TTA HOLDINGS LIMITED

ABN: 18 110 475 799

Annual Financial Report for the Year Ended 31 March 2021

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Corporate Information

Corporate Information

TTA Holdings Limited is a company incorporated and domiciled in Australia.

Company Directors

Mr Sng Sze Hiang	Non Executive Chairman
Mr Mark Ewing	Independent Deputy Chairman
Ms Julia Tong Jia Pi	Non Executive Director
Mr Clive Chia Yang Hong	Managing Director

Company Secretary

Mr James Stephen Barrie

Financial Year

This Annual Report covers the year ended 31 March 2021. The comparative figures cover the year ended 31 March 2020.

Registered Office

14 Quinn Dr,
Keilor Park, Victoria 3042
Telephone: (03) 9280 2333

Principal Place of Business

14 Quinn Dr,
Keilor Park, Victoria 3042
Telephone: (03) 9280 2333

Bankers

Commonwealth Bank Australia
727 Collins St,
T15-16,
Docklands VIC 3008

Moneytech Finance Pty Ltd
Level 7, 80 Pacific Highway
North Sydney NSW 2060

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3072

Auditor

Connect Audit and Assurance Services Pty Ltd
Level 8
350 Collins Street,
Melbourne,
VIC 3000

Directors' Report

Letter from the Chairman

On behalf of the Board, I am pleased to present TTA Holdings Limited (The Group) Annual Report for the Financial Year ended 31 March 2021.

Review of Operations

The Group operation continues to focus on its core business of the distribution of TEAC branded consumer electronics product. For the reporting year, the operating subsidiary of the Group is solely TEAC Australia Pty Ltd.

The gross sales of $7.0m (2020: $2.6m) have been contributed from sales of DVD Combo TV and Smart TV this year. The gross margin of the same product category in 2021 has increased to $2.1m(GM-30%), a significant improvement against 2020 $0.28m(GM-10.8%). With 98% of the returned stocks sold and disposed this year, the RA stock level is at $2k (2020: $165k). Major reduction of operating cost are staff costs - down by 11%; fixed service fee from financing decreased by 48%; and various cost reduced during the last quarter attributed to the relocation to the new office.

Going forward, TEAC will be expanding our TV range to more premium Quantum Dot 4K UHD Smart TV, Smart DVD Combo TV (12V), exciting Google Android TV and innovative mini-Quantum Dot TV. TEAC Australia will continue to offer youth-oriented Audio lifestyle products.

TEAC products are currently selling in most major retailers like JB Hi Fi, Harvey Norman, Joyce Mayne/Domayne, Retravision, Betta Home Living Stores and other state-based retailers. TEAC will embark to expand our channel coverage and management with tradition and non-traditional retail channels with appointments of regional-based Agents. In addition, TEAC will continue to offer our range of products to online Marketplace like Amazon/eBay and partnership with online retailer like Catch/ iBuy.

Financial performance

The Group recorded a group net profit of $0.843m, (2020; $2.68m loss).
The Net profit consist of net loss from operations $0.19m (2020: $2.68m loss) and gain on sale of property at Thomastown of $1.036m (2020: $nil).

The Group has net working capital of $4.0m (2020 $3.2m.). The increment was attributed by 294% increase on Debtors (2021: $0.859m, 2020: $0.219m) and increase of cash and equivalent due to sale of the property and increased in revenue sales.

Outlook
The financials for FY2021 have reflected the improvement in sales of TEAC products in Australia. TEAC has moved to a new office at Keilor Park and outsourced our logistics and warehousing to improve our cost structure. Moving forward, the focus is to reinforce our presence in traditional Retail channel and grow online business. There will be more focus building brand awareness with the youth and young adults market segment. For products, TEAC will be launching more exciting Quantum Dot Smart TV, innovative mini-LED TV. TEAC will continue to work closely with our suppliers to improve products delivery lead time. The outlook is promising with better products from suppliers, better support new retailers and we continue to look forward to continued support from the shareholders.

Dividends
The Board of Directors has not paid or declared any dividends for the year.

Appreciation
On behalf of the Board, we like to take the opportunity to thank our loyal shareholders who have stood steadfastly behind TTA during the past financial year. We also like to express our sincere thanks to our valued customers, business partners, suppliers, bankers and advisors for their continued support. We especially thank our Board members, management and entire staff of TTA and TEAC Australia for their undivided commitment, dedication and loyalty. We look forward to all your continued support and contribution as we work together to improve the Group's performance and shareholder value in the coming years.

Yours sincerely

Sng Sze Hiang
Chairman
30 June 2021

Directors' Report (Cont'd)

The Directors present the annual financial report on the consolidated entity, consisting of TTA and its subsidiary for the year ended 31 March 2021. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follow:

Directors' Details

The names and details of the Group Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Mr Sng Sze Hiang, Non Executive Chairman

Mr Sng is the Chairman, CEO, Founder and major shareholder of TT International Limited ("TTI") and is also a director of other TTI group companies. He is the Chairman of the TTI Executive Committee and is responsible for the formulation of business policies, setting the directions and strategies of the TTI Group as well as managing the overall business. He has over 22 years of experience in trading electrical and electronics products with emerging markets.

Mr Sng holds a Certificate in Marine Communications from the Singapore Polytechnic.

Mr Sng is a member of the Audit, Risk & Compliance Committee and through his and Julia's shareholdings in TTI, they collectively have a controlling interest of 51,288,385 ordinary shares in TTA.

Mr. Sng is currently Chairman and Chief Executive Officer of TTI and has held that position for the last twelve years immediately before the end of this financial year.

Mr. Mark Ewing, Non Executive Independent Deputy Chairman

Mark has been a Chartered Accountant and a Corporate Advisor with over 40 years of experience advising unlisted and listed companies specifically in mergers and acquisitions, risk management and private and public equity raisings. He also provides compliance and advisory services to companies operating Managed Investment Schemes in the finance, property and thoroughbred racing sectors.

Mark is Chairman of the Audit, Risk & Compliance Committee. Mark has 20,000 shares held indirectly in TTA.

Ms Julia Tong Jia Pi, Non Executive Director

Julia is an Executive Director, co-founder and major shareholder of TTI and is also a director of other TTI group companies. Julia is a member of the Executive, Nominating and Remuneration Committees of TTI and has over 21 years trading experience in a wide range of consumer products in emerging markets. She is responsible for the administrative functions of the TTI Group and in ensuring the efficiency of the TTI Group's operations as well as corporate planning and implementation of business strategies. In addition, she is also involved in new business development.

Julia holds a Bachelor of Arts from the Institute of Education in Yangon, Myanmar.

Julia is a member of the Audit, Risk & Compliance Committee and through her and Mr. Sng's shareholdings in TTI, they collectively have a controlling interest of 51,288,385 ordinary shares in TTA.

Julia is currently Executive Director of TTI and has held that position for the last twelve years immediately before the end of this financial year.

Mr Clive Chia Yang Hong, Chief Executive Officer and Managing Director

Clive joined TEAC Australia and TTA Holdings on 15 July 2019. Clive is a proven leader in all aspects of sales and marketing, management and directorship. He obtained his BS Engineering with Honors at The University of Newcastle (Australia).

Clive lived in Singapore with his family prior to assuming the current position with TEAC and TTA.

He has a vast track record of experiences holding management position with global Consumer Electronics, IT and Telecommunication companies such as Hewlett Packard, Apple Computer, Motorola, Lexmark, Samsung, LG and Sharp.

Directors' Report (Cont'd)

Principal Activities and Significant Change in the State of Affairs

The principal activity of the Group in the course of the financial year was the distribution of TEAC branded audio and visual consumer electronics products in Australia. There have been no significant changes in the principal activities of the Group during the financial year.

Dividends

The Board of Directors does not recommend any dividend for the year. In the financial year ended 31 March 2021, there were no dividends declared.

Significant events after balance date

Other than the disclosure in Note 19, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results

In preparing the Review of Operations, the Directors have omitted material that would otherwise have been included under s299A(1)(c) concerning the Group's business strategies and prospects for future financial years, as they believe it is likely to result in unreasonable prejudice to the Group or any entity that is part of the Group.

Environmental regulation and performance

The Group's operations are identified to be liable parties in *the Product Stewardship (Televisions and Computers) Regulations 2013*. Since 30 June 2012, the Group has joined an approved co-regulatory arrangement.

Shares under option

During the current and prior years, no fully paid ordinary shares in TTA have been issued by virtue of the exercise of options.

As at the date of this report, no unissued ordinary shares of TTA were under options (2020: nil options).

a) Options granted during the year

During the year, no options were issued (2020: nil options).

b) Options exercised during the year

No options were exercised during the current and previous years.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Directors' Report (Cont'd)

Indemnification and insurance of directors and officers

The Group has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Group or any related body corporate against a liability, including costs and expenses in successfully defending legal proceedings, as an auditor.

The Group has taken out insurance during the year in respect of any person who is or has been a director or officer of the group against a liability incurred for the costs or expenses to defend legal proceedings, other than conduct involving a wilful breach of doing.

Proceedings on behalf of the company

No person has applied to the Court for leave to bring proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

The Company was not a party to any such proceeding during the year.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, there were two Board meetings and two Audit, Risk and Compliance Committee meetings held.

