

### 1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

### 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	31.9% to	296,683
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	up	31.6% to	(1,505,101)
Loss for the year attributable to the owners of A1 Investments & Resources Ltd	up	31.6% to	(1,505,101)

#### Dividends

There were no dividends paid, recommended or declared during the current financial period.

#### Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,505,101 (30 June 2020: \$1,143,320).

Refer to 'Review of operations' in the Directors' report for further commentary on the results of the consolidated entity for the year ended 30 June 2021.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.004</u>	<u>0.001</u>

The net tangible assets per ordinary shares has been calculated based on 16,421,946,420 ordinary shares being on issue. The net tangible assets per ordinary share reported in the comparative period (30 June 2020) has been calculated based on 15,306,232,081 ordinary shares being on issue. This is the number of shares that would have been in existence at the end of that reporting period had the consolidation of shares, which occurred in the current period, taken place as at 1 July 2019.

Right-of-use assets and lease liabilities have been excluded from net tangible assets.

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

### 6. Dividends

#### Current period

There were no dividends paid, recommended or declared during the current financial period.

#### Previous period

There were no dividends paid, recommended or declared during the previous financial period.

## 7. Dividend reinvestment plans

Not applicable.

## 8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Tidal Moon Australia Pty Ltd	-	49.00%	-	(49)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	(49)
Income tax on operating activities			-	-

On 23 June 2021, Tidal Moon Australia Pty Ltd was dissolved and deregistered.

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued. The auditor's report contains a paragraph addressing material uncertainty related to going concern.

## 11. Attachments

*Details of attachments (if any):*

The Annual Report of A1 Investments & Resources Ltd for the year ended 30 June 2021 is attached.

## 12. Signed

As authorised by the Board of Directors

Signed 

Date: 30 August 2021

Charlie Nakamura  
Director  
Sydney

# **A1 Investments & Resources Ltd and its controlled entities**

**ABN 44 109 330 949**

**Annual Report - 30 June 2021**

Corporate directory	2
Directors' report	3
Auditor's independence declaration	13
Consolidated statement of profit or loss and other comprehensive income	14
Consolidated statement of financial position	15
Consolidated statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to the consolidated financial statements	18
Directors' declaration	48
Independent auditor's report to the members of A1 Investments & Resources Ltd	49
Shareholder information	53

Directors	Charlie Nakamura Peter Ashcroft Akira Sunaga
Company secretary	Peter Ashcroft
Notice of annual general meeting	A tentative date and place have been arranged for the annual general meeting of A1 Investments & Resources Ltd as follows: Thursday, 25 November 2021 Location: meeting to be held electronically
Registered office	Suite 606 / 37 Bligh Street Sydney NSW 2000 Australia Tel: +61 2 9114 6888 Fax: +61 2 9232 8883
Principal place of business	Suite 606 / 37 Bligh Street Sydney NSW 2000 Australia
Share register	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Tel: 1300 787 272 Fax: +61 3 9473 2500
Auditor	Hall Chadwick Chartered Accountants and Business Advisors Level 40 2 - 26 Park Street Sydney NSW 2000
Stock exchange listing	A1 Investments & Resources Ltd shares are listed on the Australian Securities Exchange (ASX code: AYI)
Website	<a href="http://www.a1investments.com.au">www.a1investments.com.au</a>
Corporate Governance Statement	The directors and management are committed to conducting the business of A1 Investments & Resources Ltd in an ethical manner and in accordance with the highest standards of corporate governance. A1 Investments & Resources Ltd has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found on the Investor Relations page at [www.a1investments.com.au](http://www.a1investments.com.au)

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of A1 Investments & Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

#### **Directors**

The following persons were directors of A1 Investments & Resources Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Charlie Nakamura

Peter Ashcroft

Akira Sunaga (appointed on 9 June 2021)

Masahiro Ito (resigned on 9 June 2021)

Takashi Araya (resigned on 5 March 2021)

#### **Principal activities**

The principal activities of the consolidated entity during the financial year were those of an investment company focusing on projects with operations in Australia and Japan.

The consolidated entity will continue to focus on the food and farming sectors in Australia in the next financial year, and the processing of raw sea cucumber in Japan sourced from anywhere in the world to produce consumer products for sale in Japan, China and Taiwan.

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,505,101 (30 June 2020: \$1,143,320).

The company does not need to remind its shareholders of the hardships of 2020-21. The coronavirus has had a significant impact on the consolidated entity's operations over the past 18 months and this continues to be the position. The continuation of a closed border with Western Australia ('WA') has made the management of the Western Australian operations of the consolidated entity difficult. In addition the on and off restrictions into Queensland has again seen the consolidated entity cease to return to southern Queensland.

The consolidated entity does not expect any substantial change to these issues over the coming months, despite a vaccine for COVID-19 becoming available. The consolidated entity does look forward to easier domestic travel in 2022, although some indications particularly from Western Australia means the consolidated entity is preparing for the continuation of some restrictions if managers and directors are seeking to travel to WA. The consolidated entity is also anticipating that international travel is unlikely to be reasonably free to Japan and China until well into 2022.

The consolidated entity confirms that all directors will be vaccinated as soon as possible. The consolidated entity is also encouraging all our employees and the employees of our dedicated contractors to be vaccinated.

The consolidated entity supports the right of employers to require its employees to be vaccinated.

The consolidated entity anticipates that COVID-19 will remain with us for some time and we must all plan and manage our futures on such basis.

The consolidated entity has determined to focus its business upon sea cucumbers and sea cucumber products and this focus necessarily means that our people and products are part of a system of domestic and international free trade.

##### *1. Sea Cucumber Project*

The travel bans to Western Australia ('WA') which commenced in late March 2020 have significantly restricted our ability to manage our businesses in WA and for those businesses to complete all their respective requirements to operate.

The dispute with our dedicated contractor at Shark Bay remains unresolved, despite our best efforts. At all times we have sought to encourage our partner to perform but its current position leaves little opportunity to resolve an on-going solution, although we still believe this would be in the best interests of all parties and the local community in Shark Bay. The consolidated entity has now ceased all operations in Shark Bay and we are unlikely to return until the local community obtains further rights to harvest sea cucumbers in WA and enters some agreement with the consolidated entity.

Throughout the year to 30 June 2021 the consolidated entity has continued to investigate and settle its manufacturing contractor in Japan, maintain and expand its sales leads throughout Japan, the PRC and other parts of Asia. Product production commenced in Japan in June 2021 and will gain pace over the coming months. The finished products include a lower specification gummy and higher specification health food supplement. Sales of the finished product will commence in August 2021.

The consolidated entity has throughout the year to 30 June 2021 sourced raw dried sea cucumber from Japan and Peru. A contract to supply up to 27-28 tonne pa of product from Peru to our Japanese subsidiary was settled in January 2021. The consolidated entity is also examining the supply of raw product from Ecuador and 8 to 10 tons of high valued product from northern Queensland. The consolidated entity proposes using the expertise of our Japanese consultants in respect to drying harvested sea cucumber in northern Queensland so as to create a competitive product to Hokkaido sea cucumber in Japan, Taiwan and China for the restaurant market.

#### *2. Blue Ocean Japan*

The consolidated entity notes that its wholly owned subsidiary in Japan, Blue Ocean Japan commenced active trading under the supervision of the consolidated entity's Managing Director, Mr Nakamura who remained in Japan until February 2021. The consolidated entity received revenue from sales of \$294,414 in the year to 30 June 2021.

#### *3. Tidal Moon*

The dispute with our dedicated contractor at Shark Bay remains unresolved, despite our best efforts. Discussions with lawyers from Tidal Moon in Perth in March 2021 failed to secure any solution although the discussions were amicable and some progress towards a solution was achieved. The parties have agreed to continue discussions, although COVID-19 restrictions have prevented any further face to face discussions.

#### *4. Sandalwood Project*

The consolidated entity has entered an agreement to commence a sandalwood business with Bunyah Oil and New South Wales ('NSW') oil production consolidated entity. The consolidated entity has an initial commitment of \$300,000 to the project over the next 12 months. All funds will be provided by the consolidated entity from existing funds.

#### *5. New funding*

The Board received \$200,000 by way of placement and shares issued on 31 December 2020 and a further \$20,000 way of placement and shares issued on 15 January 2021.

#### *6. Joint venture with Qualipac*

The Board has also determined to place any further work on this project on hold until there are no further domestic travel restrictions in Australia. No activity took place on this business in the past 12 months.

#### *7. Bundybunna*

The coronavirus has delayed the finalisation of the termination of the winding up of Bundybunna Aboriginal Corporation Limited. The consolidated entity has determined not to proceed further with this project and it will recover its contribution to the termination from the liquidator over the next 12 months.

