

AstiVita Limited

ABN 46 139 461 733

Annual Report

For the Year Ended 30 June 2021

AstiVita Limited

ABN 46 139 461 733

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For the Year Ended 30 June 2021

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Executive Chairman's Review

For the Year Ended 30 June 2021

I am pleased to report that AstiVita Limited ('AIR') continues with its strategic initiatives. Some key milestones were achieved during FY21 and we have set achievable goals for FY22.

- AIR has commenced the process of splitting the existing business into Consumer Durables and Personal Care businesses, with the establishment of the new company Organic Vegan Limited, a wholly owned subsidiary of AIR ("Organic Vegan"). The Personal Care business will be transferred to Organic Vegan.
- Consumer Durable Business
 - Generated a profit before tax of \$784,000, as highlighted in Note 2 page 25 & 26 of this Annual Report and the Company has commenced writing back a portion of the derecognised tax losses of \$500,000 in FY21.
 - The Consumer Durables business will continue to operate as is for the foreseeable future with a further \$3.9 million available in derecognised tax losses to be written back, positively impacting future statutory results.
 - We anticipate further improved profitability for AIR based on increased Consumer Durables revenue driven by record home sales due to the Federal Government Grants program.
- Personal Care Business
 - We now have test results for over 50 products with SPF 50 and above. These products are either listed with FDA or TGA or are able to be listed as demand crystallises.
 - We have recently developed new vegan/organic/natural insect repellents which are mosquito rated for 5 hours and have been fully tested by Melbourne University. Organic Vegan will finalise the FDA / TGA SPF testing and will patent the products before their launch in FY22.
 - We are committed to launching on Amazon Australia 14 new sunscreen and personal care products under various brands, to be followed in the near future by launches in the US and EU markets.
 - Marketing commenced for our SPF50+ mineral sunscreens, produced by Italian and US manufacturers which are ready for sale in FY22 through EU and US Amazon platforms.
 - We have started sales initiatives for our range of vegan/organic/natural sunscreen, personal care and oral hygiene products to various brand owners.
 - Increased our range of vegan/organic/natural SPF rated end products to include personal care products with SPF15 to better cater for market demand during the winter season.
 - We intend to revitalise and expand the range of Dr ZinX Hinokitiol based products, targeting Australia, EU and US markets.

Despite ongoing losses in our Personal Care business, the statutory loss for FY21 was limited to \$542,000 before tax, compared to \$3.016 million in FY20.

	2021 \$000's	2020 \$000's	2019 \$000's	2018 \$000's	2017 \$000's	2016 \$000's	2015 \$000's
Trading loss before tax	(542)	(3,016)	(833)	(1,200)	(1,444)	(1,520)	(2,170)
Loss After Tax	(30)	(7,298)	(583)	(841)	(1,034)	(1,070)	(1,592)

The Board has formed a view that there are limited synergies between the Consumer Durables and Personal Care businesses and is in the process of exploring ways to separate these two businesses. On behalf of the Board, I would like to thank our sales staff, formulation team and manufacturing group for their hard work over the past 12 months.



L Mizikovsky

Executive Chairman

Dated: 31 August 2021

Directors' Report

For the Year Ended 30 June 2021

The directors present their report, together with the financial statements of AstiVita, being AstiVita Limited (the "Company" or "AstiVita" or "AIR") and its controlled entities ("Group"), for the financial year ended 30 June 2021.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
Lev Mizikovsky	Executive Chairman
Rade Dudurovic	Non-Executive Director
Geoff Acton	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretaries

The following person held the position of Company secretary at the end of the financial year:

- Mr Geoff Acton ([B.Com, ACA, GAICD])
- Miss Narelle Lynch (Cert Gov (PRAC))

Principal activities and significant changes in nature of activities

The AstiVita Consumer Durables business sells household products which include: -

- Bathroom Products; and
- Photovoltaic ("PV") Panels.

The Astivita Organic Vegan business sells personal care products which includes: -

- Sunscreen, personal care, and oral hygiene products; and
- Household products previously owned by the Consumer Durables business which are being liquidated through sale at auctions.

Review of operations and Results

AstiVita incurred an after-tax loss of \$30,000 for the year ended 30 June 2021 compared to an after-tax loss of \$7.298 million in corresponding prior year. Please refer to the Executive Chairman's Review on page 1 for a further discussion of operations.

Dividends paid or recommended

No dividends were declared or paid during the financial year and the Dividend Reinvestment Plan has been suspended.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in AstiVita during the year.

Directors' Report

For the Year Ended 30 June 2021

Events after the reporting date

Subsequent to year-end, the Company has been indirectly impacted by the effects of the worldwide coronavirus (COVID-19) pandemic. The Company continues to monitor its current operations, liquidity, and other resources and is actively working to minimise the current and future impact of this unprecedented situation.

Also, as disclosed in the Executive Chairman's Review, AIR has commenced the process of splitting the existing business into Consumer Durables and Personal Care businesses, with the establishment of the new company Organic Vegan Limited. The Personal Care business will be transferred to Organic Vegan Limited.

The financial report was authorised on 31 August 2021 by the Board of Directors. As of the date of issuance of the financial report, COVID-19's full impact on the Company's financial position is not known.

Other than the issues described above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of AstiVita, the results of those operations or the state of affairs of AstiVita in future financial years.

Future developments and results

The Board anticipates improved profitability in AIR resulting from increased residential building activity resulting from the Federal Government Grant program. Organic Vegan Limited is expected to increase its sales significantly in FY22.

Environmental issues

AstiVita's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Insurance of officers

During the year, AstiVita paid a premium to insure the Directors, Secretaries and Officers of the Group. The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities of the Group.

Directors' Report

For the Year Ended 30 June 2021

Information on directors

Mr Lev Mizikovsky Executive Chairman FAICD

Lev Mizikovsky is Executive Chairman and major shareholder of AstiVita. AstiVita was part of Tamawood Limited until it was de merged in December 2009. Lev is the founding Director of Tamawood Limited which started in July 1989 and is still a Non-executive Director and major shareholder. Since 1997, Mr Lev Mizikovsky has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland companies including Lindsay Australia Limited (LAU), Advance NanoTek Limited (ANO), Tamawood Limited (TWD) and SenterpriSys Limited (NSX:SPS).

Mr Rade Dudurovic - Non-executive Director B Com (Hons), LLB (Hons), MFM

Rade has an extensive background in private equity with strong exposure to industrial and branded consumer manufacturing and distribution businesses particularly in the Asian region. He has qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA. Rade is the Non-executive Director of Advance NanoTek Limited (ANO) and SenterpriSys Limited (NSX:SPS).

