,410,000 (2023: \$1,436,000 loss).
- An impairment of \$1,364,000 relating to the Consolidated Entity's investment in RZT (2023: \$842,000).
- An impairment of \$238,000 relating to the Consolidated Entity's investment in Puremedic (2023: \$1,104,000).
- An impairment of \$5,715,000 relating to the Consolidated Entity's investment in Glow.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2024

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The prior period result includes:

- A \$14,867,000 profit on the disposal on the Consolidated Entity's interest in TAE

**Financial Position**

At 31 March 2024 the Consolidated Entity had net assets of \$106,256,000 (2023: \$129,314,000) and cash at bank of \$4,862,000 (2022 \$4,663,000), of which \$2,079,000 is held by the Company.

At 31 March 2024 the Consolidated Entity's total borrowings amounted to \$7,529,000 (2023: \$7,370,000). These borrowings are non-recourse to the Company, relate to the bank borrowings of Crimsafe Holdings Pty Ltd and are secured over the assets of the Crimsafe group of entities.

**LIKELY DEVELOPMENTS AND PROSPECTS**

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

**DIVIDENDS**

The following dividends were declared and paid during the year:

<i>Date</i>	<i>Cents per share</i>	<i>Total dividend</i>
26 May 2023	56	\$16,690,364.32

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.

The following dividends were declared and paid during the prior:

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

**SHARE CAPITAL**

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

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2024

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**EVENTS SUBSEQUENT TO REPORTING DATE**

On 2 April 2024, the Consolidated Entity acquired the business and operating assets of Cairns Fencing for a gross purchase consideration of \$5,451,000. The fencing segment continues to be an area of investment and growth for the Group and this acquisition provides an opportunity to expand its geographic presence. Note 20 provides further information about this acquisition.

Other than disclosed above or 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:

<i>Directors</i>	<i>Fully paid ordinary shares</i>
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 2024.

**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.

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**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 31 MARCH 2024

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**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.



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**Robert Moran**  
Chairman

Dated at Sydney  
9 July 2024



**DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF OCEANIA CAPITAL PARTNERS LIMITED**

As lead auditor of Oceania Capital Partners Limited for the year ended 31 March 2024, 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.



Ian Hooper  
Director

**BDO Audit Pty Ltd**

Sydney. 9 July 2024

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**FOR THE YEAR ENDED 31 MARCH 2024**

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**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<i>In thousands of dollars</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Revenue from sales	1	70,782	54,984
Other income	1	1,902	2,660
<b>Total revenue</b>		<b>72,684</b>	<b>57,644</b>
Profit on sale of financial assets		655	14,867
Share of loss of equity accounted investments		(1,410)	(1,436)
Fair value adjustment of financial assets		(149)	3,308
<b>Total operating income</b>		<b>71,780</b>	<b>74,383</b>
Raw materials and inventory		(34,354)	(28,504)
Employee benefits expense		(21,248)	(13,153)
Promotions and marketing		(3,689)	(3,693)
Administration and other operating expenses		(6,661)	(4,361)
Depreciation – property, plant & equipment	6	(1,226)	(691)
Depreciation – right-of-use assets		(1,409)	(1,124)
Finance costs – lease liabilities		(406)	(285)
Finance costs – other		(481)	(183)
Impairment		(7,317)	(1,946)
<b>(Loss)/Profit before income tax</b>		<b>(5,011)</b>	<b>20,443</b>
Income tax expense	2	(1,616)	(1,180)
<b>(Loss)/Profit for the year</b>		<b>(6,627)</b>	<b>19,263</b>
<b>Attributable to:</b>			
Equity holders of the parent entity		(6,690)	19,232
Non-controlling interests		63	31
<b>(Loss)/Profit for the year</b>		<b>(6,627)</b>	<b>19,263</b>