#### *8. Immediate future*

The consolidated entity is planning for 2021-22 to be no less challenging than 2020-21 has proved to be. However, the consolidated entity is of the opinion that the fast tracking of vaccine production and the vaccination of our management, workforce and the workforce of our contractors during 2021 in Australia will produce an environment in which we can confidently plan for a productive 2022 and beyond.

The consolidated entity is well placed to meet its commitments for 2022.

#### **Significant changes in the state of affairs**

On 26 November 2020, the consolidated entity consolidated its ordinary share capital at a ratio of 2 to 1.

On 31 December 2020, the consolidated entity issued 758,571,428 ordinary shares for \$212,500. \$200,000 was received in cash and \$12,500 represented shares issued in lieu of amounts owed by the consolidated entity.

On 15 January 2021, the company issued 357,142,857 ordinary shares at an issue price of \$0.00028 per share. The total cash received was \$100,000 of which \$80,000 was received during the financial year ended 30 June 2020 in advance of the shares being issued and the final \$20,000 was received in January 2021.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

#### **Matters subsequent to the end of the financial year**

The impact of COVID19 pandemic restrictions continues to impact the consolidated entity particularly in Australia. Japan, Peru, Taiwan and the People's Republic of China ('PRC'). Domestic and international travel restrictions continue to preclude the management of the consolidated entity from travelling to our operations throughout Australia including significant potential supplier operations. Lockdowns and increasing cases of COVID in Peru and Japan have impacted the delivery of raw sea cucumber to Japan and the processing of the raw materials into finished product in Japan. COVID restrictions in Japan, Taiwan and the PRC are also causing delays in the distribution of our products. The weather in Japan in August has seen record high temperatures in Honshu (Tokyo) and record rainfall and severe flooding in Kyushu. These problems have caused delays in production and distribution. Production is continuing but the Company expects sales in the first quarter of 2021-22 financial year to be less than expected because of these problems.

The consolidated entity is confident that the vaccination of our staff and contractors in Australia and Japan will see better trading and production taking place from the end of November 2021. The consolidated entity expects trading to continue to be adversely affected by COVID for the remainder of 2021 but conditions to improve markedly in 2022.

The consolidated entity is undertaking all its business operations with a philosophy of "Living and Doing Business with COVID" for the foreseeable future, and certainly for the next financial year.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

#### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### Information on directors

Name:	Charlie Nakamura
Title:	Managing Director and Chief Executive Officer
Qualifications:	B.IE (U.Nihon, Japan), MBA (U.Dubuque, USA)
Experience and expertise:	Charlie worked for the Tokai Bank (a major Japanese bank that has merged and become the current Bank of Tokyo-Mitsubishi UFJ) from 1991 to 2002. During his time in Tokai Bank, Charlie's major activities included corporate finance, project finance, structure finance and international trading. In 1998, Charlie transferred to Tokai Australia Finance Corporation, Tokai Bank's Australian subsidiary. Charlie was a head of the corporate finance department for the Japanese corporations, which included Toyota, Mitsubishi Corporation, Mitsui Corporation and many other major Japanese companies in Australia. In 2000, Tokai joined the project finance ('PF') deal between BHP and Mitsubishi Corporation. Charlie was Tokai's representative for this PF, which was well known as the 'Blackwater' coking coal mining project. After a successful completion of the Blackwater project, Charlie was involved in various resource projects and made extensive networks in Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	73,440,681 ordinary shares
Interests in options:	None
Interests in rights:	300,000,000 performance rights over ordinary shares

Name:	Peter Ashcroft
Title:	Executive Chairperson
Qualifications:	LLB (University of Sydney), Solicitor of the Supreme Court of NSW and High Court of Australia (no longer practicing)
Experience and expertise:	Peter was a commercial law specialist with over 35 years' experience. He has assisted various companies in recent years to list, finance their operations with both debt and equity as well as manage their legal risks. Peter has worked with development and investment companies throughout Australia and has advised on joint ventures in Indonesia, New Zealand, the Philippines, India, USA, Sweden, Ghana, Canada and Madagascar. Peter has for many years lectured on natural resource law, trade practices, company law and corporate governance and compliance.
	Peter provides specialist commercial and corporate advice to the company and its joint operations.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Company Secretary
Interests in shares:	1,538,968,253 ordinary shares
Interests in rights:	300,000,000 performance rights over ordinary shares



**Directors' report**

**30 June 2021**

Name:	Akira Sunaga
Title:	Non-Executive Director
Experience and expertise:	Akira has been a long term business consultant and corporate advisor for the company. He splits his time between Australia and Japan but has resided in Japan for the past 2 years. The consolidated entity's operations in Japan require a director in Japan to oversee and assist these operations.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

**Company secretary**

Peter Ashcroft is an experienced company secretary and occupies this role along with being the Executive Chairperson of the company. Refer to Information on Directors for further details on Peter Ashcroft.

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Charlie Nakamura	13	13
Peter Ashcroft	13	13
Akira Sunaga	1	1
Masahiro Ito	10	12
Takashi Araya	8	9

Held: represents the number of meetings held during the time the director held office.

Corporate Governance Committee matters were dealt with by the Full Board.

**Remuneration report (audited)**

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executives on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

***Non-executive directors' remuneration***

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may seek the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market (see 'use of remuneration consultants' section below). The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2011, where the shareholders approved an aggregate remuneration of \$90,867.

***Executive remuneration***

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

Long-term incentives ('LTI') include long service leave and share-based payments. The shareholders approved a performance rights plan at the 2015 AGM. Performance rights are awarded to executives over a period of up to three years based on long-term incentive measures, as well as continued employment. Long-term incentive measures include financial performance of the consolidated entity, increases in shareholder value relative to the entire market and an increase in shareholder value relative to the consolidated entity's direct competitors.

#### *Consolidated entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. Incentive payments are dependent on defined earnings before interest, tax, depreciation and amortisation ('EBITDA') targets being met.

#### *Use of remuneration consultants*

During the financial year ended 30 June 2021, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

#### *Voting and comments made at the company's 2020 Annual General Meeting ('AGM')*

At the last AGM no shareholders voted against the adoption of the Remuneration Report for the year ended 30 June 2020 and the company did not receive any specific feedback at the AGM regarding remuneration practices.

### **Details of remuneration**

#### *Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in this section.

The key management personnel of the consolidated entity consisted of the following directors of A1 Investments & Resources Ltd:

- Charlie Nakamura - Managing Director and Chief Executive Officer
- Peter Ashcroft - Executive Chairperson
- Akira Sunaga - Non-Executive Director

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Non-monetary	Super-annuation	Employee leave	Equity-settled	
2021	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Akira Sunaga	-	-	-	-	-	-
Masahiro Ito*	12,000	-	-	-	-	12,000
<i>Executive Directors:</i>						
Charlie Nakamura	85,000	-	10,200	1,417	-	96,617
Peter Ashcroft	120,000	-	14,400	2,000	-	136,400
	<u>217,000</u>	<u>-</u>	<u>24,600</u>	<u>3,417</u>	<u>-</u>	<u>245,017</u>

\* represents remuneration from the date of appointment and/or up to the date of resignation..

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Non-monetary	Super-annuation	Employee leave	Equity-settled	
2020	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Takashi Araya	-	-	-	-	-	-
Masahiro Ito	15,000	-	-	-	-	15,000
<i>Executive Directors:</i>						
Charlie Nakamura	150,000	-	14,250	30,178	-	194,428
Peter Ashcroft	100,000	-	9,500	10,000	-	119,500
	265,000	-	23,750	40,178	-	328,928

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
Akira Sunaga	-	-	-	-	-	-
Masahiro Ito	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Charlie Nakamura	100%	100%	-	-	-	-
Peter Ashcroft	100%	100%	-	-	-	-

#### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Charlie Nakamura
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	6 July 2018
Term of agreement:	3 years
Details:	Based salary of \$150,000 plus superannuation. 2 months' notice required to terminate. Entitled to 6 months gross salary.
Variation:	The parties mutually agreed to vary the salary in the last year of the contract to 30 June 2021 to \$85,000.
Continuation of agreement:	The parties have agreed to the continuation of the contract on a month to month basis at the salary as varied and set out above, in the last year of the agreement which expired on 30 June 2021.
Name:	Peter Ashcroft
Title:	Executive Chairperson
Agreement commenced:	6 July 2018
Term of agreement:	3 years
Details:	Based salary of \$100,000 plus superannuation. 2 months' notice required to terminate. Entitled to 6 months gross salary.
Variation:	The parties mutually agreed to vary the salary in the last year of the contract to 30 June 2021 to \$120,000.
Continuation of agreement:	The parties have agreed to the continuation of the contract on a month to month basis at the salary as varied and set out above, in the last year of the agreement which expired on 30 June 2021.