Director	**Board meeting**		**Audit, Risk and Compliance Committee**	
	Entitled to Attend	Attended	Entitled to Attend	Attended
Mark Ewing	2	2	2	2
Sng Sze Hiang	2	2	2	2
Julia Tong	2	2	2	2
Clive Chia	2	2	n/a	n/a

Non-audit services

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

The directors' reasons for being satisfied that the provision of the non-audit services did not compromise the auditor independence requirements of the Act are:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12 of the financial report.

Directors' Report (Cont'd)

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for directors and executives of the Group in accordance with the requirements of the *Corporation Act 2001*, the information provided in this remuneration report has been audited, as required, by the *Corporation Act 2001*.

Remuneration philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives. To that end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholders' value; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

In the absence of a specific Remuneration Committee, the Board of Directors accepts direct responsibility for determining and reviewing compensation arrangements for the Directors, and the senior management team. The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior managers annually with reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholders' benefit from the retention of a high quality Board and executive team.

Remuneration structure

In line with best corporate governance practice, the structure of non-executive director, executive director and senior manager remuneration is separate and distinct.

Non executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. Non-executive directors' fees and payments are reviewed annually by the board. If considered to be necessary, the board considers the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Non-executive directors do not receive performance-based pay.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Extraordinary General Meeting held on 18 May 2006 when shareholders approved an aggregate remuneration of $200,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Only the non executive directors receive a fee for being a director of the Company and do not receive additional fees for the Board Committee on which the directors sit.

Senior management and executive director remuneration

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group in alignment with market practice to:

- Reward executives of the Group, business unit and individual performance against targets set with reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

The executive remuneration program is designed to support the Group's reward philosophies and to underpin the Group's growth strategy as well as aligning the program with senior management's interests to:

- reward capability and experience;
- provide a clear structure for earning rewards; and
- provide recognition for contribution.

Directors' Report (Cont'd)

Remuneration Report (Audited Cont'd)

The program comprises the following components:

- Fixed remuneration component; and
- Variable remuneration component including short term incentive (STI) and long term incentive (LTI).

Fixed remuneration
The level of fixed remuneration plus superannuation is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash, allowances and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. This component is not linked to the Group's performance. Superannuation is paid to the employees' nominated fund at the statutory rate of 9.5% subject to the Superannuation ceiling.

Variable remuneration – short term incentive (STI)
The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable.

Actual STI payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the year are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to revenue, net profit after tax, customer service, risk management, product management, leadership and team contribution. The Group has predetermined benchmarks, which must be met in order to trigger payments under the short-term incentive scheme.

On an annual basis, after consideration of performance against KPIs, the Board approves an overall performance rating for the Group. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Group are usually delivered in the form of a cash bonus. The Board has assessed the performance of each executive against KPIs for the financial year ended 31 March 2021 and has approved the STI payment set out on the table below.

Variable remuneration – long term incentive (LTI)
The objective of the LTI plan is to reward senior managers in a manner, which aligns this element of remuneration with the creation of shareholders' wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholders' wealth and thus have a direct impact on the Group's performance against relevant long term performance hurdle. LTI grants to executives are delivered in the form of options or shares. In the 2021 year, no options were issued (2020: nil) to directors and executives. No issue of shares was made in 2021 (2020: nil) under the LTI plan.

Contract of employment
All executives of the Group are employed under employment contract with a minimum 4 weeks (or otherwise mutually agreed time frame) notice period required to terminate the appointment. The letters of appointment do not contain specified option incentive entitlements.

Details of remuneration
The key management personnel of TTA includes the directors, as outlined on page 6, and the following executives of the Group as follow:

Mr. Clive Chia Yang Hong	Chief Executive Officer and Director of TTA Holdings Ltd and TEAC Australia Pty Ltd

	Contract details (duration and termination)
Mr. Clive Chia Yang Hong	No fixed terms. 8 weeks notice to terminate.

Directors' Report (Cont'd)

Remuneration Report (Audited Cont'd)

Performance Conditions Linked to Remuneration
The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of the revenue target and continued employment with the Group. The performance related proportions of remuneration are included in the following table. The satisfaction of the performance conditions are based on a review of the audited financial statements of the Group, as such figures reduce any risk of contention relating to payment eligibility.

Consequences of performance on shareholder wealth.
In considering the Group's performance and benefits for the shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years.

	2021	2020	2019	2018	2017
EPS(cents)	0.61	(1.95)	(2.54)	(0.07)	(2.17)
Dividends (cents per share)	Nil	Nil	Nil	Nil	Nil
Net profit/(loss) ($000)	843	(2,679)	(3,497)	(100)	(2,975)
Share price (cents)	4.1	1.1	1.5	2.4	4.0

a) The compensation of each member of the Directors and key management personnel of the Group is set out below:

	Short term employee benefits		Post employment benefits	Other long term benefits & terminations	Total	Proportion of elements of remuneration	
	Salary and fees	Bonus	Superannuation			Related to performance	Not related to performance
	$	$	$	$	$	%	%
2021							
S Sng	45,000	-	-		45,000	0%	100%
J Tong	30,000	-	-		30,000	0%	100%
M Ewing	11,667	-	26,658		38,325	0%	100%
C Chia^	180,000	-	17,100		197,100	0%	100%
Total	266,667	-	43,758	-	310,425	0%	100%
2020							
C M Wong ^^	54,414	-	5,443	74,733	134,589	0%	100%
C Chia ^	131,539	-	12,496	-	144,035	0%	100%
A Thompson*	55,246	-	5,248	38,488	98,983	0%	100%
S Sng	45,000	-	-		45,000	0%	100%
M Ewing	20,417	-	17,908		38,325	0%	100%
J Tong	30,000	-	-		30,000	0%	100%
Total	336,616	-	41,095	113,221	490,932	0%	100%

^^C M Wong - resigned 19 Aug 2019
^C Chia - commenced 15 July 2019
**A Thompson -Resigned 30 Sept 2019*

Directors' Report (Cont'd)

Remuneration Report (Audited Cont'd)

b) Key management personnel equity holdings
Details of key management personnel equity holdings are disclosed below.

	Balance at 1 April 2020	Granted as remuneration	On exercise of options	Net change other	Balance at 31 March 2021
Mark Ewing	20,000	-	-	-	20,000
Total	**20,000**	-	-	-	**20,000**
	Balance at 1 April 2019	Granted as remuneration	On exercise of options	Net change other	Balance at 31 March 2020
Mark Ewing	20,000	-	-	-	20,000
Total	**20,000**	-	-		**20,000**

This Report of the Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors

Yours sincerely

Sng Sze Hiang
Chairman
30 June 2021

Clive Chia
Executive Director
30 June 2021

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350 Collins St
Melbourne VIC 3000
Tel: +613 9592 2357
Web: www.connectaudit.com.au

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of TTA HOLDINGS LIMITED for the year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

(a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TTA HOLDINGS LIMITED.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne,
Date: 30 June 2021

Corporate Governance Statement

TTA Holdings Limited ("the Company") and the Board of Directors are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entity together are referred to as ("the consolidated entity") or ("the Group") in this statement.

The Board is responsible to the shareholders for the performance of the consolidated entity and seeks to accommodate the key objectives of all stakeholders in its undertakings and operations. Where competing objectives do exist, the Board endeavours to find a balance for the overall benefit and in the best interests of the consolidated entity. The primary focus is to ensure the consolidated entity is properly managed whilst continuing to enhance the interests of shareholders and key stakeholders.

The Company's corporate governance policies and practices have been established with reference to the following ASX Corporate Governance Council's principles and recommendations 3rd edition issued in 2014.

Principle 1: Lay solid foundations for management and oversight
Principle 2: Structure the Board to add value
Principle 3: Promote ethical and responsible decision making
Principle 4: Safeguard integrity in financial reporting
Principle 5: Make timely and balanced disclosure
Principle 6: Respect the rights of shareholders
Principle 7: Recognise and manage risk
Principle 8: Remunerate fairly and responsibly

A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year.

Principal 1: Lay Solid Foundations for Management and Oversight

The Board's role is to provide strategic guidance and effective oversight of management. It is ultimately accountable to shareholders for the management and direction of management and of the business of the Company and therefore, has ultimate authority over management.

In carrying out its role and exercising its powers, the Board acts in accordance with the letter and spirit of the law and the Company's Constitution. It acts honestly, fairly and with integrity in accordance with the Company's policies, codes of conduct and ethical and other standards and in a manner which will create and develop sustainable value for shareholders. It has regard to the interests of the Company's stakeholders, its employees, suppliers, customers or other stakeholders in the Company and the general community.

Responsibility of the Board

The Board remains primarily responsible for the strategic direction and financial aspirations of the Company, whilst delegating the responsibilities of management to the senior management team. The role of the Board is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole.

The Board undertakes the responsibilities for:

- the oversight of the Company, its business, activities, corporate governance and internal controls, including the development of its commercial, strategic and financial objectives and the monitoring of the implementation and execution of those objectives;
- acting as the nomination committee, which includes reviewing the composition of the Board, (including appointment and retirement or removal of directors) and succession planning;
- the review and oversight of the operation of systems of risk management, internal compliance and control, codes of ethics and conduct, legal and regulatory compliance;
- appointing and (where appropriate) removing the Chief Executive Officer and approving other key executive appointments and planning for executive succession;
- the monitoring of senior management's performance and implementation of strategy, including ensuring appropriate resources are available;
- approval of major capital expenditure, capital management, acquisitions and divestitures and consequential monitoring of their progresses;
- development of suitable key indicators of financial performance for the Company and its business;
- input into, and final approval of, management's development of corporate strategy and performance objectives;
- establishment and oversight of Committees to consider such matters as the Board may consider appropriate, including audit matters, finance and business risks, remuneration and nominations and the establishment of a framework for the effective and efficient management of the Company; and
- any and all other matters reserved to it by law.