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<i>In thousands of dollars</i>	Note	2024	2023
<b>(Loss)/Profit for the year</b>		(6,627)	19,263
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		259	618
Other comprehensive (loss) profit for the year, net of tax		259	618
<b>Total comprehensive income for the year</b>		<b>(6,368)</b>	<b>19,881</b>
Attributable to:			
Equity holders of the parent entity		(6,439)	19,831
Non-controlling interests		71	50
<b>Total comprehensive income for the year</b>		<b>(6,368)</b>	<b>19,881</b>

**CONSOLIDATED BALANCE SHEET**  
AS AT 31 MARCH 2024

<i>In thousands of dollars</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	4,862	4,663
Trade and other receivables	4	19,822	17,303
Inventories	5	13,934	17,384
Other financial assets	9	15,899	41,543
<b>Total current assets</b>		<b>54,517</b>	<b>80,893</b>
<b>Non-current assets</b>			
Other receivables	4	1,562	6,888
Other financial assets	9	3,633	3,633
Investments accounted for using the equity method	16	38,368	34,482
Property, plant and equipment	6	4,323	3,970
Right-of-use assets	7	6,610	6,948
Intangible assets	8	21,273	21,250
Deferred tax assets	2	2,041	2,626
<b>Total non-current assets</b>		<b>77,810</b>	<b>79,797</b>
<b>Total assets</b>		<b>132,327</b>	<b>160,690</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		4,496	9,663
Borrowings	13	7,161	3,312
Lease liabilities	7	1,450	1,138
Current tax liabilities		448	508
Employee benefits		1,554	1,361
<b>Total current liabilities</b>		<b>15,109</b>	<b>15,982</b>
<b>Non-current liabilities</b>			
Borrowings	13	367	4,058
Lease liabilities	7	6,236	6,717
Employee benefits		124	124
Deferred tax liabilities	2	4,235	4,495
<b>Total non-current liabilities</b>		<b>10,962</b>	<b>15,394</b>
<b>Total liabilities</b>		<b>26,071</b>	<b>31,376</b>
<b>Net assets</b>		<b>106,256</b>	<b>129,314</b>
<b>EQUITY</b>			
Share capital	10	230,876	230,876
Reserves	11	26,098	25,847
Accumulated losses		(151,157)	(127,777)
<b>Equity attributable to owners of Oceania Capital Partners Limited</b>		<b>105,817</b>	<b>128,946</b>
Non-controlling interests		439	368
<b>Total equity</b>		<b>106,256</b>	<b>129,314</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<i>In thousands of dollars</i>	Note	Share capital	Equity reserve	Foreign exchange translation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
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 income		-	-	599	-	599	19	618
Total comprehensive income 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
Loss for the year		-	-	-	(6,690)	(6,690)	63	(6,627)
Other comprehensive income		-	-	251	-	251	8	259
Total comprehensive income for the year		-	-	251	(6,690)	(6,439)	71	(6,368)
Transactions with owners in their capacity as owners								
Dividend		-	-	-	(16,690)	(16,690)	-	(16,690)
Balance at 31 March 2024		230,876	25,690	408	(151,157)	105,817	439	106,256

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<i>In thousands of dollars</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>			
Receipts from customers		64,772	57,882
Payments to suppliers and employees		(59,798)	(59,735)
Interest (paid)/received		(49)	207
Income taxes paid		(1,392)	(2,093)
<b>Net cash from/(used in) from operating activities</b>	<b>3</b>	<b>3,533</b>	<b>(3,739)</b>
<b>Investing activities</b>			
Dividends received		1,127	319
Payments for purchase of property, plant and equipment		(1,570)	(1,009)
Loans advanced		(5,037)	(6,295)
Loans repayments received		303	1,500
Proceeds on disposal of TAE		-	15,837
Payments for purchase of other financial assets		-	(5,626)
Proceeds on disposal of other financial assets		26,151	4,102
Proceeds on disposal of interest in associate		418	-
Payment for acquisition of interest in associates		(6,725)	(24,612)
Proceeds on disposal of EON Broadcasting		-	-
Payment for acquisition of FBF, net of cash acquired		(1,629)	(2,434)
<b>Net cash from/(used in) investing activities</b>		<b>13,038</b>	<b>(18,218)</b>
<b>Financing activities</b>			
Dividends paid		(16,690)	(5,067)
Borrowings raised		318	3,792
<b>Net cash used in financing activities</b>		<b>(16,372)</b>	<b>(1,275)</b>
Net increase/(decrease) in cash and cash equivalents		199	(23,232)
Cash and cash equivalents at the beginning of the year		4,663	27,895
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>4,862</b>	<b>4,663</b>

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**NOTES TO THE FINANCIAL STATEMENTS: ABOUT THIS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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This consolidated financial report for the year ended 31 March 2024 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 9 July 2024.