Rade is the current Chairman of the Company's Audit Committee and is also a member of the Nomination and Risk Management Committees.

Mr Geoff Acton - Non-executive Director B.Com, ACA, GAICD

Geoff brings to AstiVita significant capabilities given his 22 year involvement with Tamawood Limited as Chief Financial Officer and Company Secretary. Further, he has in-depth knowledge of the renewable energy sector as head of a successful Renewable Energy Certificate trading business established in 2004. He has assisted AstiVita in his role as Company Secretary since 2009. He is also the Managing Director of Advanced NanoTek Limited (ANO) since June 2016.

Directors' Report

For the Year Ended 30 June 2021

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Risk Committee		Governance & Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
L Mizikovsky (Executive Chairman)	12	12	4	4	2	2
R Dudurovic (Non-executive Director)	12	12	4	4	2	2
G Acton (Non-executive Director)	12	12	4	4	2	2

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The total fees to the external auditors, Econ Audit & Assurance Services Pty Ltd, for non-audit services during the year ended 30 June 2021 was Nil (2020: Nil).

Remuneration report (audited)

This remuneration report for the year ended 30 June 2021 outlines the remuneration arrangements of the key management personnel of the Group, including the Directors, in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

Remuneration policy

The performance of AstiVita depends on the quality of its key management personnel. To prosper, AstiVita must attract, motivate, and retain highly skilled Directors and other key management personnel.

To this end, AstiVita embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre key management personnel
- Link executive rewards to shareholder value

Directors' Report

For the Year Ended 30 June 2021

Remuneration report (audited)

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

Structure

No element of Non-executive Director remuneration is directly linked to profit performance. Remuneration is approved at the Annual General Meeting and is currently capped at \$250,000 for the aggregate remuneration of Non-executive Directors. Details of remuneration which is linked to performance is detailed in the service agreement note for key management personnel.

Executives and Other Key Management Personnel

Objective

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- Align the interests of Executives with those of shareholders
- Link rewards with the strategic goals of the Group; and
- Ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed executive remuneration;
- Other remuneration such as superannuation and leave entitlements; and
- Commission and bonuses payable.

The following table shows the gross revenue, profits and dividends for the last five years for the Company, as well as the share prices at the end of the respective financial years.

	2017	2018	2019	2020	2021
	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue	6,196.00	5,677.00	4,649	4,325	3,700
Net Profit/(Loss)	(1,034.00)	(841.00)	(583)	(7,298)	(30)
Share price at year end (not rounded)	0.11	0.26	1.25	0.77	0.90

Directors' Report

For the Year Ended 30 June 2021

Remuneration report (audited)

Remuneration details for the year ended

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of AstiVita.

Table of benefits and payments

Year Ended 30 June 2021	Cash salary fees & leave \$	Short term benefits			Post employment	Long term benefits(LSL)	Termination Benefits	TOTAL(\$)
		Bonus \$	Non monetary \$	Other \$	Superannuation \$	\$	\$	
Directors								
- L Mizikovsky (Executive Chairman)	-	-	-	-	-	-	-	-
- R Dudurovic (Non-executive Director)	24,062	-	-	-	-	-	-	24,062
- G Acton (Non-executive Director)	21,110	-	-	-	-	-	-	21,100
Sub-total Directors	45,162	-	-	-	-	-	-	45,162
Other KMP								
- J Mizikovsky (CEO)	35,946	-	-	-	3,393	3,391	-	42,730
- S Ison (General Manager)	101,342	-	-	-	9,627	13,347	-	124,316
Sub-total Other KMP	137,288	-	-	-	13,020	16,738	-	167,046
Total	182,450	-	-	-	13,020	16,738	-	212,208

Year Ended 30 June 2020	Cash salary fees & leave \$	Short term benefits			post employment	Long term benefits(LSL)	Termination Benefits	TOTAL(\$)
		Bonus \$	Non monetary \$	Other \$	Superannuation \$	\$	\$	
Directors								
- L Mizikovsky (Executive Chairman)	-	-	-	-	-	-	-	-
- R Dudurovic (Non-executive Director)	24,375	-	-	-	-	-	-	24,375
- G Acton (Non-executive Director)	23,400	-	-	-	-	-	-	23,400
Sub-total Directors	47,775	-	-	-	-	-	-	47,775
Other KMP								
- J Mizikovsky (CEO)	31,800	-	-	-	-	-	-	31,800
- S Ison (General Manager)	103,291	-	-	-	-	-	-	103,291
Total	182,866	-	-	-	-	-	-	182,866

Cash performance-related bonuses

None of the key management personnel remuneration paid is performance based (2020: Nil).

Directors' Report

For the Year Ended 30 June 2021

Remuneration report (audited)

Service Agreements

Key management personnel shareholdings

The number of ordinary shares in AstiVita Limited held by each key management person of AstiVita during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration / exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2021				
Directors				
L Mizikovsky	12,644,571	-	4,233,905	16,878,476
G Acton	145,157	-	-	145,157
R Dudurovic	310,250	-	103,417	413,667
Other KMP				
J Mizikovsky	3,227,536	-	1,019,513	4,247,049
S Ison	266,548	-	-	266,548
	16,594,062	-	5,356,835	16,594,062
	Balance at beginning of year	Balance after consolidation *	Other changes during the year	Balance at end of year
30 June 2020				
Directors				
L Mizikovsky	12,562,793	-	81,778	12,644,571
G Acton	145,157	-	-	145,157
R Dudurovic	310,250	-	-	310,250
Other KMP				
J Mizikovsky	3,213,238	-	14,298	3,227,536
S Ison	336,548	-	(70,000)	266,548
	16,567,986	-	26,076	16,594,062

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

The remuneration and other terms of employment for the General Manager and senior executives are set out in formal service agreements as summarised below.

All service agreements are for an unlimited duration unless specified within the service agreement.

In cases of resignation, no separation payment is made to the executive, except for amounts due and payable up to the date of ceasing employment, including accrued leave entitlements.

End of Remuneration Report

AstiVita Limited

ABN 46 139 461 733

Directors' Report

For the Year Ended 30 June 2021

ASIC Corporations Instrument 2016/191 rounding of amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 10 of the financial report.

This Director's Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



L Mizikovsky

Executive Chairman

Dated: 31 August 2021

Auditor's Independence Declaration to the Directors of AstiVita Limited

In accordance with the requirement of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of AstiVita Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is respect of Astivita Limited and the entities it controlled during the period.