Corporate Governance Statement (Cont'd)

Principal 2: Structure the Board to add value

The Board has been formed so that it has an effective mix of personnel who are committed to adequately discharge their responsibilities and duties, and be of value to the Company.

The Board believes that the interests of all Shareholders are best served by:

- Directors having the appropriate skills, experience and contacts within the Company's industry; and
- The Company striving to have a balance between the overall number of Directors and the number of Directors being independent as defined in the ASX Corporate Governance Guidelines.

The Board regularly reviews its size, structure and composition, taking into consideration the balance of skills, experience and knowledge of members to ensure it continually adds value to the Company.

As at the date of this report, the Board comprises of the following members:

Name	Board position	Non executive status	Independent status
Mr Sng Sze Hiang	Chairman	Non Executive	Not independent
Mr Mark Ewing	Deputy Chairman	Non Executive	Independent
Ms Julia Tong	Director	Non Executive	Not independent
Mr Clive Chia Yang Hong	Director/CEO	Executive	Not Independent

Details of the directors as at the date of this report, including their experience, expertise, and term of office, are set out in the Directors' Report.

Directors' Independence

The Board regards a director to be independent if they are in a Non Executive Director capacity and are free from any business relationship or other relationship that could compromise their ability to act in the best interests of the Company. Such a situation will occur if the director is a significant shareholder.

If a conflict of interest does arise, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is being considered. Directors must keep the Board advised, on an ongoing basis, of any interests that could possibly conflict with those of the Company. Directors are required to promptly disclose to the Board interests in contracts, other directorships or offices held, possible related party transactions and sale/purchases of the Company's securities.

The Board has reviewed the position of all current directors in light of the Company's definition of independence. While there is only one independent director and the Chairman's role is not independent, the Board is still of the view that the current practice is appropriate for the Company as it continues to grow the business of TEAC Australia Pty Ltd. The Board believes the benefits that this will provide to the Company's development will negate any perceived lack of independence.

At this time, the Company believes the current composition of the Board is appropriate to ensure the interests of shareholders are safeguarded and the high standards of corporate governance are maintained. The Board remains committed to evaluating and attracting appropriate independent directors with the necessary skills and experience.

Term of office
The Company's constitution specifies that at each Annual General Meeting (AGM), one third of the Directors must retire from office. The Directors to retire by rotation are those Directors who have been longest in the office since their last election or appointment. A retiring Director is eligible for re-election. The Executive Director is not subject to retirement by rotation.

The Company does not have a Nomination or Remuneration Committee because it is deemed to be more efficient to have the full Board consider such matters in a broader context of the overall operations.

Independent professional advice

Non Executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. The Chairman's prior approval of any expenditure is required, however, this will not be unreasonably withheld.

Corporate Governance Statement (Cont'd)

Principal 3: Promote Ethical and Responsible Decision-Making

As part of the Company's commitment to recognising the legitimate interests of stakeholders, a common Code of Conduct has been established for the Directors, senior executives and employees of the Company to guide compliance with legal and other obligations to legitimate stakeholders.

The Code of Conduct outlines the core principles and requirements of the Company relating to:

- Business Integrity;
- Employment;
- Environment;
- Safety and Health; and
- Compliance.

The Company has a share trading policy that regulates the dealings by Directors, Officers and Employees, in shares, options and other securities issued by the Company. The policy has been formulated to ensure that Directors, Officers, Employees and Consultants who work on a regular basis for the Company are aware of the legal restrictions on trading in Company securities while in possession of unpublished price-sensitive information and do not act on material information until it has been released to the market. The directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. This diversity policy outlines the requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next few years as director and senior executive position positions become vacant and appropriately qualified candidates become available:

	2021		2020	
	No.	%	No.	%
Women on the Board	1	25%	1	25%
Women in senior management roles	-	-	-	-
Women employees in the company	5	43%	6	50%

Principal 4: Safeguard Integrity in Financial Reporting

The Company has put in place controls designed to safeguard the Company's interests and to ensure the integrity of its reporting. These controls aim to ensure that the Company complies with all regulatory requirements and community standards.

Chief Executive Officer is required to state in writing to the Board that:

(a) the Company's financial report represents a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant Australian Accounting Standards;
(b) the statement in (a) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
(c) the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Company's financial report is subject to an annual audit by an independent professional auditor who also reviews the Company's half yearly financial report. The Audit, Risk & Compliance Committee, which operates under a charter adopted by the Board, oversees this process on behalf of the Board. During the year, the Audit, Risk & Compliance Committee did not meet the Best Practice Recommendations of an audit committee that comprises only non executive directors, the majority of which will be independent directors. The Committee comprised of 3 members.

It is the Board's responsibility to ensure that an effective internal framework exists within the Company, including internal controls to deal with the safeguarding of assets, efficient and effective significant business processes, maintenance of proper accounting records and the reliability of financial information, together with non-financial considerations such as the

Corporate Governance Statement (Cont'd)

Principal 4: Safeguard Integrity in Financial Reporting (Cont'd)

benchmarking of operational key performance indicators. The Board has delegated the responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit, Risk & Compliance Committee.

The Committee provides the Board with additional assurance regarding the correctness and reliability of financial information prepared for use by the Board and also for the integrity of the Company's internal controls affecting the preparation and provision of the financial information in determining policies or for inclusion in the financial report.

As at the date of this report, the Audit, Risk & Compliance Committee comprises of the following members:

Director	Committee position	Non executive status	Independent status
Mr Mark Ewing	Chairman	Non Executive	Independent
Mr.Sng Sze Hiang	Member	Non Executive	Not dependent
Ms Julia Tong	Member	Non Executive	Not dependent

The Committee meets at a minimum, on a six monthly basis to review and consider the half-year and full year financial report of the Company. The Company's auditors have a standing invitation to attend these meetings. The Directors' Report contains further details on Committee Members skills and qualifications, together with details of meeting attendance.

Principal 5 : Make timely and balanced disclosure

The Company has developed a set of policies, approved by the Board, to ensure the market is fully informed of its strategy and financial performance. The Company seeks to achieve this by providing equal access to information for all investors and avoiding the disclosure of material information to any person on a selective basis.

Disclosable price sensitive information must be disclosed to ASX prior to disclosure to analysts, the media or others outside the Company to ensure equal access to information.

Except for certain confidential information that no reasonable person would expect to be disclosed, once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, it will immediately advise ASX of that information. Continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board and all Directors are required to confirm details of any matter within their knowledge that might require disclosure to the market.

The Company communicates regularly with shareholders through:

- its full annual report, which the shareholders receive via the Company's website unless they have elected to receive it in hard copy;
- its annual general meeting, at which shareholders are updated on the Company's performance and outlook. All shareholders are given the opportunity to ask questions of the Board and of the auditor about the conduct of the audit.
- company announcements published with the ASX; and
- market briefings where unexpected events occur during the year or to ensure the market is clear about the Company's strategy, business and outlook. No new materially price sensitive information will be provided at these briefings. Questions at briefings that deal with material information not previously disclosed will not be answered. All inadvertent disclosure of material information during market briefings are immediately released to ASX.

Only the Chairman or a person authorised by the Chairman is authorised to make any public statement or announcement on behalf of the Company.

The Company does not comment on rumours or market speculation, subject to the continuous disclosure rules.

All proposed media releases and external presentations are reviewed by the Company Secretary in advance to ensure the continuous disclosure requirements are met at all times. The Company Secretary is also responsible for all communications with ASX.

Principal 6: Respect The Rights of Shareholders

The Board acknowledges the legitimate interests of various stakeholders such as Employees, Clients, Customers, Government Authorities, Creditors and the Community as a whole. As a good Corporate Citizen, it encourages and ensures compliance and commitment to appropriate corporate practices that are fair and ethical via its 'Code of Conduct Policy'.

Corporate Governance Statement (Cont'd)

Principal 7: Recognise and Manage Risk

In accordance with Section 295(a) of the Corporation Act 2001, the Audit, Risk & Compliance Committee has established a policy for risk oversight and management within the Company. This is reviewed and updated (if necessary) annually.

The Chief Executive Officer and Chief Financial Officer (or equivalent) have given a statement to the Board that:

a) The Financial Statements are founded on a sound system of risk management and internal compliance and control which implements the Policies adopted by the Board; and

b) The company's risk management and internal compliance and control system, in so far as it relates to financial risk, is operating effectively in all material respects.

Further details about the Company risk management processes are contained under the heading of Principal 4.

Principal 8: Remunerate Fairly and Responsibly

The Company has not established a Nomination or Remuneration Committee as it deemed the full Board of the Company is a more efficient mechanism to administer the Company's remuneration policy.

The Board is responsible for:

- Setting the remuneration and conditions of service of all Executive and Non Executive Directors, and Senior management team;
- Approving the design of Executive & Employee incentive plans (including equity-based plans and options) and proposed payments or awards under such plans;
- Reviewing performance hurdles associated with incentive plans;
- Consideration of the remuneration of Non Executive Directors within the aggregate amount approved by Shareholders at General Meetings from time to time;
- Consulting appropriately qualified Consultants for advice on remuneration and other conditions of service;
- Succession planning for the Executive Director and Senior management team; and
- Performance assessment of the Executive Director.