**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 9.

**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 2024**

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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:

2. Income taxes
5. Inventories
6. Property, plant and equipment
7. Leases
8. Intangible assets
9. Other financial assets
15. 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 17.

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.

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**NOTES TO THE FINANCIAL STATEMENTS: RESULTS FOR THE YEAR  
FOR THE YEAR ENDED 31 MARCH 2024**

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**1. Income**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
<b>Sales revenue</b>		
Sale of goods	70,782	54,984
<b>Other income</b>		
Interest income	1,629	957
Dividend income	273	1,703
Total other income	1,902	2,660

**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.

**NOTES TO THE FINANCIAL STATEMENTS: INCOME TAXES**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**2. Income taxes**

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

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Current tax	1,292	1,174
Deferred tax	324	6
<b>Income tax expense</b>	<b>1,616</b>	<b>1,180</b>

**Deferred income tax in the income statement relates to:**

Tax losses	324	-
Other	-	6
	<b>324</b>	<b>6</b>

**Reconciliation**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
(Loss)/Profit before tax	(5,011)	20,443
Income tax at the Australian tax rate of 30%	(1,503)	6,134
Non-deductible expenses	(32)	68
Previously unrecognised tax losses now recouped	3,371	(7,047)
Tax losses not recognised	758	2,554
Other	(978)	(529)
<b>Income tax on profit before tax</b>	<b>1,616</b>	<b>1,180</b>

**Unrecognised tax assets**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Tax losses for which no deferred tax asset has been recognised	140,197	151,035
Potential tax benefit at 30%	42,059	45,311

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

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Lease liabilities	2,306	2,356
Other	33	270
<b>Total deferred tax assets</b>	<b>2,339</b>	<b>2,626</b>
Right-of-use assets	2,550	1,945
Intangible assets	1,983	2,550
<b>Total deferred tax liabilities</b>	<b>4,533</b>	<b>4,495</b>

## **2. 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 2024**

**3. Cash & cash equivalents**

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

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Cash at bank	4,862	2,247
Deposits at call	-	2,416
<b>Total cash &amp; cash equivalents</b>	<b>4,862</b>	<b>4,663</b>

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

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
(Loss)/Profit for the year	(6,627)	19,264
<i>Non-cash items:</i>		
Depreciation	2,640	1,815
Impairment	7,317	1,946
Fair value movement of financial assets	(506)	(3,308)
Share of loss of associates	1,410	1,436
Loss/(Profit) on sale of other financial assets	125	(14,867)
Other non-cash items	(290)	(167)
Dividends received	(273)	(1,703)
Lease payments	(1,637)	(1,046)
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	1,245	(2,369)
Decrease/(Increase) in inventories	3,449	(4,735)
Increase/(Decrease) in net current and deferred tax assets and liabilities	223	(913)
(Decrease)/Increase in creditors	(3,711)	704
Increase in employee entitlements	168	203
<b>Net cash inflow/(outflow) from continuing operating activities</b>	<b>3,533</b>	<b>(3,739)</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 2024**

**4. Trade and other receivables**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
<i>Current</i>		
Trade receivables	12,491	13,840
Provision for doubtful debts	(142)	-
Interest receivable	-	-
Other loans receivable	5,593	1,502
Pre-payments and other receivables	1,880	1,961
<b>Total current trade &amp; other receivables</b>	<b>19,822</b>	<b>17,303</b>
<i>Non-current</i>		
Other loans receivable	1,562	6,888
<b>Total non-current trade &amp; other receivables</b>	<b>1,562</b>	<b>6,888</b>

**Trade receivables past due but not impaired**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Under three months	1,829	1,342
Three to six months	730	1,210
<b>Total receivables not considered impaired</b>	<b>2,559</b>	<b>2,552</b>

**Trade receivables past due but not impaired**

During the year ended 31 March 2024, the Consolidated entity recognised an expense in respect of bad and doubtful trade receivables of \$5,000 (2023: \$137,000).