#### Share-based compensation

##### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

*Options*

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021. There were no options over ordinary shares granted to or vested in directors and other key management personnel as part of compensation during the year ended 30 June 2021.

*Performance rights*

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Fair value per right at grant date
Charlie Nakamura	100,000,000	5 March 2021	30 June 2022	31 December 2023	\$0.001
	100,000,000	5 March 2021	31 December 2022	31 December 2023	\$0.001
	100,000,000	5 March 2021	31 December 2023	31 December 2023	\$0.001
Peter Ashcroft	100,000,000	5 March 2021	30 June 2022	30 June 2022	\$0.001
	100,000,000	5 March 2021	31 December 2022	31 December 2022	\$0.001
	100,000,000	5 March 2021	31 December 2023	31 December 2023	\$0.001

The performance rights are subject to performance criteria and will be evaluated in three tranches. For each director, details of the tranches and performance hurdles are follows:

- Tranche A - if the consolidated entity acquires or produces 10 tonnes of dried sea cucumber for the production of supplements, 100,000,000 of rights will vest. The expiry date is 30 June 2022.
- Tranche B - if the consolidated entity generates \$5,000,000 in revenue from the sale of sea cucumber products, 100,000,000 of rights will vest. The expiry date is 31 December 2022.
- Tranche C - if the consolidated entity generates \$10,000,000 in revenue from the sale of all products, 100,000,000 of rights will vest. The expiry date is 31 December 2023.

The performance rights are not subject to an exercise price.

Performance rights granted carry no dividend or voting rights.

The performance criteria were approved by the shareholders at the 26 November 2020 AGM. The Board, at the date the performance rights were granted (5 March 2021), did not reasonably expect that the performance criteria could be met and the initial rights would vest. Trading conditions and the general performance of the consolidated entity deteriorated from October 2020 through to March 2021 and indeed through to 30 June 2021. The Board has reasonably determined as of 30 June 2021 that the performance criteria in respect to of each Tranche is unlikely to be achieved and the performance rights are therefore, unlikely to vest. As of 30 June 2021 production was small, sales of the manufactured product had not commenced, and any revenue of the consolidated entity was limited to the on sale of wholesale sea cucumber. COVID continued to impact the performance of the consolidated entity in Peru and Japan, delaying production throughout June.

**Additional disclosures relating to key management personnel***Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Share consolidation*	Disposals/other**	Balance at the end of the year
<i>Ordinary shares</i>						
Charlie Nakamura	146,881,362	-	-	(73,440,681)	-	73,440,681
Peter Ashcroft	834,285,714	-	1,121,825,396	(417,142,857)	-	1,538,968,253
	<u>981,167,076</u>	<u>-</u>	<u>1,121,825,396</u>	<u>(490,583,538)</u>	<u>-</u>	<u>1,612,408,934</u>

\* 2 for 1 consolidation of the Company's shares took place on 26 November 2020 in the manner as set out in the Notice for the 2020 AGM.

\*\* Disposals/other represents no longer KMP, not necessarily a disposal of holding.

*Performance rights holding*

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Charlie Nakamura	-	300,000,000	-	-	300,000,000
Peter Ashcroft	-	300,000,000	-	-	300,000,000
	-	600,000,000	-	-	600,000,000

*Other transactions with key management personnel and their related parties*

The consolidated entity has a loan payable to Peter Ashcroft. The loan incurs no interest and is repayable on demand. As at 30 June 2021, the loan balance is \$5,000 (2020: \$5,000).

During the year ended 30 June 2021, the consolidated entity generated revenue of \$nil (2020: \$220,000) from a Director related entity, in respect of management fees. An amount of \$nil, inclusive of GST, was outstanding at 30 June 2021 (2020: \$nil).

During the year ended 30 June 2021, the consolidated entity incurred remuneration expenses totalling \$10,950 (2020: \$nil) from a close family member of a key management personnel for services rendered.

During the year 30 June 2021, the consolidated entity paid rent of \$4,582 (2020: \$nil) to Akira Sunaga.

***This concludes the remuneration report, which has been audited.***

**Shares under option**

There were no unissued ordinary shares of A1 Investments & Resources Ltd under option outstanding at the date of this report.

**Shares under performance rights**

Unissued ordinary shares of A1 Investments & Resources Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
5 March 2021	31 December 2023	\$0.0000	300,000,000
5 March 2021	31 December 2023	\$0.0000	300,000,000
			<u>600,000,000</u>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

The performance rights are not subject to an exercise price.

**Shares issued on the exercise of options**

There were no ordinary shares of A1 Investments & Resources Ltd issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

**Shares issued on the exercise of performance rights**

There were no ordinary shares of A1 Investments & Resources Ltd issued on the exercise of performance rights during the year ended 30 June 2021 and up to the date of this report.

**Indemnity and insurance of officers**

The company has no directors and officers insurance however the Board has agreed to indemnify the directors against any liability in respect to matters directly related to the company's business and where the director has not engaged in reckless or intentional default or fraud.

**Indemnity and insurance of auditor**

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

**Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

**Officers of the company who are former partners of Hall Chadwick Chartered Accountants and Business Advisors**

There are no officers of the company who are former partners of Hall Chadwick Chartered Accountants and Business Advisors.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Charlie Nakamura  
Director

30 August 2021  
Sydney

A1 INVESTMENTS & RESOURCES LTD ABN 44 109 330 949  
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF A1 INVESTMENTS & RESOURCES LTD

SYDNEY

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
F: (612) 9263 2800

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of A1 Investments & Resources Ltd. As the lead audit partner for the audit of the financial report of A1 Investments & Resources Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Hall Chadwick*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Graham Webb*

**GRAHAM WEBB**  
Partner  
Dated: 30 August 2021

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An Association of Independent  
Accounting Firms

 PrimeGlobal



**A1 Investments & Resources Ltd and its controlled entities**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

	Note	Consolidated	
		2021 \$	2020 \$
<b>Revenue</b>	5	294,414	428,540
Share of losses of associates accounted for using the equity method		-	(49)
Other income	6	123,358	97,632
Interest revenue calculated using the effective interest method		2,269	7,001
<b>Expenses</b>			
Raw materials and consumables used		(183,332)	(36,242)
Subcontracting expense		-	(127,734)
Acquisition costs in relation to supply agreement		-	(140,000)
Employee benefits expense	7	(312,653)	(314,746)
Occupancy expenses		(22,610)	(5,921)
Depreciation expense	7	(46,218)	(47,793)
Impairment of goodwill	31	-	(15,254)
Loss on disposal of plant and equipment		(16,200)	-
Consultancy and professional fees		(374,516)	(286,525)
Net foreign exchange losses		(14,676)	-
Travel expenses		(51,421)	(94,977)
Share registry and listing expenses		(72,075)	(61,559)
Expected credit losses		(10,788)	-
Write off of receivables		(162,579)	(66,000)
Impairment of advance payments	15	(520,034)	(260,000)
Impairment of inventories		-	(57,663)
Other expenses		(74,529)	(103,768)
Finance costs	7	(62,631)	(58,262)
<b>Loss before income tax expense</b>		(1,504,221)	(1,143,320)
Income tax expense	8	(880)	-
<b>Loss after income tax expense for the year attributable to the owners of A1 Investments &amp; Resources Ltd</b>		(1,505,101)	(1,143,320)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(3,015)	(2,450)
Other comprehensive income for the year, net of tax		(3,015)	(2,450)
<b>Total comprehensive income for the year attributable to the owners of A1 Investments &amp; Resources Ltd</b>		<u>(1,508,116)</u>	<u>(1,145,770)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	38	(0.0095)	(0.0087)
Diluted earnings per share	38	(0.0095)	(0.0087)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**A1 Investments & Resources Ltd and its controlled entities**  
**Consolidated statement of financial position**  
**As at 30 June 2021**