The Company is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with 'Best Practice' as well as supporting the interests of Shareholders. Senior Executives receive a remuneration package based on fixed and variable components, determined by their position and experience. Shares and/or Options may also be granted based on an individual's performance and subject to approval by Shareholders.

Non Executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non Executive Directors. Non Executive Directors do not receive performance based bonuses and do not participate in Equity Schemes of the Company without prior Shareholder approval.

Refer to the Remuneration report for additional details regarding the remuneration arrangements of Directors and Executives.

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 March 2021

	Notes	2021 $	2020 $
Revenue from continuing operations	2	7,611,330	3,526,433
Finance income		119,374	117,124
Other income	7	1,366,983	-
Changes in inventories of finished goods		365,074	(1,810,546)
Raw materials and consumable used		(6,922,411)	(2,396,283)
Employee benefits expenses		(956,281)	(1,072,988)
Rental expenses		(23,467)	(39,480)
Other expenses		(450,776)	(695,373)
Depreciation & amortisation expenses	3	(20,595)	(69,414)
Foreign exchange gain/(loss)	3	(88,996)	41,567
Finance costs		(258,966)	(175,527)
Impairment of related party receivable		102,123	(105,343)
Loss before income tax		843,392	(2,679,830)
Income tax expense	5	-	-
Profit/(Loss) from continuing operation	4	**843,392**	**(2,679,830)**
Other comprehensive income		**-**	**-**
Total comprehensive gain/(loss) for the year		**843,392**	**(2,679,830)**
Gain/(Loss) attributable to:			
Members of the parent entity		**843,392**	**(2,679,830)**
Non-controlling interest		**-**	**-**
Total comprehensive gain/(loss) attributable to:			
Members of the parent entity		**843,392**	**(2,679,830)**
Non-controlling interest		-	-
Gain/(Loss) per share - Continuing and discontinued Operations			
Basic gain/(loss) per share (cents)	6	0.61	(1.95)
Diluted gain/(loss) per share (cents)	6	0.61	(1.95)
Gain/(Loss) per share – Continuing Operations			
Basic gain/(loss) per share (cents)	6	0.61	(1.95)
Diluted gain/(loss) per share (cents)	6	0.61	(1.95)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2021

	Notes	2021	2020
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,636,199	398,427
Non-current asset held for sale	15	-	2,930,367
Trade and other receivables	9	859,697	218,745
Inventories	10	1,876,813	1,511,739
Other current assets	15	196,386	137,868
Total current assets		**4,569,095**	**5,197,146**
Non-current assets			
Property, plant & equipment	11	42,114	21,868
Deferred tax assets	5	-	-
Right-of-Use assets	19	210,412	-
Total non-current assets		252,526	21,868
Total assets		**4,821,621**	**5,219,014**
LIABILITIES			
Current liabilities			
Trade and other payables	12	283,525	152,436
Provisions	13	61,724	60,834
Employee benefits liability	14	137,882	154,145
Liabilities of Asset for held for sale		-	1,560,013
Lease Liabilities	20	76,538	-
Contract Liability		-	10,121
Total current liabilities		**559,669**	**1,937,549**
Non-current liabilities			
Employee benefits liability	14	7,734	4,326
Lease Liabilities	21	133,687	-
Total non-current liabilities		**141,421**	**4,326**
Total liabilities		701,090	1,941,875
Net assets		**4,120,531**	**3,277,139**
EQUITY			
Issued capital	16(a)	6,484,607	6,484,607
(Accumulated losses)/ Retained earnings	4	(2,364,076)	(3,207,468)
Total equity		**4,120,531**	**3,277,139**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 31March 2021

	Issued Capital	**(Accumulated losses)/ Retained earnings**	**Total**
	$	**$**	**$**
At 1 April 2019	6,484,607	(527,638)	5,956,969
Gain/(Loss) for the year	-	(2,679,830)	(2,679,830)
Other comprehensive income	-	-	-
Dividend paid	-	-	-
At 31 March 2020	6,484,607	(3,207,468)	3,277,139
At 1 April 2020	6,484,607	(3,207,468)	3,277,139
Gain/(Loss) for the year	-	843,392	843,392
Other income	-	-	-
Dividend paid	-	-	-
At 31 March 2021	6,484,607	(2,364,076)	4,120,531

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,731,508	5,277,706
Receipts of Subsidy from Gov't (Covid 19)		328,336	-
Payments to suppliers, employees and others		(8,133,395)	(5,170,467)
Interest received		119,374	117,124
Borrowing costs		(258,966)	(175,527)
Net cash flows provided by/(used in) operating activities	17 (b)	(213,143)	48,836
Cash flows from investing activities			
Payments for Intangible software		(26,852)	(12,818)
Payments for property, plant & equipment		(8,131)	(3,848)
Net from property, plant & equipment		2,969,373	-
Net cash provided by/(used in) investing activities		2,934,390	(16,666)
Cash flows from financing activities			
Loans to related parties		-	-
Proceed/(Repayment) of borrowings		(1,483,475)	67,492
Net cash provided by/(used in) financing activities		(1,483,475)	67,492
Net increase in cash held		**1,237,772**	**99,662**
Cash and cash equivalents at the beginning of the year		**398,427**	**298,765**
Cash and cash equivalents at the end of the year	17 (a)	**1,636,199**	**398,427**

The accompanying notes form part of these financial statements

Notes to the financial statements

Notes to the financial statements for the year ended 31 March 2021

Corporate information

The financial report of TTA Holdings Limited ("the Company" or "TTA") for the year ended 31 March 2021 was authorised for issue in accordance with a resolution of the directors on xx June 2021.

TTA is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Note 1 - Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of TTA and its subsidiary (referred to as "the Group").

Basis of preparation

The financial report is a general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis except for certain assets and liabilities as disclosed which have been measured at fair value. The Company is domiciled in Australia and a for-profit entity for the purpose of preparing financial statements.

a) **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

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

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

b) **Statement of compliance**

These consolidated financial statements comply with Australian Accounting Standards, which ensures compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

(i) AASB 2018-7 Amendments to Australian Accounting Standards –Definition of Material

The amendments refine the definition of material in AASB101to clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material. Annual reporting periods beginning on or after 1 January 2020. Unlikely to be any impact on the reported financial position, performance or cash flows in the financial statements.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

b) Statement of compliance (continued)

(ii)Conceptual Framework for Financial Reporting AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.

The revised conceptual framework

- Reintroduces the terms stewardship and prudence
- Introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces but does not change the distinction between a liability and an equity instrument.
- Removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement.
- Discusses historical cost and current value measures and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability.
- States that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability.
- Discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Annual reporting period beginning on or after 1 January 2020.

Entities will need to consider the revised definitions included within the revised Conceptual Framework, particularly where the accounting for an existing balance has been developed with reference to the previous conceptual framework. In addition, any balances or transactions which have been taken to other comprehensive income should be reviewed to confirm that they are permitted by an accounting standard.

(iii)AASB 2020-1 Amendments to Australian Accounting Standards –Classifications of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Annual reporting periods beginning on or after 1 January 2022.

Little impact expected but entities should consider the appropriate classification of liabilities as current or non-current.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

c) Basis of consolidation

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling Interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The acquisition method of accounting is used to account for business combinations by the group (refer to note 1(p)).

d) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future years.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) *Significant accounting judgements*

Intercompany balances

As of 31st March 2021, TTA is owed $1,791,105 by Akira Corporation Pte Ltd ("Akira"), a wholly owned subsidiary of TT International Limited (a major shareholder of the Group ("TTI")). Intercompany balance due is consists of approximately $629,578 (FY2020: $589,977) being the deposit of $500,000 paid to AKIRA (together with accrued interest on the deposit) by the proposed investor for the previously proposed disposal of assets which was not materialised. This amount was classified as a loan to Akira pursuant to a loan agreement entered between TTA and Akira on 29th November 2017 which is repayable within 13 months of the date of that agreement or any such dates extended by mutual agreement. In addition, the Company had also made payments to Akira for (i) sourcing fees payable to AKIRA in advance for the sourcing of goods for the Company $1,048,438 (FY:2020 $ 968,738) which includes the accrued service fee; and (ii) payments for the stocks purchased on behalf of AKIRA with a balance of $113,089 (FY 2020: $ 334,513) after offsetting the actual inspection fees charged by Akira.

TTI which owns 85.5% of TTA is currently under a Scheme of Arrangement in Singapore. The scheme took effect on 19th April 2010 ("Existing Scheme"). On 31 July 2018, TTI has proposed to enter into a new scheme of arrangement ("New Scheme") with its Creditors, comprising both Creditors of TTI under the Existing Scheme and other Creditors of TTI (the "Non-Existing Scheme Creditors"). On 20 December 2018, the New Scheme was approved by the requisite majority of the Creditors. On 26 March 2019, the Court has approved the New Scheme subject to inter alia the exclusion of a Creditor from the New Scheme, upon certain undertakings given by the Creditor and the Company and the extension of the Long Stop Date for the implementation of the New Scheme until 30 April 2019. In connection with the sanction of the New Scheme, the said Creditor has, on the basis that the Company will provide information prescribed by the Court to the said Creditor in relation to payments (if any) by the Company to another Excluded Creditor, provided an undertaking to the Court that it shall not, without the leave of Court or prior consent in writing of the Company, levy any execution proceedings in respect of the fees assessed by the Court to be payable for work done by the said Creditor for the Company, ("**Assessed Amount**"), commence winding up proceedings against the Company or serve a statutory demand upon the Company based upon the Assessed Amount, or commence judicial management proceedings against the Company (the "**Creditor Standstill**").