**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 2024

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**5. Inventories**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Current		
Finished goods	13,934	17,384

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**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.

**NOTES TO THE FINANCIAL STATEMENTS: ASSETS**  
FOR THE YEAR ENDED 31 MARCH 2024

**6. Property, plant and equipment**

<i>In thousands of dollars</i>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>	<b>Total</b>
<b>At 1 April 2022</b>			
Cost	185	5,306	5,491
Accumulated depreciation	(56)	(3,277)	(3,333)
Carrying value	129	2,029	2,158
<b>Movement:</b>			
Additions	-	1,045	1,045
Acquired through business combination	4	1,446	1,450
Disposals	-	(49)	(49)
Depreciation	(14)	(675)	(689)
Effect of foreign exchange	-	55	55
Closing carrying value	119	3,851	3,970
<b>At 1 April 2023</b>			
Cost	162	7,122	7,284
Accumulated depreciation	(43)	(3,271)	(3,314)
Carrying value	119	3,851	3,970
<b>Movement:</b>			
Additions	29	1,583	1,612
Disposals	-	(41)	(41)
Reclassification from intangibles	-	(11)	(11)
Depreciation	(13)	(1,210)	(1,223)
Effect of foreign exchange	12	4	16
Closing carrying value	147	4,176	4,323
<b>At 31 March 2024</b>			
Cost	198	8,653	8,851
Accumulated depreciation	(51)	(4,477)	(4,528)
Carrying value	147	4,176	4,323

**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.



**NOTES TO THE FINANCIAL STATEMENTS: ASSETS**  
FOR THE YEAR ENDED 31 MARCH 2024

**6. Property, plant and equipment (continued)**

**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.

**7. Leases**

The balance sheet shows the following amounts relating to leases:

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
<i>Right-of-use assets</i>		
Buildings	6,610	6,948
<i>Lease liabilities</i>		
Current	1,450	1,138
Non-current	6,236	6,717
	<b>7,686</b>	<b>7,855</b>

Additions to the right-of-use assets during the current financial year were \$1,076,000 (2023: \$1,943,000).

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

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Depreciation charge of right-of-use of assets		
Buildings	1,409	1,078
Interest expense (included in finance costs)	406	285
Expense relating to short-term leases (included in operating costs)	-	-
Expense relating to leases of low-value assets that are not shown as short-term leases (included in occupancy costs)	31	35

The total cash outflow for leases in the year was \$1,668,000 (2023: \$ 1,248,000).

**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.

### **7. Leases (continued)**

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.

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-

### **7. 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.

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 2024

**8. Intangible assets**

<i>In thousands of dollars</i>	<b>Brand names</b>	<b>Goodwill</b>	<b>Software</b>	<b>Total</b>
<b>At 1 April 2022</b>				
Cost	8,500	14,563	-	23,063
Accumulated amortisation and impairment	-	(4,000)	-	(4,000)
Carrying value	8,500	10,563	-	19,063
<i>Movement:</i>				
Acquired through business combinations	-	2,187	-	2,187
Carrying value	8,500	12,750	-	21,250
<b>At 31 March 2023</b>				
Cost	8,500	16,750	-	25,250
Accumulated amortisation and impairment	-	(4,000)	-	(4,000)
Carrying value	8,500	12,750	-	21,250
<i>Movement:</i>				
Additions	-	-	15	15
Amortisation	-	-	(3)	(3)
Reclass from property, plant and equipment	-	-	11	11
Carrying value	8,500	12,750	23	21,273
<b>At 31 March 2024</b>				
Cost	8,500	16,750	26	25,276
Accumulated amortisation and impairment	-	(4,000)	(3)	(4,003)
Carrying value	8,500	12,750	23	21,273

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.