	Note	Consolidated	
		2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,286,614	2,234,632
Trade and other receivables	10	10,594	31,158
Inventories	11	112,333	2,583
Other current assets	12	100,378	543,009
<b>Total current assets</b>		<u>1,509,919</u>	<u>2,811,382</u>
<b>Non-current assets</b>			
Plant and equipment	13	107,624	24,484
Right-of-use assets	14	39,749	73,817
Other non-current assets	15	-	161,271
<b>Total non-current assets</b>		<u>147,373</u>	<u>259,572</u>
<b>Total assets</b>		<u>1,657,292</u>	<u>3,070,954</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	100,058	153,860
Borrowings	17	12,794	5,000
Lease liabilities		39,270	36,778
Other current liabilities	18	-	80,000
<b>Total current liabilities</b>		<u>152,122</u>	<u>275,638</u>
<b>Non-current liabilities</b>			
Payables	19	332,150	370,475
Borrowings	20	2,015,711	2,027,915
Lease liabilities		3,128	39,469
Employee benefits		32,517	40,177
<b>Total non-current liabilities</b>		<u>2,383,506</u>	<u>2,478,036</u>
<b>Total liabilities</b>		<u>2,535,628</u>	<u>2,753,674</u>
<b>Net assets/(liabilities)</b>		<u>(878,336)</u>	<u>317,280</u>
<b>Equity</b>			
Issued capital	21	36,207,230	35,894,730
Reserves	22	(5,465)	817,252
Accumulated losses		(37,080,101)	(36,394,702)
<b>Total equity</b>		<u>(878,336)</u>	<u>317,280</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**A1 Investments & Resources Ltd and its controlled entities**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2021**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2019	34,738,717	819,702	(35,251,382)	307,037
Loss after income tax expense for the year	-	-	(1,143,320)	(1,143,320)
Other comprehensive income for the year, net of tax	-	(2,450)	-	(2,450)
Total comprehensive income for the year	-	(2,450)	(1,143,320)	(1,145,770)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	1,156,013	-	-	1,156,013
Balance at 30 June 2020	<u>35,894,730</u>	<u>817,252</u>	<u>(36,394,702)</u>	<u>317,280</u>
<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2020	35,894,730	817,252	(36,394,702)	317,280
Loss after income tax expense for the year	-	-	(1,505,101)	(1,505,101)
Other comprehensive income for the year, net of tax	-	(3,015)	-	(3,015)
Total comprehensive income for the year	-	(3,015)	(1,505,101)	(1,508,116)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	312,500	-	-	312,500
Transfers from other reserves to accumulated losses	-	(819,702)	819,702	-
Balance at 30 June 2021	<u>36,207,230</u>	<u>(5,465)</u>	<u>(37,080,101)</u>	<u>(878,336)</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**A1 Investments & Resources Ltd and its controlled entities**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2021**

	Note	Consolidated	
		2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		290,305	812,269
Payments to suppliers and employees (inclusive of GST)		(1,440,905)	(1,512,077)
		(1,150,600)	(699,808)
Interest received		2,269	7,001
Government grants		99,150	38,975
Interest and other finance costs paid		(62,631)	(58,262)
Net cash used in operating activities	35	(1,111,812)	(712,094)
<b>Cash flows from investing activities</b>			
Payment for purchase of business, net of cash acquired	31	-	18,305
Payments for investments in associate		-	(49)
Payments for property, plant and equipment		(20,598)	(26,448)
Proceeds from disposal of property, plant and equipment		-	180,001
Net cash (used in)/from investing activities		(20,598)	171,809
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	21	220,000	695,323
Proceeds from borrowings		-	2,000,000
Repayment of borrowings		(1,759)	(367,310)
Repayment of lease liabilities		(33,849)	(25,962)
Net cash from financing activities		184,392	2,302,051
Net (decrease)/increase in cash and cash equivalents		(948,018)	1,761,766
Cash and cash equivalents at the beginning of the financial year		2,234,632	472,866
Cash and cash equivalents at the end of the financial year	9	<u>1,286,614</u>	<u>2,234,632</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

### **Note 1. General information**

The financial statements cover A1 Investments & Resources Ltd as a consolidated entity consisting of A1 Investments & Resources Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is A1 Investments & Resources Ltd's functional and presentation currency.

A1 Investments & Resources Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 606 / 37 Bligh Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2021. The directors have the power to amend and reissue the financial statements.

### **Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

#### **Going concern**

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

Whilst the consolidated entity has positive working capital as at 30 June 2021 where current assets exceed current liabilities by \$1,357,797 (2020: \$2,535,744), it had a deficiency of net assets of \$878,336 (2020: net assets of \$317,280). In addition, the consolidated entity made a loss after tax of \$1,505,101 (2020: \$1,143,320) during the financial year and generated net operating cash outflows of \$1,111,812 (2020: \$712,094). The cash balance as at 30 June 2021 was \$1,286,614 (30 June 2020: \$2,234,632).

In December 2020 the consolidated entity received \$200,000 which resulted from the issue of ordinary shares in the Company on 31 December 2020. The Company received further placement moneys of \$20,000 in early January 2021.

The directors recognise the on-going cash requirements of the consolidated entity including the need to further fund the sea cucumber project in Japan and Australia, including meeting the cost of raw materials from Peru. The consolidated entity has used the funds provided by WIN Properties Australia Pty Limited ('WIN Prop') to fund the cash shortfall in the past 12 months and will continue to use part of the balance of these funds for the remainder of 2021.

The consolidated entity anticipates that the sea cucumber project will be cash flow positive by the end of the third quarter of the financial year ending 30 June 2022. This projection takes into consideration the problems with COVID19. The Board is continuing to seek placement moneys to supplement the consolidated entity's working capital. The Board is also examining the feasibility for further equity raising in the calendar year 2022.

The consolidated entity anticipates meeting all obligations of the WIN Prop loan during the financial year to 30 June 2022, and is examining all options available to it to re-finance the loan, or roll over the loan either wholly or partially, including raising equity on or about the maturity date. The consolidated entity confirms that WIN Prop will not call the loan within the next 12 months of the date of this report.

## **Note 2. Significant accounting policies (continued)**

The financial statements have therefore been prepared on a going concern basis. Accordingly the financial statements have not been prepared including any adjustments relating to recoverability and re-classification of recorded assets or to the amounts and classifications of liabilities that might be necessary if the consolidated entity should not continue as a going concern.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of A1 Investments & Resources Ltd ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. A1 Investments & Resources Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Foreign currency translation**

The financial statements are presented in Australian dollars, which is A1 Investments & Resources Ltd's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Note 2. Significant accounting policies (continued)**

*Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the point of sale or the time of delivery.

*Rendering of services*

Rendering of services revenue is recognised as the service is provided as the consolidated entity has a right to compensation equivalent to the value delivered to the customer.

*Dividend revenue*

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

*Management fee income*

Management fee income is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Government grants**

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the consolidated entity will comply with all attached conditions.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

## **Note 2. Significant accounting policies (continued)**

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **Inventories**

Raw materials and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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.

### **Associates**

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.



## **Note 2. Significant accounting policies (continued)**

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **Joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

### **Plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	10% - 40%
Motor vehicles	17% - 25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Motor vehicles and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## **Note 2. Significant accounting policies (continued)**

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### *Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed.

### **Impairment of non-financial assets**

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where the borrowings are extinguished with equity instruments any differences between the fair value of the equity instruments and the carrying value of the loans and borrowings are recognised in the profit or loss.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

## **Note 2. Significant accounting policies (continued)**

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### **Employee benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

## **Note 2. Significant accounting policies (continued)**

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Business combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### **Earnings per share**

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of A1 Investments & Resources Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

**Note 2. Significant accounting policies (continued)**

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

*Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of property, plant and equipment*

The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may trigger an impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models, which incorporate a number of key estimates and assumptions.

*Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Joint arrangements*

The consolidated entity holds a 50% interest in the A1 Qualipac Agriculture joint venture. The partnership agreements require unanimous consent from all parties for all relevant activities. The two partners own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the consolidated entity recognises its direct right to the jointly held assets, liabilities, revenues and expenses as disclosed in note 2.

**Note 4. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into two operating segments:

- General investment; and
- Food products and supplements.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation, amortisation and other items which are determined to be outside of the control of the respective segments). EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

*Types of products and services*

The principal products and services of each of these operating segments are as follows:

General investment	investment operations focusing on diversified investment portfolios
Food products and supplements	the sale of dried seafood products and supplements

*Major customers*

During the year ended 30 June 2021 1 customer (2020: 1 customer) contributed more than 10% to the external revenue of the consolidated entity. This customer contributed 83% (2020: 1 customer contributed 51%) of the consolidated entity's external revenue.