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

d) Significant accounting judgments, estimates and assumptions (continued)

TTI had applied to the Court for extension of the existing Moratorium Application and extension of the long stop date for implementation of the New Scheme. The Court had granted extensions on 26 April 2019, 29 July 2019, 27 December 2019, 27 March 2020, 29 May 2020, 17 August 2020, 13 November 2020 and 28 December 2020 which extended the Moratorium Extension Application and the long stop date for the implementation of the New Scheme until 30 April 2021.

On 3 May 2021, TTI announced that the Court had granted approval to its applications for (i) an extension of the existing moratorium, which expires on 30 April 2021, until 31 October 2021, and (ii) to extend the long stop date for the implementation of the New Scheme until 31 October 2021.

On 16 July 2019, the Company and the Purchaser (Celestial Palace Limited herewith known as the "Investor") have entered into a binding term sheet ("Term Sheet") to, amongst others, to provide for the proposed investment by the Investor through the Convertible Loan, of which an amount of up to S$45 million will be used to fund the implementation of the New Scheme, and to terminate the agreements relating to the Proposed Disposal, Purchaser Loan and the Bridging Loan.

The key Conditions Precedents (“CPs”) and Conditions Subsequent (“CS”) under the Term Sheet, amongst others, for the utilization of the Convertible Loan are as set out below:

1. Entering into the definitive documents between the Investor and the Company in relation to the Convertible Loan (Convertible Loan Agreement);
2. Obtaining of Conversion Regulatory Approvals and the Conversion Whitewash Waiver from relevant authorities;
3. Obtaining the Shareholders’ approval at the Extraordinary General Meeting (“EGM”) for the issuance of Conversion Shares for the Convertible Loan and the Rights Shares for the Rights Issues; and
4. Obtaining of Rights Issue Regulatory Approvals and the Rights Issue Whitewash Waiver from relevant authorities as a condition subsequent to the proposed Rights Issues.

Subsequently, the Company has, on 9 December 2019, entered into Convertible Loan Agreement with the Investor, and thereby fulfilling one of the CPs. The Company has, on 9 December 2019, submitted the applications for, inter alia, the Conversion Regulatory Approval and the Conversion Whitewash Waiver; and the application for the Rights Issue Regulatory Approvals and Rights Issue Whitewash Waiver to the relevant regulatory authorities.

For the utilization of the Convertible Loan, and implementation and discharge of the New Scheme, upon obtaining of Conversion Regulatory Approvals and the Conversion Whitewash Waiver; and Obtaining of Rights Issue Regulatory Approvals and the Rights Issue Whitewash Waiver from relevant authorities; the Company will then convene the EGM to seek its shareholders’ approval for the issuance of Conversion Shares for the Convertible Loan and the Rights Shares for the Rights Issues.

On 7 August 2020, the Company was granted in-principle approval from the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the listing and quotation of the Conversion Shares and the Rights Shares to be issued in connection to the proposed Convertible Loan and the proposed Rights Issue subject to compliance with the SGX-ST’s listing requirements.

On 2 October 2020, the Securities Industry Council (“SIC”) granted the Company’s application for whitewash waivers in connection with the proposed allotment and issue of the Conversion Shares and the Rights Shares.

On 4 November 2020, at the Extraordinary General Meeting to seek shareholders' approval for whitewash waivers in connection with the proposed allotment and issue of the Conversion Shares and the Rights Shares, all resolutions as set out in the Notice of EGM dated 20 October 2020, were put to the EGM and duly passed.

Recoverability of the related party receivable

Based on the information announced by TTI, the Directors reasonably believe that TTI will conclude the proposed investment and the New Scheme and the related party receivable will be repaid.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

d) Significant accounting judgments, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Recoverable amounts of relevant assets are assessed using value in use calculations which incorporate various key assumptions.

Taxation & Recovery of deferred tax assets

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets/liabilities, income tax payable recognised on the consolidated statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

(ii) *Significant accounting estimates and assumptions*

Estimation of useful lives of assets
The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Warranty provision
The Group generally offers 12 months warranty on its product range with the exception of televisions. Management estimates the expected performance of the products, number of customers who will actually use the warranty and how often and the costs of fulfilling the warranty. Historical warranty claims information, as well as recent trends that might suggest the past cost information may differ from future claims have been considered in determining this provision. Factors that could impact the estimated claim information include the quality of workmanship of the Group’s suppliers.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

e) *Going Concern*

The Group has effective net working capital of $4.0m at 31 March 2021 (2020: $3.2m), The Govt subsidy and profit on disposal of the property has led to an improved working capital position.

The Director has also reviewed both the operational and financial performance forecasts of the group for the 2021/2022 financial year which are summarised as follows:

- A budget and cash flow forecast has been prepared which indicates a vastly improved result from its subsidiary, TEAC Australia Pty Ltd. The Director will monitor the operating performance against the Budget and cash flow forecast; and
- The Group has positive net assets and working capital, sound relationships and trading terms with key suppliers and customers.

The Directors believe that the Group will be able to access sufficient sources of funds and implement cost control measures if required and are satisfied that the Group will continue as a going concern.

Accordingly, the financial report has been prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

f) Revenue recognition

Revenue arises mainly from the sale of electrical and audio goods. To determine whether to recognise revenue, the Group follows a 5-step process:

1 Identifying the contract with a customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

The Group should recognise revenue as the performance obligations are satisfied. A performance obligation is satisfied when control of the underlying goods or services for that particular performance obligation is transferred to the customer. ‘Control’ is defined as ‘the ability to direct the use of and obtain substantially all of the remaining benefits from the asset’ underlying the good or service. Control can transfer, and hence revenue be recognised over time or at a point in time.

Sale of goods
The Group’s revenue arises mainly from the sale of goods which is recognised at the point in time when controls of the goods are transferred to customer according to shipping terms per sale contracts.

Sale of services
The Group’s sales of services are mainly derived from repair of audio visual products. Revenue is recognised upon completion of work.

Interest Revenue
Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

f) Revenue recognition (continued)

Dividends
Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

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

Revenue is recognised and measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The following specific recognition criteria must also be met before revenue is recognised:

g) Interest-bearing liabilities

All loans and borrowings are initially recorded at fair value, net of transaction costs incurred.

Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial positions when the obligation specified in the contract is discharged, cancelled or expire. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial amount of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i) Cash and cash equivalents

Cash and cash equivalents recognised in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the consolidated statement of financial position.

j) Provisions and Employee benefits

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value 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 passage of time is recognised as interest expense.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled, inclusive of on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows, inclusive of on-costs.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued

k) Financial Instruments

(i) *Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) *Classification and subsequent measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into amortised costs.

Classifications are determined by both:
The entity’s business model for managing the financial asset
The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

(iii) *Subsequent measurement financial assets*

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL): they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of Financial assets

AASB 9’s impairment requirements use more forward looking information to recognize expected credit losses - the ‘expected credit losses (ECL) model’. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables recognised and measured under AASB 15.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

k) Financial Instruments (continued)

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.
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l) Issued capital

Ordinary shares are classified as equity. Transaction costs incurred on the issue of equity instruments are recognised directly in equity, net of any tax effect, as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

m) Inventories

Inventories include finished goods and spare parts used for repair. Inventories are measured at the lower of cost and net realisable value. The cost of purchased products includes the purchase price, freight, and other delivery costs after deducting rebates and discounts. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency"). These consolidated financial statements are presented in Australian dollars, which is TTA's functional and presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the consolidated statement of cash flows 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 part of operating cash flows.

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

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

p) Impairment of non-financial assets other than goodwill and finite life intangibles

Non-financial assets other than goodwill and finite life intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

TTA conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

q) Income tax

The income tax expense /(benefit) for the year comprises current and deferred income tax expenses/(benefits).

Current income tax
Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax
Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

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

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidation
The Company and its subsidiary have formed an income tax consolidation group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are managed 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 subsidiary are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from May 2008. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

r) Intangible assets

IT development and software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

s) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

For any new contracts entered into on or after 1 April 2020, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in non-current assets and lease liabilities have been included in current and non-current liabilities.

t) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

u) Property, plant and equipment

Property, plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the year of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting year.

Notes to the financial statements for the year ended 31 March 2021

Note 1 - Summary of significant accounting policies (continued)

The following Depreciation rates are used in the calculation of depreciation:

Depreciation rates are:	**2021**	**2020**
Computer equipment	20% to 30%	20% to 30%
Plant and equipment	15% to 40%	15% to 40%

The carrying values of plant and equipment, leasehold improvements and equipment under finance lease are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Profit or loss. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

v) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent entity, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of issued ordinary shares, adjusted for any bonus element.

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

w) Trade and other receivables

Trade receivables which generally have 30-60 day terms are initially recognized at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment.

Collectability of Trade receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognized where there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of expected future cash flows, discounted at the original effective interest rate.

x) Parent entity financial information

The financial information for the parent entity, as disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below.

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

In preparing these consolidated financial statements, the accounting requirements specific to reverse acquisition as stated in AASB 3 Business Combination has been applied and all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Accounting policies of subsidiaries have been changed to ensure consistency with that of the Group.