<b>Intangible asset</b>	<b>Useful life</b>
Crimsafe brands	Indefinite
Software	5 years

**NOTES TO THE FINANCIAL STATEMENTS: ASSETS**  
FOR THE YEAR ENDED 31 MARCH 2024

**9. Other financial assets**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
<i>Current</i>		
Other financial assets through profit or loss		
Investment in listed securities	15,899	41,543
<b>Total current financial assets</b>	<b>15,899</b>	<b>41,543</b>
<i>Non-current</i>		
Other financial assets through profit or loss		
Other unlisted investments	3,633	3,633
<b>Total non-current financial assets</b>	<b>3,633</b>	<b>3,633</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>2024</b>				
<i>Financial assets designated at fair value through profit or loss</i>				
Listed securities	15,899	-	3,633	19,532
<b>2023</b>				
<i>Financial assets designated at fair value through profit or loss</i>				
Listed securities	41,543	-	3,633	45,176

**9. 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 2024

**10. Share capital**

	Company		Company	
	31 March 2024 shares	31 March 2023 shares	31 March 2024 \$'000	31 March 2023 \$'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.

**11. Reserves**

<i>In thousands of dollars</i>	2024	2023
<i>Equity reserve</i>		
Opening balance	25,690	25,690
Closing balance	25,690	25,690
<i>Foreign currency translation reserve</i>		
Opening balance	157	(442)
Translation differences during the year	251	599
Closing balance	408	157
<b>Total reserves</b>	<b>26,098</b>	<b>25,847</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.

**12. Dividends**

The following dividend was paid during the year:

<i>Date</i>	<i>Cents per share</i>	<i>Total dividend</i>
26 May 2023	56	\$16,690,364.32

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

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

Estimated franking credits at 31 March 2024 available for the payment of dividends in subsequent financial years total \$757,291 (2023: \$7,429,646).

**NOTES TO THE FINANCIAL STATEMENTS: CAPITAL**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**13. Borrowings**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
<b>Current</b>		
Secured bank borrowings	7,161	3,232
Other	-	160
<b>Non-current</b>		
Secured bank borrowings	367	3,978
Other	-	-
<b>Total Borrowings</b>	<b>7,528</b>	<b>7,370</b>

*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 2024:

- \$5.0m loan facility bearing interest of one-month BBSY plus 1.8%pa, with principal repayments of \$125,000 per quarter;
- \$3.2m loan facility bearing interest of one-month BBSY plus 1.8%pa, with principal repayments of \$205,000 per quarter;
- \$1.5m overdraft facility; and
- \$1.0m rental guarantee facility.

Of the total debt facilities available on 31 March 2024, \$4,910,000 were unused.

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:

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Total current assets	30,851	34,350
Total non-current assets	34,325	34,775
<b>Total assets pledged</b>	<b>65,176</b>	<b>69,125</b>

The Company has subordinated a claim of \$24,895,344 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.



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**NOTES TO THE FINANCIAL STATEMENTS: RISK**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**14. 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 2024.

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>2024</b>	<b>2023</b>
Bank borrowings	7,075	7,210
Weighted average interest rate	4.35%	4.12%

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**NOTES TO THE FINANCIAL STATEMENTS: RISK**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**14. 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 2024 would have on equity and profit or loss (before tax) at the reporting date. The analysis was performed on the same basis in 2023.

<i>In thousands of dollars</i>	<b>2024</b>		<b>2023</b>	
	<b>Profit or loss</b>	<b>Equity</b>	<b>Profit or loss</b>	<b>Equity</b>
100 basis point decrease	71	71	42	42
100 basis point increase	(71)	(71)	(42)	(42)

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 2024**

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**14. 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>	2024		2023	
	Carrying amount	Market or fair value	Carrying amount	Market or fair value
Listed shares (accounted for using the fair value method)	15,899	15,899	41,543	41,543

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 2024 would have resulted in an increase or decrease in the fair value of the shares of approximately \$1,590,000 (2023: \$4,154,000).