**Note 4. Operating segments (continued)**

*Operating segment information*

	General investment \$	Food products and supplements \$	Total \$
<b>Consolidated - 2021</b>			
<b>Revenue</b>			
Sales to external customers	-	294,414	294,414
Interest	2,269	-	2,269
<b>Total revenue</b>	<u>2,269</u>	<u>294,414</u>	<u>296,683</u>
<b>EBITDA</b>			
Depreciation and amortisation	(1,440,062)	42,421	(1,397,641)
Interest revenue	(45,388)	(830)	(46,218)
Finance costs	2,269	-	2,269
	(62,306)	(325)	(62,631)
<b>Profit/(loss) before income tax expense</b>	<u>(1,545,487)</u>	<u>41,266</u>	<u>(1,504,221)</u>
Income tax expense			(880)
<b>Loss after income tax expense</b>			<u>(1,505,101)</u>
<b>Assets</b>			
Segment assets	2,210,581	297,319	2,507,900
Intersegment eliminations			(850,608)
<b>Total assets</b>			<u>1,657,292</u>
<b>Liabilities</b>			
Segment liabilities	2,530,116	856,120	3,386,236
Intersegment eliminations			(850,608)
<b>Total liabilities</b>			<u>2,535,628</u>
<b>Consolidated - 2020</b>			
<b>Revenue</b>			
Sales to external customers	220,000	208,540	428,540
Interest	7,001	-	7,001
<b>Total revenue</b>	<u>227,001</u>	<u>208,540</u>	<u>435,541</u>
<b>EBITDA</b>			
Depreciation and amortisation	(751,190)	(277,822)	(1,029,012)
Impairment of goodwill	(36,894)	(10,899)	(47,793)
Interest revenue	-	(15,254)	(15,254)
Finance costs	7,001	-	7,001
	(45,897)	(12,365)	(58,262)
<b>Loss before income tax expense</b>	<u>(826,980)</u>	<u>(316,340)</u>	<u>(1,143,320)</u>
Income tax expense			-
<b>Loss after income tax expense</b>			<u>(1,143,320)</u>
<b>Assets</b>			
Segment assets	3,573,590	86,517	3,660,107
Intersegment eliminations			(589,153)
<b>Total assets</b>			<u>3,070,954</u>
<b>Liabilities</b>			
Segment liabilities	2,660,141	682,686	3,342,827
Intersegment eliminations			(589,153)
<b>Total liabilities</b>			<u>2,753,674</u>

**Note 4. Operating segments (continued)**

*Geographical information*

	Sales to external customers		Geographical non-current assets	
	2021	2020	2021	2020
	\$	\$	\$	\$
Australia	-	406,978	143,401	259,572
Japan	294,414	21,562	3,972	-
	<u>294,414</u>	<u>428,540</u>	<u>147,373</u>	<u>259,572</u>

**Note 5. Revenue**

	Consolidated	
	2021	2020
	\$	\$
Sale of goods - dried seafood and supplements and fresh food	294,414	208,540
Management fees	-	220,000
Revenue	<u>294,414</u>	<u>428,540</u>

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2021	2020
	\$	\$
<i>Geographical regions</i>		
Australia	-	406,978
Japan	294,414	21,562
	<u>294,414</u>	<u>428,540</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	294,414	208,540
Services transferred over time	-	220,000
	<u>294,414</u>	<u>428,540</u>

During the year ended 30 June 2021, all revenue from contracts with customers is generated from one major product line, being the sale of dried seafood products and supplements. During the year ended 30 June 2020, all revenue from contracts with customers is generated from two major product lines, being sales of fresh produce and management services as presented above.



**Note 6. Other income**

	Consolidated	
	2021	2020
	\$	\$
Net foreign exchange gain	-	14,549
Government grants	99,150	65,267
Other income	24,208	17,816
	<u>123,358</u>	<u>97,632</u>

Government grants comprise of the following:

- During the year the consolidated entity received payments from the Australian Government amounting to \$27,203 (2020: \$45,338) as part of its 'Boosting Cash Flow for Employers' scheme in response to the COVID-19 pandemic. These non-tax amounts have been recognised as government grants and recognised as other income once there is reasonable assurance that the consolidated entity will comply with any conditions attached. In addition, \$24,076 was received from the Japanese Government in response to the COVID-19 pandemic.
- During the COVID-19 pandemic, the consolidated entity has received JobKeeper support payments from the Australian Government amounting to \$47,871 (2020: \$19,929) which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. The consolidated entity is eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

**Note 7. Expenses**

	Consolidated	
	2021	2020
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	183,540	36,242
<i>Depreciation</i>		
Plant and equipment	12,150	19,401
Buildings right-of-use assets	34,068	28,392
Total depreciation	<u>46,218</u>	<u>47,793</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	58,972	53,730
Interest and finance charges paid/payable on lease liabilities	3,659	4,532
Finance costs expensed	<u>62,631</u>	<u>58,262</u>
<i>Share-based payments expense</i>		
Share-based payments expense	12,500	140,000
<i>Employee benefits expense</i>		
Defined contribution superannuation expense	31,114	23,750
Employee benefits expense excluding superannuation	281,539	290,996
Total employee benefits expense	<u>312,653</u>	<u>314,746</u>

*Share-based payments*

During the year ended 30 June 2021, share-based payment represents \$12,500 of ordinary shares issued in lieu of expenses incurred by the consolidated entity including rent and utilities.

During the year ended 30 June 2020, share-based payment represents \$140,000 of ordinary shares issued in lieu of the consolidated entity entering into a supply agreement.

**Note 8. Income tax expense**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
<i>Income tax expense</i>		
Current tax	880	-
Aggregate income tax expense	<u>880</u>	<u>-</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,504,221)	(1,143,320)
Tax at the statutory tax rate of 27.5%	(413,661)	(314,413)
Current year tax losses not recognised	414,541	314,413
Income tax expense	<u>880</u>	<u>-</u>

Any potential tax benefit for tax losses has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

**Note 9. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Cash and cash equivalents	286,614	227,728
Cash on deposit	1,000,000	2,006,904
	<u>1,286,614</u>	<u>2,234,632</u>

**Note 10. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Receivables - Tidal Moon Pty Ltd	10,788	-
Less: Allowance for expected credit losses	(10,788)	-
	<u>-</u>	<u>-</u>
Other receivables	10,594	31,158
	<u>10,594</u>	<u>31,158</u>

**Note 11. Current assets - inventories**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Raw materials - at cost	7,770	-
Stock on hand - at cost	104,563	60,246
Less: Provision for impairment	-	(57,663)
	<u>104,563</u>	<u>2,583</u>
	<u><u>112,333</u></u>	<u><u>2,583</u></u>

As at 30 June 2020, the consolidated entity fully provided for the stock of its subsidiary Blue ocean Japan ('BOJ'). During the year ended 30 June 2021, as a result of the sale of stock that was on hand at 30 June 2020, the provision for impairment was written back.

**Note 12. Current assets - other current assets**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Prepayments	1,117	480,000
Deposits	99,261	63,009
	<u>100,378</u>	<u>543,009</u>
	<u><u>100,378</u></u>	<u><u>543,009</u></u>

Refer to note 15 for further information on prepayments.

**Note 13. Non-current assets - plant and equipment**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Plant and equipment - at cost	46,285	51,991
Less: Accumulated depreciation	(16,263)	(27,507)
	<u>30,022</u>	<u>24,484</u>
Motor vehicles - at cost	27,045	-
Less: Accumulated depreciation	(1,408)	-
	<u>25,637</u>	<u>-</u>
Capital works in progress - at cost	51,965	-
	<u>107,624</u>	<u>24,484</u>
	<u><u>107,624</u></u>	<u><u>24,484</u></u>

**Note 13. Non-current assets - plant and equipment (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Plant and equipment \$	Motor Vehicles \$	Capital works in progress \$	Total \$
Balance at 1 July 2019	226,348	-	-	226,348
Additions	26,448	-	-	26,448
Disposals	(208,911)	-	-	(208,911)
Depreciation expense	(19,401)	-	-	(19,401)
Balance at 30 June 2020	24,484	-	-	24,484
Additions	52,280	27,045	51,965	131,290
Disposals	(36,000)	-	-	(36,000)
Depreciation expense	(10,742)	(1,408)	-	(12,150)
Balance at 30 June 2021	<u>30,022</u>	<u>25,637</u>	<u>51,965</u>	<u>107,624</u>

**Note 14. Non-current assets - right-of-use assets**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Land and buildings - right-of-use	102,209	102,209
Less: Accumulated depreciation	(62,460)	(28,392)
	<u>39,749</u>	<u>73,817</u>

The consolidated entity leases land and buildings for its office under agreement of between 1 to 3 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Land and buildings \$
Balance at 1 July 2019	-
Additions	102,209
Depreciation expense	(28,392)
Balance at 30 June 2020	73,817
Depreciation expense	(34,068)
Balance at 30 June 2021	<u>39,749</u>

**Note 15. Non-current assets - other non-current assets**

	Consolidated	
	2021	2020
	\$	\$
Prepayments	520,034	161,271
Less: Provision for impairment	(520,034)	-
Deposits	260,000	260,000
Less: Provision for impairment	(260,000)	(260,000)
	-	161,271
	-	161,271

*Prepayments*

During the year ended 30 June 2020, the consolidated entity made payments to Tidal Moon Pty Limited ('TM') and its subsidiary Tidal Moon Australia Pty Limited ('TMA') by way of advance payments for dried sea cucumbers for the sum of \$641,271. At 30 June 2020, \$480,000 was included in current assets and \$161,271 was included in non-current assets. During the year ended 30 June 2021, an additional payment of \$99,000 was made. However no dried sea cucumbers were received by the consolidated entity. \$78,001 of the payments were recovered and \$142,236 was written off. At 30 June 2021, the remaining balance of \$520,034 due from TM is no longer deemed to be reasonably recoverable from deliveries of dried sea cucumbers and has therefore been impaired in full. The consolidated entity is continuing to pursue TM for full recovery.

