VORTIV

2021 Annual Financial Report

ABN 98 057 335 672

CONTENTS

DIRECTORS' REPORT

Your directors of Vortiv Limited ("VOR or the Company") submit herein the annual financial report of the company for the financial year ended 31 March 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows.

REVIEW OF OPERATIONS

The Group's principal activity during the year was the operations of Decipher Works Pty Ltd ("DWX"), a cyber security specialist and Cloudten Industries Pty Ltd ("C10"), a cloud and cloud security specialist. With the approval of shareholders, the Company sold 100% of the shares of DWX and C10 to CyberCX Pty Ltd effective 16 December 2020 for $25 million. Profit on the sale was $9.7 million providing the Company with the capacity to return $7.8 million to shareholders as a fully franked dividend and $14.1 million as capital.

The Company continues to hold its interest in TSI India and to seek other business opportunities.

2021 financial highlights

$24.0m
Net cash inflow on sale of DWX & C10

$9.7m
Profit on sale

$7.8m
Fully franked dividend

$20.9m
Net assets

DWX & C10 delivered $10.2 million in revenue and $1.2 million in profit before tax for the 8.5 month period from 1 April 2020 through 15 December 2020. This along with the profit on their sale resulted in a profit for the year from discontinued operations of $10.9 million.

Transaction Solutions International (India) Private Limited

Vortiv continues to hold its 24.89% passive investment and non-controlling interest in Transaction Solutions International (India) Private Limited ("TSI India").

The below table summarises the unaudited FY21 financial performance of TSI India by quarter and includes a comparative to FY20.

AU$000	FY20	Q1 21	Q2 21	Q3 21	Q4 21	FY21	Y-o-Y change
Revenue	46,812	9,401	12,309	13,475	13,518	48,702	1,890
Underlying EBITDA	1,848	322	3,149	3,350	3,767	10,588	8,741
Profit/(loss) before tax	(4,352)	(1,729)	992	1,181	1,505	1,948	6,301

(1) The exchange rate used is based on a standard of AUD1:INR50 over the past two financial years. It is noted that the rate has increased in the past 6 months. However, a consistent exchange rate has been used for the purposes of comparison across the reported periods.

(2) Underlying EBITDA excludes one-off ATM logistics costs to decommission and dispose of the old ATMs during the upgrade programme. One-off costs amount to $0.93m in FY20, $0.05m in Q1 21 and $0.16m in Q2 21.

The 12 months (unaudited) management reports, issued by TSI India management, as at 31 March, 2021 show:

- Total revenue has increased by 4% to AUD $48.7 million,
- Total expenses have decreased by 8%
- Profit before tax has increased by 145%, being an increase of AUD $6.3 million
- Underlying EBITDA increasing 473%, being an increase of $8.7 million.

TSI India advised the Company that there were three key reasons for the significant increase in profit before tax over the past twelve months:

1. Commission rebate for ATM withdrawals was increased by 25%.
2. $5m CAPEX expenditure for upgrade of new ATM's has resulted in reduced maintenance costs.
3. Purchase of additional ATM's.

There has been a 76% increase in the Term Loan (Secured) and a 37% decrease in the Finance lease obligations, resulting in a total decrease in long-term borrowings of 9%. With long term borrowings now at AUD $14.5 million. Total liabilities have decreased by AUD $5.2 million and total assets have decreased by AUD $3.2 million.

In relation to TSI India's service offering and strategy

- Management consider its ATM product has technological advantages through its E-Surveillance function and bespoke power management solution.
- The management team continue to focus on growing the payments business which also utilises kiosks.
- Management advise that they are seeking additional portfolios of ATM machines to purchase from other independent ATM operators.

Each year the Company is required to obtain a valuation of TSI India to be in compliance with the accounting standards. The Directors have accepted a valuation estimate for Vortiv's 24.89% holding of $6.1 million which is based on the low end range of the independent valuation conducted by a global accounting firm. As described in note 9, the valuation adopted is a sum-of-parts methodology, consisting of a discounted cash flow and considering *inter alia* the below factors:

- Number of ATMs and transactions;
- Growth rates;
- Inflation; and
- Discount rate

TSI India has done remarkably well over the past year following the early period of the COVID-19 outbreak. Considering the continued uncertainty around the global trading conditions and the ongoing COVID-19 situation in India, the Board is taking a cautious approach and has adopted a value for Vortiv's 24.89% share in TSI India at $6.1 million based on the low end range of the independent valuation conducted by a global accounting firm.