*Econ Audit & Assurance
Services Pty Ltd*

ECON AUDIT AND ASSURANCE SERVICES PTY LTD



GEORGE VENARDOS
Director

Dated in Sydney this 31st day of August 2021

Corporate Governance Statement

The objective of the Board of AstiVita Limited (“AstiVita”) is to create and deliver long term shareholder value through the importation and distribution of household products, and renewable energy products and the sale of personal care products.

AstiVita has adopted the recommendations of ASX Corporate Principles Edition 4, where possible. AstiVita has completed and lodged an Appendix 4G and its corporate Governance Statement in conjunction with the lodgement of its Annual Report. AstiVita has clearly explained in its governance strategy where principles have been adopted and if not why not.

The Company’s charters, committees and corporate governance policies are available on our website.
www.aircorporate.com.au

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 000's	2020 000's
Revenue	3	3,700	4,325
Other income	3	219	133
Raw materials and consumables used		(3,031)	(4,187)
Employee benefits expense		(196)	(340)
Impairment expense	13	-	(449)
Depreciation and amortisation expenses	12,13	(51)	(71)
Depreciation expense – right-of-use asset		(138)	(81)
Rental expense		-	(5)
Interest Expense – right-of-use asset		(10)	(8)
Finance costs		-	(75)
Warranty cost		(34)	(612)
Advertising & marketing expense		(42)	(75)
Legal expenses		(109)	(44)
Doubtful debts written back/(off)		(1)	(8)
Directors fees		(45)	(48)
Freight out charges		(118)	(163)
Corporate costs		(123)	(126)
I T Services		(49)	(61)
Product licenses & permit costs		(12)	(34)
Insurance Charges		(47)	(82)
Inventory written back/(down)		(194)	(644)
Other operating expenses		(261)	(361)
Loss before income tax		(542)	(3,016)
Income tax (expense) / benefit	6	512	(4,282)
Loss for the year		(30)	(7,298)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(30)	(7,298)
Profit attributable to:			
Members of the parent entity		(30)	(7,298)
Total comprehensive income attributable to:			
Members of the parent entity		(30)	(7,298)
Earnings per share			
Basic earnings per share (cents)	18	(0.15) cents	(38.37) cents
Diluted earnings per share (cents)	18	(0.15) cents	(38.37) cents

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with accompanying notes.

Statement of Financial Position

As at 30 June 2021

	Note	2021 000's	2020 000's
ASSETS			
Current Assets			
Cash and cash equivalents	8	192	74
Trade and other receivables	9	558	551
Inventories	10	3,980	3,613
Other assets	11	1,512	1,142
Total Current Assets		6,242	5,380
Non-Current Assets			
Property, plant and equipment	12	580	51
Right of use assets		57	195
Intangible assets	13	853	194
Deferred tax assets	16(b)	500	-
Total Non-Current Assets		1,990	440
TOTAL ASSETS		8,232	5,820
LIABILITIES			
Current Liabilities			
Trade and other payables	14	329	425
Provisions	15	351	397
Lease liabilities		59	147
Total Current Liabilities		739	969
Non-Current Liabilities			
Borrowings	22	1,511	2,994
Provisions	15	31	19
Deferred tax liabilities	16(c)	2	14
Lease liabilities		-	50
Total Non-Current Liabilities		1,544	3,077
TOTAL LIABILITIES		2,283	4,046
NET ASSETS		5,949	1,774
EQUITY			
Issued capital	17	17,083	12,878
Retained earnings		(11,134)	(11,104)
TOTAL EQUITY		5,949	1,774

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Note	Ordinary Shares 000's	Retained Earnings 000's	Total 000's
Balance at 1 July 2020		12,878	(11,104)	1,774
Comprehensive income for the year				
Profit / (Loss) for the year		-	(30)	(30)
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	(30)	(30)
Issue of shares		4,205	-	4,205
Balance at 30 June 2021		<u>17,083</u>	<u>(11,134)</u>	<u>5,949</u>

2020

	Note	Ordinary Shares 000's	Retained Earnings 000's	Total 000's
Balance at 1 July 2019		12,878	(3,806)	9,072
Comprehensive income for the year				
Profit / (Loss) for the year		-	(7,298)	(7,298)
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	(7,298)	(7,298)
Balance at 30 June 2020		<u>12,878</u>	<u>(11,104)</u>	<u>1,774</u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the Year Ended 30 June 2021

	2021	2020
Note	000's	000's
Cash flows from operating activities		
Receipts from customers (including GST)	3,912	4,937
Payments to suppliers and employees (including GST)	(5,129)	(7,278)
Finance Interest paid	-	(8)
Interest expense – right-of-use asset	(10)	-
Foreign exchange gain	-	(8)
Net cash used in operating activities	21 <u>(1,227)</u>	<u>(2,357)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	60
Purchase of property, plant and equipment	(563)	(15)
Payment for intangible asset	(676)	(159)
Net cash used by investing activities	<u>(1,239)</u>	<u>(114)</u>
Cash flows from financing activities		
Shares issued during the year	4,205	-
Loans from related parties	-	2,550
Repayment of loan from related parties	(1,483)	-
Repayment of lease liabilities	(138)	(78)
Net cash provided by financing activities	<u>2,584</u>	<u>2,472</u>
Net increase/(decrease) in cash and cash equivalents held	118	1
Cash and cash equivalents at beginning of year	74	73
Cash and cash equivalents at end of financial year	8 <u>192</u>	<u>74</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers AstiVita Limited ("AstiVita" or the "Company") and its controlled entities ("Group"). AstiVita is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Rounding of amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and accordingly amounts in the financial statement and Directors' Report have been rounded to the nearest thousand dollars unless and otherwise stated.

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(a) Income Tax

losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and are net of any rebates and discounts received. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the taxing authorities), transport, and other costs directly attributable to the acquisition of inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(d) Property, Plant and Equipment

All classes of property, plant and equipment are measured using the cost model. Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

The depreciable amount of all property, plant and equipment is depreciated on a diminishing value method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(d) Property, Plant and Equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	3 - 4 years
Motor Vehicles	5 - 8 years
Office Furniture and Equipment	3 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are assigned to different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method, less any allowance for expected credits losses. Trade receivables are generally due for settlement within 30 days.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(e) Financial instruments

Impairment of Financial Assets

The Group 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 Group'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 presents a portion of the asset's lifetime expected credit losses that is attributable to a default even 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.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss impairment of financial assets.