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 2024**

**14. 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.

<i>In thousands of dollars</i>	<b>Within 1 year</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>	<b>Total cashflows</b>
<b>2024</b>				
Cash & cash equivalents	4,862	-	-	4,862
Receivables	19,821	1,562	-	21,383
Other assets	15,899	3,633	-	19,532
	40,582	5,195	-	45,777
<b>2023</b>				
Cash & cash equivalents	4,663	-	-	4,663
Receivables	15,802	8,389	-	24,191
Other assets	41,543	3,633	-	45,176
	62,008	12,022	-	74,030

(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 2024**

**14. 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>	<b>Within 1 year</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>	<b>Total cashflows</b>
<b>2024</b>				
Trade & other payables	(4,495)	-	-	(4,495)
Lease liabilities	(1,450)	(4,484)	(1,752)	(7,686)
Borrowings	(7,161)	(367)	-	(7,528)
	<b>(13,106)</b>	<b>(4,851)</b>	<b>(1,752)</b>	<b>(19,709)</b>
<b>2023</b>				
Trade & other payables	(9,663)	-	-	(9,663)
Lease liabilities	(1,138)	(4,129)	(2,588)	(7,855)
Borrowings	(3,312)	(3,858)	-	(7,170)
	<b>(14,113)</b>	<b>(7,987)</b>	<b>(2,588)</b>	<b>(24,688)</b>

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 2024.

(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.

**NOTES TO THE FINANCIAL STATEMENTS: RISK**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**15. 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 Brands and goodwill are tested for impairment at the individual entity level to which their CGU relate.

The recoverable amount of the Consolidated Entities CGU’s at 31 March 2024 was determined based on a VIU discounted cash flow model. VIU calculations use cash flow projections based on the 2025 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**

The values assigned to key assumptions represent management’s assessment of future trends in the industry and are based on historical data from both external and internal sources. The approach and key assumptions used in the calculation of the recoverable amount are summarised in the following table:

<b>Assumption</b>	<b>Approach used to determine values</b>
Pre-tax discount rate	The estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate, which reflects the current market assessments of the time value of money and risks specific to the asset or CGU. The pre-tax discount rates applied vary depending on the nature of the business and the country of operation.
Revenue growth rates	Revenue growth rates compare the previous period’s revenue with the current period’s revenue.
Operating cost growth rates	Operating cost growth rates are calculated as a percentage increase or decrease in operating expenses from one period to another.
Long-term growth rate	Long-term growth rates are based on past experience, expectations of external market operating conditions, and other assumptions which take into account the specific features of each business unit.

**NOTES TO THE FINANCIAL STATEMENTS: RISK**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**15. Impairment of non-financial assets (continued)**

The value assigned to the key assumptions are as follows:

	Pre-tax discount rate %		Revenue growth rate %		Operating growth rate %		Long-term growth rate %	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Crimsafe Australia</b>	16.8	16.5	3.6	4.0	3.6	2.5 to 3.5	2.5	2.5
<b>Crimsafe Fencing Solutions</b>	16.8	n/a	3.6	n/a	3.6	n/a	2.5	n/a

Sensitivity analysis is performed to determine the point at which the recoverable amount is equal to the carrying amount for each CGU. Management has assessed whether any CGU for which the carrying amount of goodwill is significant could be impaired as a result of a possible change in a key assumption.

*Crimsafe Australia*

Based on information available and market conditions as at 31 March 2024 and up to the date of this report, management have considered that a reasonable foreseeable change in the other assumptions used in the goodwill assessment would not result in an impairment to the value of goodwill as at 31 March 2024.

- An increase of 2% in the pre-tax discount rate: No indicator of impairment. The recoverable amount exceeds the carrying amount of the CGU.
- A decrease of 2% in the revenue and operating growth rate: No indicator of impairment. The recoverable amount exceeds the carrying amount of the CGU.
- A decrease of 2% in the long-term growth rate: No indicator of impairment. The recoverable amount exceeds the carrying amount of the CGU.