*Deposits*

Deposits represent deposits for the purchase of Resi Property Holdings Pty Ltd ('Resi'). Resi holds the right to enter into a 10 year property lease with a 10 year option for a property known as Bundybunna, subject to Bunnybunna Aboriginal Corporation (in liquidation) ('BbAC') having its liquidation terminated.

The consolidated entity undertook a review of the process to terminate the winding up of BbAC. The consolidated entity has determined that it is appropriate to fully provide for the deposit paid for Resi as no final date for the termination has been determined. COVID-19 has delayed all court proceedings in Western Australia and no final date has yet been received for final submissions. All material matters have been attended to provide for the termination of the winding up and the company expects the winding up to be terminated before 31 December 2022. The consolidated entity notes that if the winding up does not take place it expects to fully recover the deposit from the liquidator after the sale of the property. The consolidated entity notes that at the time of the deposit the liquidator agreed to prioritise the repayment to the consolidated entity if the winding up was not terminated.

**Note 16. Current liabilities - trade and other payables**

	Consolidated	
	2021	2020
	\$	\$
Trade payables	26,069	71,742
Other payables and accruals	73,989	82,118
	100,058	153,860
	100,058	153,860

Refer to note 24 for further information on financial instruments.

**Note 17. Current liabilities - borrowings**

	Consolidated	
	2021	2020
	\$	\$
Loan from Director related entity	5,000	5,000
Motor vehicle loan	7,794	-
	12,794	5,000
	12,794	5,000

Refer to note 24 for further information on financial instruments.

*Loan from Director related entity*

The loan from Director related entity is payable within 12 months, is interest free and is unsecured.

*Motor vehicle loan*

The motor vehicle loan has a term of 5 years and is secured over the consolidated entity's motor vehicle. Interest is charged at 3.89% per annum. The principal and interest are repaid in month instalments.

**Note 18. Current liabilities - other current liabilities**

	Consolidated	
	2021	2020
	\$	\$
Subscriptions received in advance	-	80,000
	-	80,000

As at 30 June 2020, subscriptions received in advance represents funds received for ordinary shares which had not been issued at reporting date. On 15 January 2021, the company issued 357,142,857 ordinary shares at an issue price of \$0.00028 per share. Total proceeds from the issue of shares was \$100,000 of which \$80,000 was received in advance.

**Note 19. Non-current liabilities - payables**

	Consolidated	
	2021	2020
	\$	\$
Accrued expenses	332,150	370,475
	332,150	370,475

Accrued expenses represents accrued remuneration for key management personnel.

**Note 20. Non-current liabilities - borrowings**

	Consolidated	
	2021	2020
	\$	\$
Loan from WIN Properties Australia Pty Limited	2,000,000	2,000,000
Motor vehicle loan	15,711	-
Loan - other	-	27,915
	2,015,711	2,027,915
	2,015,711	2,027,915

Refer to note 24 for further information on financial instruments.

*Loan from WIN Properties Australia Pty Limited*

The loan from WIN Properties Australia Pty Limited, incurs interest of 5% per annum, payable six monthly in advance or if paid on time, the interest rate reduces to 2.5% per annum. The loan is secured over all the asset of the consolidated entity which are located in Australia. The loan is repayable on 11 March 2023.

**Note 20. Non-current liabilities - borrowings (continued)**

*Loan - other*

The loan was settled in full during the year ended 30 June 2021. The loan was unsecured and incurred interest of 2% per annum.

*Total secured liabilities*

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2021	2020
	\$	\$
Loan from WIN Properties Australia Pty Limited	2,000,000	2,000,000

*Assets pledged as security*

The loan from WIN Properties Australia Pty Limited is secured over all the assets of the consolidated entity which are located in Australia.

**Note 21. Equity - issued capital**

	Consolidated			
	2021	2020	2021	2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	16,421,946,420	30,612,464,161	36,207,230	35,894,730

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	22,355,228,735		34,738,717
Issue of shares	4 July 2019	1,660,371,429	\$0.0001	232,452
Acquisition of subsidiary	31 January 2020	400,000,000	\$0.0001	56,000
Issue of shares	17 February 2020	4,481,863,997	\$0.0001	627,461
Issue of shares	17 February 2020	1,000,000,000	\$0.0001	140,000
Issue of shares	16 March 2020	715,000,000	\$0.0001	100,100
Balance	30 June 2020	30,612,464,161		35,894,730
Consolidation of shares 2 to 1	26 November 2020	(15,306,232,026)	\$0.0000	-
Issue of shares*	31 December 2020	758,571,428	\$0.0003	212,500
Issue of shares	15 January 2021	357,142,857	\$0.0028	100,000
Balance	30 June 2021	16,421,946,420		36,207,230

\* \$200,000 was received in cash and \$12,500 represented the value of shares issued in lieu of amounts owed by the consolidated entity.

*Ordinary shares*

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

**Note 21. Equity - issued capital (continued)**

In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business, company or general equities was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity actively pursues additional investments to grow its investment portfolio.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

**Note 22. Equity - reserves**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Foreign currency reserve	(5,465)	(2,450)
Other reserves	-	819,702
	<u>(5,465)</u>	<u>817,252</u>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Other reserves*

The reserve is used to recognise increments and decrements in the fair value of non-current assets.

<b>Consolidated</b>	Foreign currency translation \$	Other \$	Total \$
Balance at 1 July 2019	-	819,702	819,702
Foreign currency translation	<u>(2,450)</u>	<u>-</u>	<u>(2,450)</u>
Balance at 30 June 2020	(2,450)	819,702	817,252
Foreign currency translation	(3,015)	-	(3,015)
Transfers from other reserves to accumulated losses	<u>-</u>	<u>(819,702)</u>	<u>(819,702)</u>
Balance at 30 June 2021	<u>(5,465)</u>	<u>-</u>	<u>(5,465)</u>

**Note 23. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 24. Financial instruments**

***Financial risk management objectives***

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.



**Note 24. Financial instruments (continued)**

**Market risk**

*Foreign currency risk*

From time to time the consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity does not have a hedging policy.

At 30 June 2021 the consolidated entity is not exposed to any significant foreign currency risk.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	2021 \$	2020 \$	2021 \$	2020 \$
US dollars	7,583	6,938	-	-
Japanese yen	1,070	84,018	-	-
	<u>8,653</u>	<u>90,956</u>	<u>-</u>	<u>-</u>

The sensitivity analysis for foreign exchange risk of the above financial assets and financial liabilities is as follows:

Consolidated - 2021	% change	AUD strengthened Effect on profit before tax		% change	AUD weakened Effect on profit before tax	
		Effect on equity	Effect on equity		Effect on equity	Effect on equity
US dollar	5%	(361)	-	5%	399	-
Japanese Yen	5%	(51)	-	5%	56	-
		<u>(412)</u>	<u>-</u>		<u>455</u>	<u>-</u>

  

Consolidated - 2020	% change	AUD strengthened Effect on profit before tax		% change	AUD weakened Effect on profit before tax	
		Effect on equity	Effect on equity		Effect on equity	Effect on equity
US dollar	5%	(330)	-	5%	365	-
Japanese Yen	5%	(4,000)	-	5%	4,422	-
		<u>(4,330)</u>	<u>-</u>		<u>4,787</u>	<u>-</u>

*Price risk*

As at 30 June 2021 the consolidated entity is not exposed to any significant price risk.

*Interest rate risk*

The consolidated entity's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. As at the reporting date, the consolidated entity's borrowings are issued at fixed interest rates therefore the consolidated entity has no significant exposure to interest rate risk.