(f) Intangible Assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of eight years. It is assessed annually for impairment.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Employee benefits

Provision is made for AstiVita's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if AstiVita does not

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(h) Employee benefits

have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i) Provisions

Provisions are recognised when AstiVita has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(j) Earnings per share

The company presents basic plus diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the 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 the conversion of all dilutive potential ordinary shares.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(l) Equity-settled compensation

AstiVita operates equity-settled share-based payment employee share schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense immediately, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(m) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to AstiVita and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when AstiVita is entitled to it.

(n) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(o) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of AstiVita is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or where they are deferred directly in equity reserves as "qualifying hedges".

(p) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(q) 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.

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.

(r) Critical accounting estimates and judgments

(i) General

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within AstiVita.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

(ii) Impairment of inventory

A provision of \$447,282 (2020: \$447,282) has been recognised by the Company for excess and slow-moving inventory, which has been deemed impaired as at 30 June 2021. The assessment of this provision required a degree of estimation and judgement. The level of the provision was determined after taking into account the sales history of various product lines, the age of product groups and any other factors that may affect inventory obsolescence. The provision was based on product lines, which were unlikely to be sold in the foreseeable future. We anticipate that this provision will reduce in FY22 as the remainder of slow-moving stock is liquidated.

(iii) Impairment of receivables

An allowance for doubtful debts of \$9,000 (2020: \$8,000) has been recognised by the Group as at 30 June 2021. The assessment of this allowance required a degree of estimation and judgement. The level of the allowance was determined after taking into account historical collection rates, specific knowledge of individual debtors' financial positions and past bad debt experiences and contractual performance against allowed credit terms.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(iv) Classification of borrowings

The Company has presented \$1.511 million (2020: \$2.994 million) in borrowings as non-current liabilities (Refer Note 23(c)). The borrowings are documented in a loan agreement, the interpretation of which is fundamental to the classification of borrowings as either current or non-current in accordance with AASB 101 *Presentation of Financial Statements*. The Directors have exercised judgement in the interpretation of the terms and conditions of the loan agreement in determining the classification of debt as current or non-current.

(v) Warranty provision

A provision of \$324,000 (2020: \$381,000) at 30 June 2021 has been recognised by the Company for estimated warranty claims in respect of products and services which are still under warranty at the end of the reporting period. Management estimates the provision for future warranty claims based on historical warranty claim information over the past 12 months, as well as recent trends that might suggest that the past cost information may differ from future claims.

(s) Going concern

The directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is deemed to be appropriate notwithstanding that the Company has incurred losses of \$30,000 (2020: \$7.298 million). As at 30 June 2021, the Company has net assets of \$5.949 million (2020: \$1.774 million).

The Company's ability to continue as a going concern is dependent on its ability to reverse the currently occurring operating losses by increasing sales, realising the value inherent in inventory on hand, recovering trade debtors and, if necessary, obtaining replacement debt or equity funding. Rainrose Pty Ltd, a related party has advanced \$1.511 million (2020: \$2.994 million). Rainrose Pty Ltd has confirmed it will continue to support the Company and advance further funds during FY22 if required.

At the date of this report and having considered the above factors, the Directors are confident of increasing sales and generating sufficient cashflows from operations so that the Company will be able to continue as a going concern. There is still significant uncertainty whether the Company will continue its normal business activities and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(t) Adoption of new and revised accounting standards

The Company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standard Board (AASB), that are relevant to their operations and effective for the current period.

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Parent entity

The following information has been extracted from the books and records of the parent, AstiVita Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, AstiVita Limited has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

AstiVita Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by AstiVita in proportion to their contribution to AstiVita's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

	2021	2020
	000's	000's
Statement of Financial Position		
Assets		
Current assets	3,928	5,380
Non-current assets	603	440
Total Assets	4,531	5,820
Liabilities		
Current liabilities	287	969
Non-current liabilities	72	3,077
Total Liabilities	359	4,046

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Parent entity

	2021 000's	2020 000's
Equity		
Issued capital	17,083	12,878
Retained earnings / (Accumulated loss)	(10,319)	(11,104)
Consolidation Account	(2,592)	-
Total Equity	<u>4,172</u>	<u>1,774</u>
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or (loss) for the year	<u>784</u>	<u>(7,298)</u>
Total comprehensive income	<u>784</u>	<u>(7,298)</u>

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2021.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2021.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Revenue and Other Income

Revenue from continuing operations

	2021 000's	2020 000's
Sales revenue		
- Bathroom products and Kitchen appliances	1,595	1,693
- Solarpower products and REC's income	1,875	1,713
- Personal Care product sales on Amazon	230	919
Other revenue		
Total Revenue	<u>3,700</u>	<u>4,325</u>
	2021 000's	2020 000's
Other Income		
Insurance Recoveries	140	-
Gain (Loss) on exchange differences	15	5
Government grants - JobKeeper	53	53
Other income	11	20
Gain / (Loss) on disposal of assets	-	55
Total other income	<u>219</u>	<u>133</u>

4 Expenses

The result for the year includes the following specific expenses:

	2021 000's	2020 000's
Bad and doubtful debts	1	8
Superannuation contributions defined contribution superannuation expense	15	31
Minimum lease payments	10	5
Property, plant and equipment - Depreciation	35	13
Intangible assets - Amortisation	16	58
Stock impairment / (reversal of impairment)	194	644

5 Remuneration of Auditors

	2021 \$	2020 \$
Econ Audit & Assurance Services Pty Ltd for:		
- auditing or reviewing the financial statements	39,900	39,900
Total	<u>39,900</u>	<u>39,900</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Income Tax Expense

- (a) Components of tax expense / (benefit)

The major components of income tax expense comprise:

	2021 000's	2020 000's
Deferred tax expense		
Relating to the origination and reversal of temporary differences	(512)	4,282
Total income tax expense (benefit)	<u>(512)</u>	<u>4,282</u>

- (b) Reconciliation of income tax to accounting profit:

	2021 000's	2020 000's
Loss before income tax	(542)	(3,016)
Prima facie tax payable on profit from ordinary activities before income tax	30%	30%
	<u>(163)</u>	<u>(904)</u>

The following items have affected income tax expense for the period:

Add / (less) the tax effect of:

- Permanent differences - 5,186

Adjustment recognised for current tax of prior periods:

- Current year losses for which no deferred tax asset has been recognised	167	-
- Other items (recognition and de-recognition of deferred tax balance)	(516)	-
	<u>(512)</u>	<u>4,282</u>

7 Dividends

Franking account

	2021 000's	2020 000's
Balance of franking account at year end	<u>1,497</u>	<u>1,497</u>

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Cash and cash equivalents

	2021 000's	2020 000's
Cash at bank	192	74
	<u>192</u>	<u>74</u>

9 Trade and other receivables

	2021 000's	2020 000's
CURRENT		
Trade receivables	567	559
Provision for impairment	8(a) (9)	(8)
Total current trade and other receivables	<u>558</u>	<u>551</u>

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2021 000's	2020 000's
Balance at beginning of the year	(8)	(8)
Additional provision during the year	(1)	-
Balance at end of the year	<u>(9)</u>	<u>(8)</u>

(b) Aged analysis

The ageing analysis of receivables is as follows:

	2021 000's	2020 000's
<u>60 Days Accounts</u>		
0-60 days	506	487
61-90 days	3	28
91-120 days	7	1
121+ days (considered not impaired)	42	-
121+ days (considered impaired)	9	43
<u>90 Days Accounts</u>		
151+ days (considered not impaired)	-	-
151+ days (considered impaired)	-	-
	<u>567</u>	<u>559</u>

Current trade receivables are non interest bearing and are generally on 60 day terms. An impaired amount is provided for any customers who are facing financial difficulties and may not be able to pay the outstanding account. Management reviews the financial status of new account applicants prior to granting credit trading terms. Management assess credit applicants by reference to their payment history with other suppliers and will only grant credit trading terms to those applicants with a sound payment background. The Company does not take security as part of any payment arrangements with customers. Based on the past payment history of the Company's customers, the Directors believe that the amounts past due date but not impaired are those customers with sound credit history and are therefore not impaired.

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Inventories

	2021 000's	2020 000's
CURRENT		
At net realisable value:		
Finished goods	4,427	4,032
Less: Provision for obsolescence	(447)	(447)
Goods in transit	-	28
	<u>3,980</u>	<u>3,613</u>

(a) Inventory expense

Inventories recognised as expense during the year ended 30 June 2021 and included in 'raw materials and consumables used' and 'changes in inventories of finished goods' amounted to \$3.031 million (2020: \$4.187 million).

Reversal of stock impairment recognised during the year ended 30 June 2021 amounted to nil (2020: \$328,459).

11 Other non-financial assets

	2021 000's	2020 000's
CURRENT		
Prepayments	1,512	1,142
	<u>1,512</u>	<u>1,142</u>

As part of the trading requirements of overseas suppliers, the Company pays deposits in advance to suppliers for future supply of inventories.

Notes to the Financial Statements

For the Year Ended 30 June 2021

12 Property, plant and equipment

	2021 000's	2020 000's
Plant and equipment		
At cost	984	450
Accumulated depreciation	(462)	(438)
Total plant and equipment	<u>522</u>	<u>12</u>
Motor vehicles		
At cost	77	77
Accumulated depreciation	(54)	(45)
Total motor vehicles	<u>23</u>	<u>32</u>
Office equipment		
At cost	146	114
Accumulated depreciation	(111)	(107)
Total office equipment	<u>35</u>	<u>7</u>
Total property, plant and equipment	<u>580</u>	<u>51</u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment 000's	Motor Vehicles 000's	Office Equipment 000's	Total 000's
Year ended 30 June 2021				
Balance at the beginning of year	12	32	7	51
Additions	530	-	33	563
Disposals - written down value	-	-	-	-
Depreciation expense	(20)	(9)	(5)	(34)
Balance at the end of the year	<u>522</u>	<u>23</u>	<u>35</u>	<u>580</u>
	Plant and Equipment 000's	Motor Vehicles 000's	Office Equipment 000's	Total 000's
Year ended 30 June 2020				
Balance at the beginning of year	8	42	4	54
Additions	10	-	5	15
Disposals - written down value	(5)	-	-	(5)
Depreciation expense	(1)	(10)	(2)	(13)
Balance at the end of the year	<u>12</u>	<u>32</u>	<u>7</u>	<u>51</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Intangible Assets

	2021 000's	2020 000's
Computer software		
Cost	771	771
Accumulated amortisation and impairment	(745)	(728)
Net carrying value	26	43
AstiVita NZ Brand Name		
Cost	-	449
Accumulated amortisation and impairment	-	(449)
Net carrying value	-	-
Development cost		
Cost	827	150
Accumulated amortisation and impairment	-	-
Net carrying value	827	150
Total Intangibles	853	193

(a) Movements in carrying amounts of intangible assets

	AstiVita NZ Brand Name 000's	Computer software 000's	Development costs 000's	Total 000's
Year ended 30 June 2021				
Balance at the beginning of the year	-	43	150	193
Additions	-	-	677	677
Amortisation	-	(17)	-	(17)
Closing value at 30 June 2021	-	26	827	853

	AstiVita NZ Brand Name 000's	Computer software 000's	Development costs 000's	Total 000's
Year ended 30 June 2020				
Balance at the beginning of the year	449	93	-	542
Additions	-	-	150	150
Amortisation	(449)	(50)	-	(499)
Closing value at 30 June 2020	-	43	150	193

Notes to the Financial Statements

For the Year Ended 30 June 2021

14 Trade and other payables

	2021 000's	2020 000's
CURRENT		
Unsecured liabilities		
Trade and other payables	329	425
	<u>329</u>	<u>425</u>

15 Provisions

	2021 000's	2020 000's
CURRENT		
Warranties	324	381
Employee benefits	27	16
	<u>351</u>	<u>397</u>
	2021 000's	2020 000's
NON-CURRENT		
Employee benefits	31	19
	<u>31</u>	<u>19</u>

a) Movement in Warranty Provision

	Totals 000's
Balance at 1 July 2020	
Additional provisions	381
Less reversal of costs	<u>(57)</u>
Balance at 30 June 2021	<u>324</u>

	Total 000's
Balance at 1 July 2019	150
Additional provisions	231
Less reversal of costs	<u>-</u>
Balance at 30 June 2020	<u>381</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Provisions

Provision for Warranties

A provision of \$324,000 at 30 June 2021 (2020: \$381,000) has been recognised for estimated warranty claims in respect of products and services which are still under warranty at the end of the reporting period. The provision was assessed by reference to the actual warranty costs incurred over the prior 12 months, this amount was then adjusted to reflect the anticipated future group warranty costs.