*Crimsafe Fencing Solutions*

Based on information available and market conditions as at 31 March 2024 and up to the date of this report, management have considered that a reasonable foreseeable change in the other assumptions used in the goodwill assessment would not result in an impairment to the value of goodwill as at 31 March 2024.

- An increase of 2% in the pre-tax discount rate: No indicator of impairment. The recoverable amount exceeds the carrying amount of the CGU.
- A decrease of 2% in the revenue and operating growth rate: No indicator of impairment. The recoverable amount exceeds the carrying amount of the CGU.
- A decrease of 2% in the long-term growth rate: No indicator of impairment. The recoverable amount exceeds the carrying amount of the CGU.

**NOTES TO THE FINANCIAL STATEMENTS: GROUP STRUCTURE**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

The Consolidated Entity has the following interest interests investments accounted for using the equity method:

		<b>2024</b>	<b>2023</b>
Boody Australia Pty Ltd	Boody	23.1%	23.1%
WINR Pty Ltd	WINR	23.9%	23.9%
RZT Holdings Pty Ltd	RZT	35.8%	35.8%
Glow Dreaming Holdings Pty Ltd	Glow	55.0%	55.0%
Apache Unit Trust	Apache	22.7%	22.7%
Puremedic Health Pty Ltd	Puremedic	23.0%	20.0%
STG Holdings Pty Ltd	STG	46.5%	33.3%

The carrying value and reconciliation of the Consolidated Entity's interest in these entities is as follows:

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
<b>Carrying amount</b>	<b>38,368</b>	<b>34,482</b>

	<b>Boody</b>	<b>WINR</b>	<b>RZT</b>	<b>Puremedic</b>	<b>Glow</b>	<b>Apache</b>	<b>STG</b>	<b>Total</b>
Balance at 1 April 2023	10,020	641	-	-	1,653	8,119	14,048	34,482
Additions (disposals)	-	(418)	-	25	-	-	6,700	6,307
Dividends received	-	-	-	-	-	-	(855)	(855)
Share of earnings (loss)	892	(109)	-	(25)	(1,497)	(3,231)	2,560	(1,410)
Impairment	-	-	-	-	(156)	-	-	(156)
Balance at 31 March 2024	10,913	114	-	-	-	4,888	22,452	38,368

The summarised financial information of the Consolidated Entity's investment in STG is shown below:

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
Current assets	46,909	30,025
Non-current assets	10,459	4,826
Current liabilities	(39,505)	(18,382)
Non-current liabilities	(3,162)	(944)
Equity	14,701	15,525
Consolidated entity's share in equity - 46.5% (2023: 33.3%)	6,836	5,170
Revenue from contracts with customers	104,749	79,749
Profit for the year (continuing operations)	6,025	5,306
Total comprehensive income for the year (continuing operations)	6,025	5306



**16. Investments accounted for using the equity method (continued)**

**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.

**17. 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 (%)	
			2024	2023
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	97.0	97.0
Cairns Fencing Services Pty Ltd	Australia	Ordinary	97.0	-
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 2024 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.

## **18. Business combinations**

### *Current year*

The Consolidated Entity did not acquire any businesses via a business combination during the year ended 31 March 2024.

### *Prior year*

During the year, the Consolidated Entity finalised the acquisition accounting for FBF Pty Ltd (acquired 9 December 2022). The fair value of the identifiable net assets and liabilities at the date of acquisition and recognised in the 2023 Financial Statements, was based on a provisional assessment.

The valuations were completed during the current year and resulted in the following accounting adjustments:

- Net increase to net assets acquired of \$40,000;
- Net increase to goodwill of nil;
- Increase to deferred vendor consideration of \$40,000.

## **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.

**NOTES TO THE FINANCIAL STATEMENTS: UNRECOGNISED ITEMS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**19. 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. The Company had no contingent liabilities, capital expenditure or investment commitments at 31 March 2024.