Notes to the financial statements for the year ended 31 March 2021

2. Revenue

	2021 $	2020 $
Continuing operations:		
Revenue from operating activities		
Revenue from sale of goods	7,591,679	3,490,612
Revenue from services	19,652	35,821
	7,611,331	3,526,433

3. Expenses and gains/(losses) included in profit

Profit before income tax has been determined after:

	2021 $	2020 $
Depreciation and amortisation:		
Office equipment	222	-
Plant and equipment	51	103
Building improvements	-	59,851
Computers	14,385	2,460
Total depreciation of non-current assets	14,658	62,414
Amortisation of non-current assets:		
Amortisation of computer software	5,937	7,000
Total depreciation and amortisation expense	20,595	69,414
Lease expense	10,240	11,160
Unrealised/Realised FX gains/ (loss)	(88,996)	(41,567)

Notes to the financial statements for the year ended 31 March 2021

4. Accumulated losses/Retained earnings

	2021 $	2020 $
Retained earnings at the beginning of the financial year	(3,207,468)	(527,638)
Dividend paid	-	-
Net Loss for the year	843,392	(2,679,830)
(Accumulated losses)/Retained earnings at end of the financial year	(2,364,076)	(3,207,468)

5. Income tax

	2021 $	2020 $
a) Income tax expense		
Current tax expense/ (benefit)	-	-
Deferred tax expense related to the origination and reversal of temporary differences	-	-
Deferred tax derecognised on opening carried forward tax loss	-	-
Deferred tax not recognised on current period tax losses	-	-
Total tax expense in the statement of comprehensive income	-	-
b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense/(benefit) in the financial statements as follows:		
Loss from continuing operations before income tax expense	843,392	(2,679,830)
Income tax Income tax benefit calculated at 26% (2020: 27.5%)	219,282	(736,953)
Tax effect of amounts which are not deductible in calculation taxable income:		
Non-deductible expenses	261	2,757
Intercompany account impairment	(26,552)	28,969
Deferred tax derecognised on opening carried forward tax loss	-	-
Deferred tax not recognised on current period tax losses	(192,991)	705,227
Income tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 26% payable by Australian corporate entities on taxable profits under Australian tax law. There has been 1.5% decrease in the corporate tax rate when compared with the previous reporting year.

Notes to the financial statements for the year ended 31 March 2021

5. Income tax (Cont'd)

c) The deferred tax balances comprises temporary differences attributable to:

2021

	Opening balance	Charged to Income	Charged to Equity	Closing balance
Gross deferred tax assets				
Provision for stock obsolescence	-	-	-	-
Accruals	-	-	-	-
Provision for employee entitlements	-	-	-	-
Other provisions	-	-	-	-
	-	-	-	-

2020

	Opening balance	Charged to Income	Charged to Equity	Closing balance
Gross deferred tax assets				
Provision for stock obsolescence	-	-	-	-
Accruals	-	-	-	-
Provision for employee entitlements	-	-	-	-
Other provisions	-	-	-	-
	-	-	-	-

	2021 $	2020 $
d) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	10,317,889	10,359.623
Potential tax benefit @ 26% (2020 @ 27.5%)	2,682,651	2,848,896

Notes to the financial statements for the year ended 31 March 2021

6. Gains & Losses per share

	2021	2020
a) Weighted average number of ordinary shares used		
Used in the calculation of basic and diluted earnings per share	137,423,410	137,423,410

Potential ordinary shares that are not dilutive and not used in the calculation of diluted EPS:
There were no Share Options issued in 2021 and 2020 financial year.

	2021 $	2020 $
b) Reconciliation of earnings used in calculating earnings per share for basic and diluted earnings per share		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the company	843,392	(2,679,830)
Net result used in the calculation of basic and diluted earnings	843,392	(2,679,830)
Basic and diluted losses per share	0.61	(1.95)

7. Other income

	2021 $	2020 $
Sale of Property and Equipment	1,038,647	-
Receipts of Subsidy from Gov't (Covid 19)	328,336	-
	1,366,983	-

Notes to the financial statements for the year ended 31 March 2021

8. Cash and cash equivalents

	2021 $	2020 $
Cash at bank and on hand	1,636,199	398,427

9. Trade and other receivables

	2021 $	2020 $
Trade receivables (net of rebates)	859,697	218,745
Allowance for impairment	-	-
	859,697	218,745
Related party receivable (Note 24(b))	1,791,105	1,893,228
Allowance for impairment of related party receivable	(1,791,105)	(1,893,228)
	859,697	218,745

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The Group did incur impairment profit in 2021 $102,123 (loss in 2020: $105,343). The Group has no significant concentration of credit risk with respect to any single retailer. The following table details the Group's trade and other receivables exposed to credit risk with aging analysis. The receivables that remain within trade terms are considered to be of high credit quality.

The ageing analysis of trade receivable is as follows:

	Total $	Current $	0-30days $	31-60 Days $	61-90days $	> 90days $
2021	888,086	7,065	546,103	171,685	165,414	(2,181)
2020	203,951	155,340	39,472	9,139	-	-

10. Inventories

	2021 $	2020 $
Current		
Inventory on hand	1,974,627	2,270,944
Provision for obsolescence	(97,814)	(759,205)
Total	1,876,813	1,511,739

Reconciliation of provisions for obsolescence

	2021 $	2020 $
Opening balance	759,205	938,298
Charge for the year	22,223	197,335
Amount write off/ (back)	(683,614)	(376,428)
Closing Balance	97,814	759,205

Notes to the financial statements for the year ended 31 March 2021

11. Property, Plant and Equipment

	Plant and equipment	Computers	Leasehold Improvements	Land	Building Improvement	Office Equipment	Total
	$	$	$	$	$	$	$
Gross carrying amount							
Balance at 31 March 2019	75,984	253,402	-	1,673,000	1,950,255	110,180	4,062,821
Disposal				-1673,000	-1.950.255		-3,623,255
Additions		16,666					16,666
Impairment							
Balance at 31 March 2020	75,984	270,068	-	-	-	110,180	456,232
Disposal /Transfer	-58,181	-134,725				-65,864	-258,770
Additions	3,724	21,084				1,854	26,662
Impairment							
Balance at 31 March 2021	**21,527**	**156,427**	**-**	**-**	**-**	**46,170**	**224,124**
Accumulated Depreciation							
Balance at 31 March 2019	75,789	245,832	-	-	633,037	110,180	1,064,838
Depreciation expense	103	2,460			59,851		62,414
Disposals					-692,888		-692,888
Balance at 31 March 2020	75,892	248,292	-	-	-	110,180	434,364
Depreciation expense	51	14,385			222		14,658
Disposals/ Transfer	-58,181	-142,901			-65,930		-267,012
Balance at 31 March 2021	17,762	119,776	-	-	-	44,472	182,010
Net carrying amount							
As at 31 March 2020	92	21,776	-	-	-	-	21,868
As at 31 March 2021	3,765	36,651	-	-	-	1,698	42,114

Notes to the financial statements for the year ended 31 March 2021

12. Trade and other payables

	2021 $	2020 $
Current		
Trade payables	70,371	66,374
GST payable	32,459	9,887
Payroll tax, PAYG, Superannuation	18,899	11,670
Other current payables	33,053	11,180
Other Accruals	128,743	53,325
	283,525	152,436

13. Provisions

	2021 $	2020 $
Warranties and returns	61,724	60,834

14. Employee benefits liabilities

	2021 $	2020 $
Current		
Annual leave liability	63,988	68,612
Long service leave liability	73,894	85,533
	137,882	154,145
Non-Current		
Employee benefits – non current	7,734	4,326
	7,734	4,326

Movements in provisions
Movement in each class of provision during the financial year are set out below:

	31 March 2021		31 March 2020	
	Employee benefit $	Warranties and return $	Employee benefit $	Warranties and return $
Opening balance	-	60,834	-	66,985
Charge for the year	-	221,097	-	538,077
Settled during the year	-	(220,207)	-	(544,228)
Closing balance	-	61,724	-	60,834

Provision for Warranty

The provision has been recognised by estimating warranty claims in respect of products sold which are under warranty at balance date. The provision for warranty has been based on historical sales and the total percentage of claims made against those sales, taking into the accounts the other factors outlined in Note 1 (d).

Notes to the financial statements for the year ended 31 March 2021

15. Other current assets

	2021 $	2020 $
Prepayments	196,386	137,868
Non-current asset held for sale	-	2,930,367
Total	196,386	3,068,235

16. Issued capital

	2021 $	2020 $
Fully paid ordinary shares	6,484,607	6,484,607
Total	6,484,607	6,484,607

a) Issued and fully paid-up ordinary shares
SUMMARY:

	2021 $	2020 $
Opening Balance	6,484,607	6,484,607
Movement during the financial year	-	-
Balance at year end		
137,423,410 fully paid ordinary shares (no par value)	6,484,607	6,484,607

b) Movement in shares on issue

	2021 Number of ordinary shares	2020 Number of ordinary shares
Balance at the beginning of the financial year	137,423,410	137,423,410
Balance at end of financial year	137,423,410	137,423,410

Notes to the financial statements for the year ended 31 March 2021

16. Issued capital (Cont'd)

(c) Terms and conditions of issued capital

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The company does not have a limited authorised capital and issued shares have no par value.

The company has 137,423,410 shares on issue.

Options

The Company has no options on issue as at 31 March 2021 (there were none in 2020).