Refer to Note 1(i) for the relevant accounting policy and Note(r)1 for a discussion of the estimations and assumptions applied in the measurement of this provision.

Provisions for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The measurement and recognition criteria relating to employee benefits have been discussed at Note 1(h).

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

16 Tax

(a) Recognised deferred tax assets and liabilities

	Note	2021 000's	2020 000's
Deferred tax assets	16(b)	<u>500</u>	<u>-</u>
		500	-
Deferred tax liabilities	16(c)	<u>2</u>	<u>14</u>
		2	14

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Tax

(b) Deferred Tax Assets

	Opening Balance 000's	Recognised in profit or loss 000's	Closing Balance 000's
Deferred tax assets			
Provisions	109	(109)	-
Provisions - employee benefits	22	(22)	-
Unused tax losses	4,228	(4,228)	-
Other	9	(9)	-
Balance at 30 June 2020	4,368	(4,368)	-
Trade and other receivables	-	3	3
Inventories	-	134	134
Provisions	-	62	62
Provisions - employee benefits	-	17	17
Trade and other payables and accrued expenses	-	3	3
Losses	-	183	183
R&D offset carried forward	-	94	94
Other	-	4	4
Balance at 30 June 2021	-	500	500

(c) Deferred Tax Liabilities

	Opening Balance 000's	Recognised in profit or loss 000's	Closing Balance 000's
Deferred tax liabilities			
Property, plant and equipment	43	(26)	17
Intangibles	83	(86)	(3)
Balance at 30 June 2020	126	(112)	14
Property, plant and equipment	17	(17)	-
Intangibles	(3)	5	2
Balance at 30 June 2021	14	(12)	2

Notes to the Financial Statements

For the Year Ended 30 June 2021

17 Issued Capital

	2021 000's	2020 000's
24,862,654 (2020: 19,019,357) Ordinary shares fully paid	<u>17,083</u>	12,878
	<u>17,083</u>	<u>12,878</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(a) Movements in ordinary shares

	2021 No.	2020 No.	2021 \$000's	2020 \$000's
At the beginning of the reporting period	19,019,357	19,019,357	17,083	12,878
Shares bought back during the year	-	-	-	-
Shares issued during the year	5,843,297	-	-	-
At the end of the reporting period	<u>24,862,654</u>	<u>19,019,357</u>	<u>17,083</u>	<u>12,878</u>

(b) Capital Management

Management controls the capital of the Company in order to maintain a conservative working capital position, provide the shareholders with appropriate returns and ensure that the Company can fund its operations and meet its obligations as and when they fall due.

The capital structure of the Company comprises of issued share capital and retained earnings as disclosed in the statement of financial position.

Management controls the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks. These responses include adjustments to working capital, decisions whether or not to make distributions to shareholders and capital raising if required. The Board may consider accessing debt facilities if the need arises.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

(c) Options

At 30 June 2021 there were no share options on issue (2020: Nil)

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	2021 000's	2020 000's
Profit for the year used to calculate the basic and diluted EPS	<u>(30)</u>	<u>(7,298)</u>

(b) Weighted average number of shares used

	2021 No.	2020 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic & diluted EPS	<u>19,339,537</u>	<u>19,019,357</u>

19 Controlled Entities

	Country of Incorporation	Percentage owned (%) 2021	Percentage owned (%) 2020
Parent Entity:			
AstiVita Limited	Australia		
Subsidiaries			
AstiVita Bathrooms and Kitchens Pty Ltd	Australia	100	100
Solarpower Pty Ltd	Australia	100	100
Indent Manufacturing Pty Ltd	Australia	100	100
VeganicSKN Pty Ltd (formerly Thermasol Pty Ltd)	Australia	100	100
Organic Vegan Limited	Australia	100	-

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

Notes to the Financial Statements

For the Year Ended 30 June 2021

21 Cash Flow Information

Reconciliation of loss for the year to net cash provided by operating activities:

	2021 000's	2020 000's
Profit / (Loss) for the year	(30)	(7,298)
Adjustments for non-cash items in profit:		
- amortisation	17	58
- depreciation	172	93
- doubtful debt expense	-	(40)
- impairment of intangible asset	-	449
- movement in provision for deferred tax	(512)	4,282
- employee entitlements	23	(36)
- net (profit)/loss on disposal of property, plant and equipment	-	(55)
Changes in operating assets and liabilities:		
- (increase)/decrease in trade and other receivables	(7)	566
- (increase)/decrease in prepayments	(370)	(675)
- (increase)/decrease in inventories	(367)	(99)
- increase/(decrease) in trade and other payables	(96)	167
- increase/(decrease) in provisions	(57)	231
Cashflow from operations	<u>(1,227)</u>	<u>(2,357)</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

22 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) AstiVita's main related parties are as follows:

(i) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 23: Interests of Key Management Personnel (KMP) and the remuneration report in the Directors' Report.

Other transactions with KMP and their related entities are shown below.

Tamawood Ltd and its controlled entities ("Tamawood") and Advanced NanoTek Ltd (ANO) are deemed to be a related party to AstiVita Limited by virtue of Mr L Mizikovsky, the Executive Chairman of AstiVita Limited, having a controlling interest in Tamawood and ANO. Transactions with ANO and Tamawood are disclosed below.

(b) Transactions with related parties

(i) Sale of goods and services

	2021	2020
	\$	\$
Tamawood Limited		
- Sales to Tamawood Limited	1,559,204	1,133,606
Advanced NanoTek Limited		
- Provision of accounting & logistics services	65,360	180,925
Mr L Mizikovsky		
- Sales to an entity controlled by Mr L Mizikovsky	16,347	37,400
- Provision of IT services	-	300

(ii) Purchase of goods and services

	2021	2020
	\$	\$
Tamawood Limited		
- Advertising, IT and accounting services & lease of premises	145,143	12,842
Mr L Mizikovsky		
- Rent and outgoing payments for premises leased from an entity controlled by Mr L Mizikovsky	-	5,162
Mr Geoff Acton		
- Administration and payroll processing services provided by an entity controlled by Mr Acton	17,087	15,392
Senterprisys Limited		
- IT Maintenance services	29,598	31,591

Notes to the Financial Statements

For the Year Ended 30 June 2021

22 Related Parties

	2021 \$	2020 \$
Advance NanoTek Limited		
- Purchasing	1,080,780	122,689
CyberGuardAU Pty Ltd		
- Payment for cyber security services	260	14,983
Winothai Pty Ltd		
- Payment for professional services	12,650	14,400
 (iii) Outstanding balances		
	2021 \$	2020 \$
Mr L Mizikovsky		
- Amounts receivable	2,405	1,689
Tamawood		
- Amounts receivable	1,123,20	127,054
- Amounts payable	30,198	1,723
Advance NanoTek Ltd		
- Amounts receivable	16,200	35,216
- Amounts payable	36,276	23,012
Senterprisys Limited		
- Amounts receivable	-	300
- Amounts payable	589	-

Amounts receivable from and amounts payable to related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables and trade and other payables respectively. Balances are settled within trading terms or as per agreement with the Board. No provisions for doubtful debts have been recognised on these outstanding balances, nor have any bad debt expenses been incurred.