**Note 24. Financial instruments (continued)**

As at the reporting date, the consolidated entity had the following fixed rate borrowings outstanding:

Consolidated	2021		2020	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Loan - WIN Properties Australia Pty Limited	2.50%	2,000,000	2.50%	2,000,000
Loan - other	-	-	2.00%	27,915
Motor vehicle loan	3.89%	23,505	-	-
Lease liabilities	6.00%	42,398	6.00%	76,247
Net exposure to cash flow interest rate risk		<u>2,065,903</u>		<u>2,104,162</u>

An analysis by remaining contractual maturities is shown in 'remaining contractual maturities' below.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

**Liquidity risk**

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Note 24. Financial instruments (continued)**

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2021</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	26,069	-	-	-	26,069
Other payables	-	73,989	332,150	-	-	406,139
Loan from Director related entities	-	5,000	-	-	-	5,000
<i>Interest-bearing - fixed rate</i>						
Loan from WIN Properties	2.50%	50,000	2,025,205	-	-	2,075,205
Motor vehicle loan	3.89%	6,235	6,235	12,989	-	25,459
Lease liabilities	4.20%	37,718	6,287	-	-	44,005
<b>Total non-derivatives</b>		<b>199,011</b>	<b>2,369,877</b>	<b>12,989</b>	<b>-</b>	<b>2,581,877</b>

<b>Consolidated - 2020</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	71,742	-	-	-	71,742
Other payables	-	82,118	370,475	-	-	452,593
Loan from Director related entities	-	5,000	-	-	-	5,000
<i>Interest-bearing - fixed rate</i>						
Loan from WIN Properties	2.50%	50,000	50,000	2,025,205	-	2,125,205
Loan - other	2.00%	558	27,915	-	-	28,473
Lease liabilities	6.00%	37,507	37,718	6,287	-	81,512
<b>Total non-derivatives</b>		<b>246,925</b>	<b>486,108</b>	<b>2,031,492</b>	<b>-</b>	<b>2,764,525</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 25. Fair value measurement**

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

**Note 26. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Short-term employee benefits	217,000	265,000
Post-employment benefits	24,600	23,750
Long-term benefits	3,417	40,178
	<u>245,017</u>	<u>328,928</u>

**Note 27. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Hall Chadwick Chartered Accountants and Business Advisors, the auditor of the company:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
<i>Audit services - Hall Chadwick Chartered Accountants and Business Advisors</i>		
Audit or review of the financial statements	40,923	37,400
<i>Other services - Hall Chadwick Chartered Accountants and Business Advisors</i>		
Taxation services	5,347	7,590
	<u>46,270</u>	<u>44,990</u>

**Note 28. Contingent liabilities**

As at 30 June 2021, the consolidated entity has provided financial guarantees of \$114,000 (30 June 2020: \$114,000).

**Note 29. Related party transactions**

*Parent entity*

A1 Investments & Resources Ltd is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 32.

*Associates*

Interests in associates are set out in note 33.

*Joint operations*

Interests in joint operations are set out in note 34.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

**Note 29. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Sale of goods and services:		
Management fee revenue from director related entity	-	220,000
Payment for other expenses:		
Interest paid/(payable) to director related entities	50,000	10,260
Rent paid/(payable) to key management personnel	4,582	-
Employee benefits paid to a close family member of key management personnel	10,950	-

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Current borrowings:		
Loan from Director related entity	5,000	5,000
Non-current borrowings:		
Loans from Director related entity	2,000,000	2,000,000

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 30. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Loss after income tax	(1,545,489)	(964,740)
Total comprehensive income	(1,545,489)	(964,740)

**Note 30. Parent entity information (continued)**

*Statement of financial position*

	Parent	
	2021	2020
	\$	\$
Total current assets	2,067,180	3,314,019
Total assets	2,266,581	3,629,592
Total current liabilities	146,614	210,020
Total liabilities	2,530,119	2,660,141
Equity		
Issued capital	36,207,230	35,894,730
Other reserves	-	819,702
Accumulated losses	(36,470,768)	(35,744,981)
Total equity	<u>(263,538)</u>	<u>969,451</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

*Contingent liabilities*

As at 30 June 2021, the parent entity had contingent liabilities as detailed in note 28.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2021 and 30 June 2020.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 31. Business combinations**

*Acquisition of Blue Ocean Japan Co., Limited (prior year)*

On 31 January 2020, the consolidated entity acquired 100% of the issued share capital in Blue Ocean Japan Co., Limited ('Blue Ocean') for \$56,000 by way of issue of shares in the company at an issue price of \$0.00014 per share. This is a company with a business of arranging the manufacture of health food supplements from the dried sea cucumber imported from Australia which are supplied by the consolidated entity, and thereafter the sales and marketing of such supplements as part of the overall Sea Cucumber Project.

**Note 31. Business combinations (continued)**

Details of the acquisition are as follows:

	<b>Fair value</b> <b>\$</b>
Cash and cash equivalents	18,305
Inventories	53,470
Other current assets	68,490
Trade payables	(67,301)
Other payables	(1,230)
Loans	(30,988)
	<hr/>
Net assets acquired	40,746
Goodwill	15,254
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>56,000</u>
Representing:	
A1 Investments & Resources Ltd shares issued to vendor shareholders	<u>56,000</u>

Following the acquisition, management assessed and reconsidered the deterioration in the global economy due to COVID-19. Combined with the risk that the economic impacts of COVID-19 could further deteriorate and become more prolonged, management have determined that it has become very difficult to predict economic outcomes. As a result of this assessment, management fully impaired the goodwill of \$15,254 during the financial year ended 30 June 2020.

**Note 32. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>2021</b> %	<b>2020</b> %
China Century Capital (HK) Limited	Hong Kong	100.00%	100.00%
A1 Investments Operations Pty Limited (formerly WIN A1 Food Platform Services Pty Limited)	Australia	100.00%	100.00%
Blue Ocean Japan Co., Limited	Japan	100.00%	100.00%

**Note 33. Interests in associates**

Interests in associates are accounted for using the equity method of accounting are set out below:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>2021</b> %	<b>2020</b> %
Tidal Moon Australia Pty Limited*	Australia	-	49.00%

\* The operations of Tidal Moon Australia Pty Limited ceased in March 2021 and it was dissolved and deregistered on 23 June 2021.

For the purpose of this financial report the interest in the associate company, Tidal Moon Australia Pty Limited, is not material.

**Note 34. Interests in joint operations**

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
A1 Qualipac Joint Venture	Australia	-	50.00%

A1 Qualipac Joint Venture ceased operations and was discontinued during the year ended 30 June 2021.

**Note 35. Reconciliation of loss after income tax to net cash used in operating activities**

	Consolidated	
	2021 \$	2020 \$
Loss after income tax expense for the year	(1,505,101)	(1,143,320)
Adjustments for:		
Depreciation	46,218	47,793
Net loss on disposal of plant and equipment	16,200	28,910
Impairment of goodwill	-	15,254
Expected credit loss	10,788	-
Write off of receivables	162,579	66,000
(Reversal)/impairment of inventories	(57,663)	57,663
Impairment of deposits and prepayments	520,034	260,000
Share of loss - associates	-	49
Share-based payments	12,500	140,000
Foreign exchange differences	(4,033)	(5,523)
Non-cash income	(24,208)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(81,222)	344,553
Increase in inventories	(52,087)	(6,776)
Increase in prepayments	(99,254)	(641,271)
Increase/(decrease) in trade and other payables	(48,903)	84,397
Increase/(decrease) in employee benefits	(7,660)	40,177
Net cash used in operating activities	<u>(1,111,812)</u>	<u>(712,094)</u>

**Note 36. Non-cash investing and financing activities**

	Consolidated	
	2021 \$	2020 \$
Shares issued in relation to business combinations	-	(56,000)
Shares issued as settlement of related party payable	(12,500)	-
Non-cash subscriptions for ordinary shares received in advance	-	80,000
Additions of plant and equipment	(22,727)	-
	<u>(35,227)</u>	<u>24,000</u>



**Note 37. Changes in liabilities arising from financing activities**

<b>Consolidated</b>	Loan - chattel mortgage \$	Loan from Director related entities \$	Loan from WIN Properties \$	Motor vehicle loan \$	Loan - other \$	Lease liability \$	Total \$
Balance at 1 July 2019	193,243	179,067	-	-	-	-	372,310
Net cash from/(used in) financing activities	(193,243)	(174,067)	2,000,000	-	-	(25,962)	1,606,728
Additions	-	-	-	-	-	102,209	102,209
Changes through business combinations (note 31)	-	-	-	-	30,988	-	30,988
Exchange differences	-	-	-	-	(3,073)	-	(3,073)
Balance at 30 June 2020	-	5,000	2,000,000	-	27,915	76,247	2,109,162
Net cash used in financing activities	-	-	-	(1,759)	-	(33,849)	(35,608)
Additions	-	-	-	25,264	-	-	25,264
Other changes	-	-	-	-	(27,915)	-	(27,915)
Balance at 30 June 2021	-	5,000	2,000,000	23,505	-	42,398	2,070,903

**Note 38. Earnings per share**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(1,505,101)</u>	<u>(1,143,320)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>15,847,883,744</u>	<u>13,199,569,927</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>15,847,883,744</u>	<u>13,199,569,927</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.0095)	(0.0087)
Diluted earnings per share	(0.0095)	(0.0087)

Performance rights have been excluded from the above calculations as they were anti dilutive.