(d) Capital Management

Management controls the capital of the Group in order to maintain a reasonable debt to equity ratio, provide shareholders with a reasonable rate of return and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements. Management effectively manage the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These include the management of debt levels and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior period.

	2021 $	2020 $
Total borrowings and trade and other payables	283,525	1,152,436
Less cash and cash equivalents	(1,636,199)	(398,427)
Net debt	-	754,009
Total equity	4,120,531	3,277,139
Total capital	5,473,205	2,523,130

Notes to the financial statements for the year ended 31 March 2021

17. Consolidated Statement of Cash Flows

(a) Reconciliation of cash flow from operating activities

For the purposes of the consolidated statement of cash flow, cash includes cash on hand and in banks and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdrafts. Cash at the end of the year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	2021	2020
	$	$
Cash at bank and on hand	1,636,199	398,427

(b) Reconciliation of operating profit/(loss) after income tax to net cash flows from operating activities:

	2021	2020
	$	$
Net Profit/(loss) after tax	843,392	(2,679,830)
Non-cash items:		
Depreciation expense	20,595	69,414
Intercompany impairment	(102,123)	105,343
Changes in assets and liabilities:		
(Increase)/ decrease in debtors	(640,953)	1,750,669
(Increase)/ decrease in inventories	(365,073)	1,810,546
Decrease deferred tax asset	-	-
(Increase)/decrease in payables and other financial liability	131,089	(735,392)
Decrease in employee benefits liabilities	(16,263)	(165,949)
Decrease in provisions	(19,362)	(6,151)
Increase/(decrease) in other assets	(64,455)	(99,814)
Cash inflow/(outflow) from operating activities	(213,143)	48,836

18. Subsequent event

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years, other than the matters already highlighted in the body of Directors' report and in these consolidated financial statements.

Notes to the financial statements for the year ended 31 March 2021

19. Non-current assets - right-of-use assets

	2021	2020
	$	$
Plant and equipment - right-of-use asset	216,349	-
Less: Accumulated depreciation	(5,937)	-
	210,412	-

The consolidated entity leases buildings for its offices under agreements of three years with option to extend. The Consolidated entity also leases equipment under agreements of 4 years.

20. Current liabilities – Lease

	2021	2020
	$	$
Lease Liability	76,538	-
	76,538	-

21. Non-current liabilities – Lease

	2021	2020
	$	$
Lease Liability	133,687	-
	133,687	-

Refer to note 25 for further information on financial instruments.

22. Contingent liabilities

There were no material contingent liabilities as at 31 March 2021 and 2020.

23. Segment information

The Group operates in only one segment, which is distribution of electronic goods to leading retailers in the Australian market.

Notes to the financial statements for the year ended 31 March 2021

24. Parent entity disclosure

(a) Summary financial information
The individual financial statements for the parent entity show the following aggregate amounts:

	2021	2020
	$	$
Statement of financial position		
Current assets	843,910	843,910
Non-Current assets	10,060,875	10,060,875
Total assets	10,904,785	10,904,785
Current liabilities	1,922,538	1,809,428
Total liabilities	1,922,538	1,809,428
Net Assets	8,982,247	9,095,357
Shareholders' equity		
Issued capital	31,624,326	31,624,326
Accumulated losses	(22,642,079)	(22,528,969)
	8,982,247	9,095,357
Profit or (loss) for the year	(113,110)	(174,924)
Total comprehensive income/(expense)	(113,110)	(174,924)

(b) Guarantees entered into by the parent entity
No guarantees were entered into by the parent entity.

(c) Contingent liabilities of the parent entity
The parent entity did not have any contingent liabilities as at 31 March 2021 or 2020.

(d) Contractual commitments for the acquisition of property, plant or equipment
As at 31 March 2021, the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

(e) Controlled entity of TTA

Name	**Country of Incorporation**	**Percentage of equity held**	
		2021	**2020**
TEAC Australia Pty Limited	Australia	100%	100%
Total			

All entities within the Group operated solely in their place of incorporation. All entities are members of a tax consolidated group where the head entity is TTA Holdings Ltd.

(f) Parent Entity - Deferred Tax
No Deferred assets or liabilities have been recognised in relation to the Parent Entity for the current or comparative year. Unused tax losses in relation to the parent entity have not been booked as a deferred tax asset on the basis of uncertainty regarding recoverability.

Notes to the financial statements for the year ended 31 March 2021

25. Financial risk management

The Group's financial instruments consist mainly of cash and cash equivalents, accounts receivable, other financial assets, trade and other payables and interest bearing liabilities.

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 of the financial statements.

b) Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk;
- Interest rate risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Quantitative disclosures are also included in this note.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is also responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set out appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Financial risk management policy
The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to currency risk, financing and interest rate risk. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include reviewing credit risk policies and future cash flow requirements.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including default risk of the industry and country in which the customers operate, has less of an influence on credit risk. Geographically there is no concentration of credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group reviews external ratings, when available. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining debtors insurance or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

In monitoring customers' credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties.

Notes to the financial statements for the year ended 31 March 2021

25. Financial risk management (Cont'd)

Generally, goods sold are registered with personal property security registrar, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

Credit risk related to balances held with banks and other financial institutions is managed by investing funds with counter parties with a A+ rating.

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	2021 $	2020 $
Cash and cash equivalents	8	1,636,199	398,427
Trade and other receivables	9	859,697	218,745
		2,495,896	617,172

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating interest rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt. The Group analyses its interest rate exposure on an ongoing basis and involves potential renewal of existing positions, alternative financial and alternative mixed of fixed and variable interest rate.

The following table details the consolidated entity's exposure to interest rate risk as at 31 March 2021

			Fixed interest rate maturity				
	Average interest rate	**Variable interest rate $**	**Less than 1 year $**	**1 to 5 years $**	**More than 5 years $**	**Non-interest bearing $**	**Total $**
Financial assets							
Cash and cash equivalent	0.001%	130,014	-	-	-	1,506,185	1,636,199
Trade and other receivables	-	-	-	-	-	859,697	859,697
Total financial assets		130,014	-	-	-	2,365,882	2,495,896
Financial liabilities							
Trade and Payables	-	-	-	-	-	(283,525)	(283,525)
Business Market Loan	7.88%	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	(283,525)	(283,525)
Net financial assets/(Liabilities)		**130,014**	-	**-**	**-**	**2,082,357**	**2,212,371**

Notes to the financial statements for the year ended 31 March 2021

25. Financial risk management (Cont'd)

Interest rate risk (Continued)
The following table details the consolidated entity's exposure to interest rate risk as at 31 March 2020

			Fixed interest rate maturity				
	Average interest rate	**Variable interest rate $**	**Less than 1 year $**	**1 to 5 years $**	**More than 5 years $**	**Non-interest bearing $**	**Total $**
Financial assets							
Cash and cash equivalent	0.063%	230,139	-	-	-	168,288	398,427
Trade and other receivables	-	-	-	-	-	218,745	218,745
Total financial assets		230,139	-	-	-	387,033	617,172
Financial liabilities							
Trade and Payables	-	-	-	-	-	(152,436)	(152,436)
Business Market Loan	8.85%	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	(152,436)	(152,436)
Net financial assets/(Liabilities)		**230,139**	-	**-**	**-**	**234,597**	**464,736**

The following table details the Group's exposure to interest rate risk as at 31 March 2021.

Cash flow sensitivity for variable rate instruments
A change of 100 basis points ('bp') in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

There is minimal interest rate exposure for the Group in 2021 or 2020.

	Net profit after tax higher/ (lower)		**Other comprehensive income higher/ (lower)**	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
+1% (100 basis points)	-	-	-	-
-0.5%(50 basis points)	-	-	-	-

The Group had minimal interest risk exposure in 2021 and 2020.

An increase of 100 basis points ("bp") in interest rates at the reporting date would have had the equal opposite effect on the above instruments to the amounts shown above, on the basis that the other variables remain constant.

Significant assumptions used in the interest rate sensitivity analysis include:
- ✓ Reasonably possible movements in interest rates were determined based on the Group's current credit rating, relationships with financial institutions, the level of debt that is expected to be renewed as well as a review of the last two year's historical movements and economic forecasters' expectations.
- ✓ A price sensitivity of derivatives has been based on a reasonably possible movement of interest rates at balance dates by applying the change as a parallel shift in the forward curve.
- ✓ The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

Notes to the financial statements for the year ended 31 March 2021

25. Financial risk management (Cont'd)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft, bank loan, finance leases and available credit lines.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is based on the contractual terms of the underlying contract, where the counter party has a choice of when the amount is paid. The liability is allocated to the earliest period in which the Group can be required to pay.