(c) Loans from related parties

At the Annual General Meeting in November 2013, shareholders unanimously approved an unsecured loan facility of up to \$2,000,000 with further advances available at the discretion of Rainrose Pty Ltd, an entity controlled by the Executive Chairman. As at 30 June 2021 the loan amounted to \$1.511 million. The loan with Rainrose Pty Ltd (an entity of Mr Lev Mizikovsky) has been provided to AstiVita and under the loan agreement is due for repayment in July 2022.

	Opening balance \$'000s	Closing balance \$'000s	Interest not charged \$'000s	Interest paid/payable \$'000s	Impairment \$'000s
Loans from Rainrose Pty Ltd					
2021	2,994	1,511	-	-	-
2020	369	2,994	-	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2021

23 Key Management Personnel Disclosures

(a) Key management personnel remuneration

	2021	2020
	\$	\$
Short-term employee benefits	182,450	182,866
Long-term benefits	16,738	11,724
Post-employment benefits	13,020	12,833
	<u>212,208</u>	<u>207,423</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 7 & 8.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 22: Related Party Transactions.

24 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Company's objectives, policies and processes for managing and measuring these risks.

The Company does not speculate in financial assets.

The Company is primarily exposed to the following financial risks:

- Market risk - currency risk and cash flow interest rate risk
- Credit risk
- Liquidity risk

Specific information regarding the mitigation of each financial risk to which Company is exposed is provided below.

Objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and whilst remaining ultimately responsible for them, it has delegated the authority to management for developing and operating processes that ensure the effective implementation of the objectives and policies of the Company's finance function. The Company's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Company where such impact may be material.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Notes to the Financial Statements

For the Year Ended 30 June 2021

24 Financial Risk Management

(a) Credit risk

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

For the Company, credit risk primarily arises from outstanding receivables due from its customers and deposits with banks.

The utilisation of credit limits by customers is regularly monitored by management. Trade receivables consist of a large number of customers. The Company has three large debtors which represent 64% (2020: 2 debtors at 61%) of the AstiVita trade debtors which at had a total amount outstanding of \$337,294 (2020: \$111,111). The Directors believe all outstanding amounts will be received. The Company has identified slow paying customers and is satisfied that the \$9,401 (2020: \$7,681) allowance for doubtful debts is adequate in the event the customers may not be able to meet their repayment commitment to the Company.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of sound credit quality, including those that are past due.

Credit risk related to balances with banks and other financial institutions is managed by a policy requiring that banking is undertaken with Authorised Deposit taking Institutions registered as such with the Australian Prudential Regulation Authority.

(b) Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's objective is to ensure as much as possible that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Company achieves this by holding sufficient cash in liquid form and monitors the timing of commitments.

Liquidity risk is further mitigated due to the loan facility provided by Mr Lev Mizikovsky, the Non-executive Chairman and substantial shareholder of the Company, as disclosed in Note 1(s).

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

	Not later than 6 months		1 to 5 years		Total 2021 000's
	2021 000's	2020 000's	2021 000's	2020 000's	
Borrowings	-	-	1,511	2,994	1,511
Trade and other payables	329	425	-	-	329
Total contractual outflows *	329	425	1,511	2,994	1,840

* Contractual cashflows approximate the carrying amounts as presented in the consolidated statement of

Notes to the Financial Statements

For the Year Ended 30 June 2021

24 Financial Risk Management

financial position.

(c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will effect future cash flows or the fair value of fixed rate financial instruments.

The Company adopts a policy of minimising exposure to interest rate risk. A +/-1% change in interest rates would change the net interest expense by +/--\$15,110 p.a. (2020: +/--\$29,940) on cash held and borrowings at year end.

(ii) Foreign currency risk

Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars and Euro.

The Company's policy is that all foreign currency transactions are settled on a spot rate basis. There are no hedge facilities or other forward contract facilities in place.

In order to monitor the continuing effectiveness of the policy, the Board receives reports on its product pricing strategy together with data relating to any major fluctuations in foreign currencies. The Company's policy to mitigate foreign currency risk is to adjust selling prices for its products to reflect movements in foreign currencies.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

	2021 000's	2020 000's
Financial assets		
US Dollar bank account (cash at bank)	-	-
Euro bank account (cash at bank)	-	-
USD monies on deposit	881	247
Euro monies on deposit	124	840
Financial liabilities		
Net exposure	1,005	1,087
Spot rate at year end		
US Dollar	0.7563	0.6863
Euro	0.6344	0.6111

Notes to the Financial Statements

For the Year Ended 30 June 2021

24 Financial Risk Management

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Company's financial assets and financial liabilities and the US Dollar – Australian Dollar exchange rate and the Euro – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years. The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date.

It assumes a +/- 5% change of the Australian Dollar / US Dollar exchange rate for the year ended 30 June 2021 (30 June 2020: 5%). A +/- 5% change is considered for the Australian Dollar / Euro exchange rate (30 June 2020: 5%). Both of these percentages have been determined based on the historical market volatility in exchange rates.

	USD	Euro	Total AUD
2021			
Net result for the year			
Australian dollar weakened 5%	(1)	(1)	(2)
Australian dollar strengthened 5%	1	1	2
Equity			
Australian dollar weakened 5%	(1)	(1)	(2)
Australian dollar strengthened 5%	1	1	2
2020			
Net result for the year			
Australian dollar weakened 5%	(1)	(1)	(2)
Australian dollar strengthened 5%	1	1	2
Equity			
Australian dollar weakened 5%	(1)	(1)	(2)
Australian dollar strengthened 5%	1	1	2

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to foreign currency risk.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Company's financial assets and financial liabilities consist only of short-term trade receivables and payables. Due to the short-term nature of trade receivables and payables, the carrying amounts as presented in the consolidated statement of financial position are assumed to approximate their fair values.