The weighted average number of ordinary shares in the comparative period (30 June 2020) are calculated based on the number of shares that would have been in existence had the share consolidation which occurred in the current period, taken place as at 1 July 2019.

**Note 39. Share-based payments**

*Performance rights*

On 5 March 2021, 600,000,000 performance rights were granted to directors, Charlie Nakamura and Peter Ashcroft. Each director received 300,000,000 performance rights. The performance rights are subject to performance criteria and are to be evaluated in three tranches. For each directors, details of the tranches and performance hurdles are follows:

- Tranche A - if the consolidated entity acquires or produces 10 tonne of dried sea cucumber for the production of supplements, 100,000,000 of rights will vest. The expiry date is 30 June 2022.
- Tranche B - if the consolidated entity generates \$5,000,000 in revenue from the sale of sea cucumber products, 100,000,000 of rights will vest. The expiry date is 31 December 2022.
- Tranche C - if the consolidated entity generates \$10,000,000 in revenue from the sale of all products, 100,000,000 of rights will vest. The expiry date is 31 December 2023.

**Note 39. Share-based payments (continued)**

The share-based payment expense for the financial year ended 30 June 2021 was \$nil based on the probability that the vesting conditions will not be achieved (2020: n/a).

Set out below are summaries of performance rights granted under the plan:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
05/03/2021	30/06/2022	\$0.0000	-	200,000,000	-	-	200,000,000
05/03/2021	31/12/2022	\$0.0000	-	200,000,000	-	-	200,000,000
05/03/2021	31/12/2023	\$0.0000	-	200,000,000	-	-	200,000,000
			-	600,000,000	-	-	600,000,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.7 years (2020: N/A).

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
05/03/2021	30/06/2022	\$0.0010	\$0.0000	50.00%	-	0.42%	\$0.001
05/03/2021	31/12/2022	\$0.0010	\$0.0000	50.00%	-	0.42%	\$0.001
05/03/2021	31/12/2023	\$0.0010	\$0.0000	50.00%	-	0.42%	\$0.001

The performance criteria were approved by the shareholders at the 26 November 2020 AGM. The Board, at the date the performance rights were eventually granted, did not reasonably expect that the performance criteria could be met and the initial rights would vest. Trading conditions and the general performance of the consolidated entity deteriorated from October 2020 through to March 2021 and indeed through to 30 June 2021 and the consolidated entity has therefore valued the performance rights at 30 June 2021 accordingly at zero. The Board has reasonably determined as of 30 June 2021 that the performance criteria in respect to of each Tranche is unlikely to be achieved and the performance rights are therefore, unlikely to vest. As of 30 June 2021 production was small, sales of the manufactured product had not commenced, and any revenue of the consolidated entity was limited to the on sale of wholesale sea cucumber. COVID continued to impact the performance of the consolidated entity in Peru and Japan, delaying production throughout June.

**Note 40. Events after the reporting period**

The impact of COVID19 pandemic restrictions continues to impact the consolidated entity particularly in Australia, Japan, Peru, Taiwan and the People's Republic of China ('PRC'). Domestic and international travel restrictions continue to preclude the management of the consolidated entity from travelling to our operations throughout Australia including significant potential supplier operations. Lockdowns and increasing cases of COVID in Peru and Japan have impacted the delivery of raw sea cucumber to Japan and the processing of the raw materials into finished product in Japan. COVID restrictions in Japan, Taiwan and the PRC are also causing delays in the distribution of our products. The weather in Japan in August has seen record high temperatures in Honshu (Tokyo) and record rainfall and severe flooding in Kyushu. These problems have caused delays in production and distribution. Production is continuing but the Company expects sales in the first quarter of 2021-22 financial year to be less than expected because of these problems.

The consolidated entity is confident that the vaccination of our staff and contractors in Australia and Japan will see better trading and production taking place from the end of November 2021. The consolidated entity expects trading to continue to be adversely affected by COVID for the remainder of 2021 but conditions to improve markedly in 2022.

The consolidated entity is undertaking all its business operations with a philosophy of "Living and Doing Business with COVID" for the foreseeable future, and certainly for the next financial year.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- 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 have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Charlie Nakamura'.

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Charlie Nakamura  
Director

30 August 2021  
Sydney

A1 INVESTMENTS & RESOURCES LTD  
 ABN 44 109 330 949  
 AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
 A1 INVESTMENTS & RESOURCES LTD

SYDNEY

Level 40  
 2 Park Street  
 Sydney NSW 2000  
 Australia  
 Ph: (612) 9263 2600  
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**Report on the Financial Report**

**Opinion**

We have audited the financial report of A1 Investments & Resources Ltd and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Boards APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$1,505,101 during the year ended 30 June 2021 and as of that date, the group's total liabilities exceeded its total assets by \$878,336. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2021. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Recoverability of Other Assets</b> Refer to Notes 15 “Other current assets”</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- We assessed whether the advances are recoverable through discussions with management</li> <li>- We concurred with management’s assessment that the balance be impaired in full</li> <li>- We assessed the adequacy of the disclosures in the financial report regarding this matter.</li> </ul>
<p>This is a key audit matter because the balance is material to the financial statements and significant judgement is applied in determining whether this balance is recoverable.</p>	

**Information Other than the Financial Report and Auditor’s Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2021 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, 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 have 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 6 to 11 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of A1 Investments & Resources Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney, NSW 2000



**GRAHAM WEBB**  
Partner  
Dated: 30 August 2021

The shareholder information set out below was applicable as at 21 July 2021.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Performance rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	45	-	-	-
1,001 to 5,000	299	0.01	-	-
5,001 to 10,000	194	0.01	-	-
10,001 to 100,000	283	0.05	-	-
100,001 and over	467	99.93	2	100.00
	<b>1,288</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>
Holding less than a marketable parcel	976	-	-	-

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	2,491,340,936	15.17
Global Dish Co Limited	2,122,207,625	12.92
King Fame Group Limited	1,957,499,553	11.92
Msk Holdings Co Limited	1,571,093,016	9.57
Green Eco Energy Asset Management Co Ltd	1,457,810,571	8.88
Sakura Research Institute Co Ltd	1,116,071,429	6.80
Plus JPS Pte Ltd	1,102,035,738	6.71
Sarlat Securities Pty Ltd	1,071,428,571	6.52
Kooriya Kawakyu Co Ltd	492,759,000	3.00
Ashware Holdings Pty Ltd	363,253,968	2.21
Marvel Green Power Energy Pte Ltd	250,000,000	1.52
Tidal Moon Pty Ltd	250,000,000	1.52
Sonoko Kawagoe	160,000,000	0.97
Super Sorghum Asia Holdings Pte Ltd	125,000,000	0.76
Pt Gistec Prima Energindo	113,478,571	0.69
Citicorp Nominees Pty Limited	107,109,712	0.65
Mr Peter John Ashcroft	104,285,714	0.64
Mr Bao-Guey Lin	99,697,084	0.61
Yamagen Securities Co Ltd	89,698,500	0.55
Mr Charlie Nakamura	63,143,750	0.38
	<b>15,107,913,738</b>	<b>91.99</b>

*Unquoted equity securities*

	Number on issue	Number of holders
Performance rights over ordinary shares	600,000,000	2



**A1 Investments & Resources Ltd and its controlled entities****Shareholder information****30 June 2021**

The following persons hold 20% or more of unquoted equity securities:

<b>Name</b>	<b>Class</b>	<b>Number held</b>
Charlie Nakamura	Performance rights of ordinary shares	300,000,000
Peter Ashcroft	Performance rights of ordinary shares	300,000,000

**Substantial holders**

Substantial holders in the company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	2,491,340,936	15.17
Global Dish Co Limited	2,122,207,625	12.92
King Fame Group Limited	1,957,499,553	11.92
Msk Holdings Co Limited	1,571,093,016	9.57
Green Eco Energy Asset Management Co Ltd	1,457,810,571	8.88
Sakura Research Institute Co Ltd	1,116,071,429	6.80
Plus JPS Pte Ltd	1,102,035,738	6.71
Sarlat Securities Pty Ltd	1,071,428,571	6.52

**Voting rights**

The voting rights attached to ordinary shares and performance rights are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.