**20. Events after the reporting date**

On 8 December 2023, the Consolidated Entity incorporated a new legal entity, Cairns Fencing Services Pty Ltd. On 2 April 2024, Cairns Fencing Services Pty Ltd acquired the business and operating assets of Cairns Fencing from DSW Capital Pty Ltd for a gross purchase consideration of \$5.8 million. The fencing segment continues to be an area of investment and growth for the Group and this acquisition provides an opportunity to expand its geographic presence.

The financial effects of this transaction have not been recognised at 31 March 2024. The operating results and assets and liabilities of the acquired company will be consolidated from 2 April 2024. Details of the consideration and the provisionally determined fair values of the assets and liabilities as at the date of acquisition are as follows:

<i>In thousands of dollars</i>	<b>Fair value recognised on acquisition</b>
<b>Purchase consideration</b>	
Cash paid	5,051
Deferred consideration	400
<b>Total purchase consideration</b>	<b>5,451</b>
<b>Assets and liabilities</b>	
Inventory	748
Property, Plant and equipment	451
Employee benefit obligations	(24)
<b>Net identifiable assets acquired</b>	<b>1,175</b>
Goodwill	4,276
<b>Net assets acquired</b>	<b>8,552</b>

The goodwill is attributable to Cairns Fencing's strong position and profitability. None of the goodwill is expected to be deductible for tax purposes.

The contingent consideration arrangement requires the Consolidated Entity to pay the former owners of Cairns Fencing up to a maximum undiscounted amount of \$500,000 based on an EBITDA target, less an employee retention bonus cap of \$100,000.

Acquisition-related costs of \$447,000 will be included in administrative and other expenses in the statement of profit or loss in the reporting period ending 31 March 2025.

At the beginning of April 2024, the Consolidated Entity renegotiated its existing loan facility to finance the acquisition. The total available amount under the facility was increased by \$5,000,000.

Other than disclosed above or 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 2024**

**21. Parent entity disclosures**

<i>In thousands of dollars</i>	<b>2024</b>	<b>2023</b>
<b>Result of the parent entity</b>		
Profit for the year	(9,385)	22,378
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>(9,385)</b>	<b>22,378</b>
<b>Financial position of the parent entity at period end</b>		
Current assets	18,070	45,361
Total assets	97,888	124,470
Current liabilities	328	836
Total liabilities	329	836
<b>Total equity of the parent comprising:</b>		
Share Capital	230,876	230,876
Equity reserve	25,690	25,690
Distributable profit reserve	31,622	57,697
Accumulated losses	(190,821)	(190,629)
	<b>97,367</b>	<b>123,634</b>

**22. 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>2024</b>	<b>2023</b>
<b>Audit services</b>		
BDO Audit Pty Ltd:		
Statutory audit and review of financial reports	139,167	125,962
<b>Non - Audit services</b>		
BDO Services Pty Ltd:		
Tax advisory and consulting	65,253	42,060
Other services	54,664	100,000

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**NOTES TO THE FINANCIAL STATEMENTS: OTHER**  
FOR THE YEAR ENDED 31 MARCH 2024

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**23. 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>2024</b>	<b>2023</b>
Short-term employee benefits	931,882	1,263,836
Other- long term benefits	32,925	16,316
Post-employment benefits	77,692	74,213
Total KMP remuneration	1,042,499	1,354,365

Remuneration paid to directors of parent company, HCI Australian Operations Pty Ltd, during the period was \$910,499 (2023: \$1,186,365).

*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 2024

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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 11 to 45 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 2024 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.

Signed in accordance with a resolution of the Directors.



**Robert Moran**  
**Chairman**  
9 July 2024

## 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 statement of financial position as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information 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 2024 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 (including Independence Standards)* (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 obtained at the date of this auditor's report is information included in the Group's annual report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 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 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.

#### **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**

BDO

A handwritten signature in black ink, appearing to read 'Ian Hooper', written over a horizontal line.

Ian Hooper  
Director

Sydney, 9 July 2024