Notes to the Financial Statements

For the Year Ended 30 June 2021

25 Events Occurring After the Reporting Date

Subsequent to year-end, the Company has been indirectly impacted by the effects of the worldwide coronavirus (COVID-19) pandemic. The Company continues to monitor its current operations, liquidity, and other resources and is actively working to minimise the current and future impact of this unprecedented situation.

Also, as disclosed in the Executive Chairman's Review, AIR has commenced the process of splitting the existing business into Consumer Durables and Personal Care businesses, with the establishment of the new company Organic Vegan Limited. The Personal Care business will be transferred to Organic Vegan Limited.

The financial report was authorised on 31 August 2021 by the Board of Directors. As of the date of issuance of the financial report, COVID-19's full impact on the Company's financial position is not known.

Other than the issues described above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of AstiVita, the results of those operations or the state of affairs of AstiVita in future financial years.

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended are in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001*, other mandatory professional reporting requirements and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Chief Executive Officer has given the declarations required by Section 295A that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures in the Remuneration Report in the Director's Report comply with Section 300A of the *Corporations Act 2001*.

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



L Mizikovsky

Executive Chairman

Dated: 31 August 2021

Independent Auditor's Report to the members of AstiVita Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AstiVita Limited (the "Company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 Company is in accordance with the *Corporations Act 2001*, including:

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

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

Emphasis of Matter

We draw attention to Note 25 in the financial report, indicating that the Company has commenced the process of splitting the existing business into Consumer Durables and Personal Care. As part of the process, the Personal Care business will be transferred to a new Company, Organic Vegan Limited. Our opinion is not modified in respect of this matter.

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 current period. These key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. In addition to the matter described in the *Going Concern note*, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our Audit
<p>Revenue recognition (<i>Refer to Notes 1(m), 3</i>)</p> <p>The recognition of revenue in accordance with AASB 15 <i>Revenue from Contracts with Customers</i> is considered a material risk in Australian Auditing Standards. As a result of the guidance included in Australian Auditing Standards, we consider that the recognition of revenue is a Key Audit Matter which needs to be addressed in the course of our audit.</p>	<p>In this regard, our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding the policies and procedures applied to revenue recognition; - Carrying out substantive analytical procedures including analysis of revenue, cost of sales and rebates - Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognised at the moment the related goods or services were provided; - Performing analytical procedures on posted transactions. This procedure was carried out paying special attention to entries recorded close to year-end closing or subsequently, as well as those deemed unusual due, among other reasons, to their nature, amount, date of recording or its balancing entry; - Reviewing disclosures included in the notes to the financial statements.

Other Information

The directors are responsible for the other information. The “Other Information” comprises the information included in the Company’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 the fact. We have nothing to report in this regard.

Responsibilities of 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 misstatements, whether due to fraud or error.

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

Auditor’s Responsibility 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 the financial report.

As part of an audit in accordance with 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.

Auditor's Responsibility for the Audit of the Financial Report (*continued*)

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the directors.
- Conclude on the appropriateness of director's 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 Company'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 Company 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,

We communicate with 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

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the Directors' Report for the year ended 30 June 2021.

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



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Sydney NSW 1230

Report on the Remuneration Report (*continued*)

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.

A handwritten signature in black ink that reads "Econ Audit & Assurance Services Pty Ltd".

ECON AUDIT AND ASSURANCE SERVICES PTY LTD

A handwritten signature in black ink that reads "G. Venardos".

GEORGE VENARDOS
Director

Dated in Sydney this 31st day of August 2021

AstiVita Limited

ABN 46 139 461 733

Shareholder Information

For the Year Ended 30 June 2021

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 25 August 2021.

Voting rights

Ordinary Shares

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Voting rights of shareholders are governed by the Company's Rules. In summary, a shareholder is entitled to exercise one vote for each shareholder on any question arising from a meeting of the Company.

Members wishing to appoint proxies may do so in accordance with the Corporations Act 2001 and Rules of the Company.

Distribution of equity security holders

Holding	No. of Shares	No. of Holders
1 – 1,000	91,918	228
1,001 – 5,000	289,826	125
5,001 – 10,000	140,924	20
10,001 – 100,000	1,679,247	54
100,001 and over	22,660,739	13
	24,862,654	440

There were 179 holders of less than a marketable parcel of ordinary shares.

Shareholder Information

For the Year Ended 30 June 2021

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Twenty largest shareholders

	Number held	% of issued shares
RAINROSE PTY LTD	14,590,654	58.69
ODALREACH PTY LTD	3,333,334	13.41
SUNSTAR AUSTRALIA PTY LTD	2,186,892	8.80
MR LEV MIZIKOVSKY	1,171,845	4.71
MR RADE DUDUROVIC + MRS JACQUELINE JEANETTE DUDUROVIC <R&J SUPERANNUATION FUND A/C>	306,667	1.23
MR SCOTT RONALD ISON <ISON FAMILY ACCOUNT>	262,646	1.06
STODDART BUILDING PRODUCTS PTY LTD	220,394	0.89
GEOFF ACTON	174,447	0.70
K R KHATRI (DENTAL) PTY LTD <R K & K R KHATRI S/F A/C>	166,667	0.67
THE L AND R SUPER FUND PTY LTD <THE L & R SUPER FUND A/C>	154,254	0.62
MIZI SUPERANNUATION PTY LTD <MIZI SUPER FUND A/C>	130,356	0.52
MR ROBERT PATRICK LYNCH	120,442	0.48
MR RADE DUDUROVIC	107,000	0.43
BEOWULF PTY LTD <BEOWULF INVESTMENT A/C>	89,330	0.36
MR ANDREW BARRY THOMAS	75,273	0.30
MR KEVIN JOHN CAIRNS + MRS CATHERINE VALERIE CAIRNS <CAIRNS FAMILY SUPER A/C>	71,963	0.29
MR STUART KEITH ANDERSON	70,000	0.28
MR SCOTT GILCHRIST	69,682	0.28
MR RICHARD JOHN HOPSICK + MRS WENDY LAURA HOPSICK <HOPSICK SUPER FUND A/C>	61,000	0.25
MRS MOLLIKA WINOTHAI MIZIKOVSKY <WINOTHAI FAMILY A/C>	54,135	0.22
	23,416,981	94.19

Securities exchange

The Company is listed on the Australian Securities Exchange (ASX code: AIR).

Share registry

The register of security holders of the Company is kept at the office of Computershare Investor Services Pty Limited.

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