2021

Non-derivative	**Weighted average interest rate %**	**6 mths or less $**	**6-12 mths $**	**1-2 years $**	**2-5 years $**	**More than 5 years $**	**Total $**
Financial Liabilities							
Trade and other payables		283,525	-	-	-	-	283,525
Other financial liabilities		-	-	-	-	-	-
Lease liability	7.88%	38,269	38,269	70,313	62,791	-	209,642
Business Market Loan	-	-	-	-	-	-	-
		321,794	-	-	-	-	493,167
Financial assets							
Cash and cash equivalent		1,636,199	-	-	-	-	1,636,199
Trade and other receivables		859,697	-	-	-	-	859,697
		2,495,896	-	-	-	-	2,495,896

2020

Non-derivative	**Weighted average interest rate %**	**6 mths or less $**	**6-12 mths $**	**1-2 years $**	**2-5 years $**	**More than 5 years $**	**Total $**
Financial Liabilities							
Trade and other payables	-	152,436	-	-	-	-	152,436
Other financial liabilities	-	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-	-
Business Market Loan	-	-	-	-	-	-	-
		152,436	-	-	-	-	152,436
Financial assets							
Cash and cash equivalent	-	398,427	-	-	-	-	398,427
Trade and other receivables	-	218,745	-	-	-	-	218,745
		617,172	-	-	-	-	617,172

Notes to the financial statements for the year ended 31 March 2021

25. Financial risk management (Cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group made use of foreign currency contracts during the years ended 31 March 2021 and 2020 with the purpose of managing the Group foreign exchange risk. The Board will continue monitoring the Group's exposure to market risk and in the event that derivatives and or financial liabilities are entered into, the Board will consider the costs and benefits of seeking to apply hedge accounting in order to manage volatility in profit and loss. There were no contracts (liability) as at 31 March 2021. (2020: $10,121).

26. Auditor's remuneration

	2021 $	**2020 $**
Amounts received or due and receivable by the auditors for:		
Auditing or reviewing the financial reports of the entity and any other entity in the consolidated entity	35,000	35,000
Tax compliance service	6,000	6,000
Total remuneration of auditors	41,000	41,000

Notes to the financial statements for the year ended 31 March 2021

27. Key management personnel and related parties disclosures

(a) Key management personnel compensation

	2021 $	2020 $
Short term employee benefits	266,667	336,615
Post-employment benefits	43,758	41,096
Other long term benefits		
Termination benefits	0	113,221
Total compensation of key personnel	310,425	490,932

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 11

(b) Loan disclosures

At year-end there are amounts owing to the Group from Akira Corporation Pte Ltd

	2021 $	2020 $
Trade and other receivables	1,161,527	1,303,251
Loan	629,578	589,977
	1,791,105	1,893,228
Allowance for impairment of related party receivable	(1,791,105)	(1,893,228)
	-	-

There were no related party loans between Company and/or companies within the Group and any of the key management personnel as at 31 March 2021 and 2020

(c) Other transactions with key management personnel

There are no other related party transactions between the parent entity and any of the key management personnel.

(d) Ultimate parent entity

The parent entity (TTA Holding Limited) is ultimately controlled by TT International Limited (TTI), which is incorporated and domiciled in Singapore. TTI owns 85.5% of the issued capital in TTA. The Group trades with TTI (on normal terms and conditions no more favourable that those available to other parties unless otherwise stated) during the year.

There were no goods purchased from TTI during the financial year. During the year fees of $170K were charged by Akira Corporation Pte Ltd (2020: $55.9K). As at year end, the amount owing to TTI is disclosed in note 24(b).

(e) Transactions with other related parties

There are no other transactions between the parent entity and any other related party.

(f) Inter-group balances and transactions

Within the group, the following transactions took place:

	2021 $	2020 $
Amounts owing to TTA Holdings Limited by TEAC Australia Pty Ltd	840,000	840,000
Amounts owing from TTA Holdings Limited to TEAC Australia Pty Ltd	(1,908,064)	(1,798,069)
	(1,068,064)	(958,069)

Directors' Declaration

In accordance with a resolution of the directors of TTA Holdings Limited, I state that in the opinion of the directors:

(a) the financial statements and notes of the Company and the additional disclosures included in the Directors' report designated as the Remuneration Report are in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and

ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(c) the financial statements also comply with International Financial Reporting Standards as disclosed in note 1 (b).

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Controller required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Board

Sng Sze Hiang
Director
30 June 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TTA HOLDINGS LIMITED

Opinion

We have audited the accompanying financial report of TTA Holdings Limited (the "Group") and controlled entities ("Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

In our opinion the financial report of TTA Holdings Limited and controlled entities is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of Consolidated Entity's financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and
b) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Consolidated Entity in accordance with the auditor independence requirements 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the key audit matter**
Note 27 (b) Related Party Transactions	
Consolidated Entity has engaged in a number of transactions with related parties during the year and has an amount of $1,791,105 receivable to them, this has been fully provided for as at 31 March 2021. We identified related parties as a key audit matter given the nature and materiality of these transactions. Knowledge of these transactions, outstanding balances, commitments, and relationships with related parties may affect assessments of Consolidated Entity's operations by users of financial statements, including assessments of the risks and opportunities facing Consolidated Entity.	Our procedures included amongst others: • Assessed internal processes for the identification and disclosure of related party transactions; • Reviewed related parties schedule and related transactions; • Reviewed minutes from board of directors' meetings, and, • Ensuring transactions and balances are disclosed in accordance with the disclosure requirements of AASB 124 Related Party Transactions

Material Uncertainty Related to Going Concern

We draw attention to Note 1 (e) in the financial report, which indicates that Consolidated Entity incurred a net loss on operations of $ 0.524M during the year ended 31 March 2021. Consolidated Entity has effective net working capital of $4m (2020: $3.3m) mainly contributed by decreased on loss from operation and income derived from the sale of the property settled in December 2020.

The board has also reviewed both the operational and financial performance forecasts of Consolidated Entity for the 2021/2022 financial year which are summarised as follows

- A budget and cash flow forecast has been prepared which indicates a vastly improved result from its subsidiary, TEAC Australia Pty Ltd. The board will monitor the operating performance against the budget and cash flow forecast; and,
- Consolidated Entity has positive net assets and working capital, sound relationships and trading terms with key suppliers and customers.

The Directors believe that the Consolidated Entity will be able to access sufficient sources of funds and implement cost control measures if required and are satisfied that the Consolidated Entity will continue as a going concern.

Accordingly, the financial report has been prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the financial year ended 31 March 2021.

In our opinion the Remuneration Report of TTA Holdings Limited for the financial year ended 31 March 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date 30 June 2021

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 31 May 2021.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

Distribution of Shareholdings	Number of Holders	Number of Shares
1 - 1,000	83	14,691
1,001 - 5,000	138	372,106
5,001 - 10,000	229	2,186,807
10,001 - 100,000	105	3,884,586
100,001 Over	25	130,965,220
Total Number of Shareholders	**580**	**137,423,410**
The number of shareholders holding less than a marketable parcel of shares are:	460	2,684,216

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
	Name of Holder	**Number of Shares**	**Percentage of Ordinary Shares**
1	TT INTERNATIONAL LIMITED	117,500,000	85.50
2	GA & AM LEAVER INVESTMENTS PTY LTD <GA & AM LEAVER S/FUND A/C>	4,157,439	3.03
3	WARRION ORCHARDS PTY LTD	1,807,869	1.32
4	MR ZHAN WANG	1,062,523	0.77
5	MRS JESSIE ELIZABETH SPENCER	1,000,000	0.73
6	KINGSTON INVESTMENT GROUP PTY LTD	877,532	0.64
7	DINGFOX PTY LTD <DINGFOX A/C>	600,223	0.44
8	MR ZHAN WANG	464,700	0.34
9	MR PETER HOWELLS	405,150	0.29
10	MISS ALICE JANE LI	312,958	0.23
11	MR JERZY POTAPOWICZ	300,000	0.22
12	WEBB WALKER INVESTMENTS PTY LTD	300,000	0.22
13	MR IANAKI SEMERDZIEV	298,983	0.22
14	GREATWALL PTY LTD <ZHU FAMILY A/C>	240,000	0.17
15	MR JIA YING ISAAC TAY	206,422	0.15
16	MR WARREN ERIC MELLING + MRS SUSAN GAIL MELLING <MELLING GANG SUPERFUND A/C>	200,000	0.15
17	HARRINGTON DESIGN & CONSTRUCTION PTY LTD <CLAYTON DEVELOPMENTS FAM A/C>	162,560	0.12
18	MR KENNETH JOHN YOUNG & MRS CHRISTINE KAY YOUNG	162,560	0.12
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	152,854	0.11
20	FOUR WINDS SUPER PTY LTD CRANE S/F A/C	150,000	0.11
	Total Top 20 holders of ordinary shares as at 31 March 2021	**130,361,773**	**95**
	Total issued capital	**137,423,410**	**100**

A. ASX ADDITIONAL INFORMATION (CONT'D)

(c) Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares	Percentage Held
TTI (associated with directors Sng Sze Hiang and Julia Tong Jia Pi)	117,500,000	85.50%

(d) Voting rights

The voting rights attaching to each class of equity securities are set out below:

Subject to any special rights or restrictions for the time being attaching to any class of Shares and Articles 14.3, 14.6, 14.7, 14.8 and 15.10:

(a) on a show of hands at a meeting of Members, every Eligible Voter present has one vote; and

(b) on a poll at a meeting of Members, every Eligible Member (not being a Corporation) present in person or by proxy or attorney, and every Eligible Member (being a Corporation) present by a Representative or by proxy or attorney, has one vote for each Share that Eligible Member holds, but:

- (i) if at any time there is on issue any Share which has not been fully Paid Up that Share on a poll will confer only that fraction of one vote which the amount paid (not credited) on that Share, excluding any amounts paid up in advance of the applicable due date for payment, bears to the total amounts paid and payable (excluding amounts credited) on that Share; and
- (ii) if the total number of votes to which an Eligible Member is entitled on a poll does not constitute a whole number, then the Company will disregard the fractional part of that total.

(e) Option holders information

The Company has issued (or may issue in the future) Options over unissued capital. The Company has a no options on issue.