The increase over the year of $570,000 (2020: decrease $4,250,000) was taken to Financial assets at fair value through other comprehensive income (FVOCI) and FVOCI asset reserve.

DIRECTORS

The names of the VOR directors and secretary in office during the year and until the date of this report are as below. The directors were in office for this entire period unless otherwise stated.

Mr Gary Foster – Non-executive Chairman (resigned 17 February 2021)

Mr Gary Foster is the original co-founder of Vortiv Limited and was instrumental in establishing the original TSI India business and influential in expanding the direction of the company into the information technology services sector. Prior to VOR, Gary was Chief Executive Officer and Director of both ATM Systems Pty Ltd, an independent provider of electronic payments and banking systems to the SME sector which was acquired by Pulse International and Travelex in 2006, and B.W.K. LLC (Germany).

Mr Foster holds a Graduate Certificate of Management and is a member of the Australian Institute of Company Directors.

Mr Foster has held an executive directorship of listed entity Pearl Global Limited (ASX: PG1) from January 2018 to present.

Mr Jeffrey Lai – Non-executive Director (resigned 12 April 2021)

Mr Jeffrey Lai brings more than 25 years of experience in the financial services and technology sectors.

He was previously a Managing Director of Accenture, where he provided advice and solutions to banks in Southeast Asia. Prior to that, he was a Managing Director of Arthur D. Little, focused on the financial services and technology sectors across Asia Pacific and Middle East.

During the course of his career, he has worked in most countries across Asia, where he has an extensive network in the financial services and technology sectors.

He holds an Engineering degree (University of Melbourne) and MBA (INSEAD).

Mr Lai has not held any other directorships of publicly listed companies in the last three years.

Mr Gregg Taylor –Non-executive Director (resigned 31 August 2020)

Mr Gregg Taylor has 20 years of international business experience in financial markets, technology, sports administration, media and retail. Gregg is an Executive Director of Bombora Investment Management, a boutique investment house. Gregg has founded and managed multiple global operating businesses in sports, retail and media sectors.

Mr Taylor holds Bachelor of Commerce Degree from the University of Wollongong and was a CFA Charter holder.

Mr Taylor has held a directorship of listed entity Acrow Formwork and Construction Services Limited (ASX: ACF) from 17 August 2017 to present.

Mr Howard Digby –Non-executive Director (resigned 19 April 2021)

Mr Howard Digby began his career at IBM and has spent over 25 years managing technology related businesses in the Asia Pacific region, of which 12 years were spent in Hong Kong. More recently, he was with The Economist Group as Regional Managing Director. Prior to this he held senior management roles at Adobe and Gartner. Upon returning to Perth, Howard served as Executive Editor of WA Business News and now spends his time as an advisor and investor, having played key roles in several M&A and reverse takeover transactions.

Mr Digby holds a Bachelor of Engineering (Mechanical), Honours, from the University of Western Australia.

Mr Digby currently holds directorships in listed entities Cirralto Limited (ASX: CRO) appointed August 2019, 4DS Memory Limited (ASX: 4DS) appointed December 2015, Elsight Limited (ASX: ELS) appointed December 2016 and Singular Health Group (ASX: SHG) appointed 27 January 2021.

Directorships held in other listed entities in the last three years is ImExHS Limited (ASX: IME) formerly Omni Market Tide Limited (ASX: OMT) from August 2017 to April 2020.

Mr Nicholas Smedley –Non-executive Chairman (appointed 12 April 2021)

Mr Nicholas Smedley is an experienced Investment Banker and M&A Advisor with 14 years' experience at UBS and KPMG. He has worked on M&A transactions in the UK, Hong Kong, China and Australia with transactions ranging from the A$9bn defence of WMC Resources through to the investment of $65m into Catch.com.au.

Nicholas currently oversees investments in the Property, Aged care, Energy, Technology and Medical Technology space.

Key areas of expertise include M&A, Debt structuring, corporate governance and innovation.

Mr Smedley holds a Bachelor of Commerce degree from Monash University.

Mr Smedley is Executive Chairman of listed entity Respiri Limited (ASX: RSH) appointed 30 October 2019 to present and Non-executive Director of AD1 Holdings Limited (ASX: AD1) appointed 6 March 2020 to present.

Mr Simon Vertullo –Non-executive Director (appointed 19 April 2021)

Mr Simon Vertullo is a Chartered Accountant with more than 20 years' experience in Australia, Asia and Europe working in C-Suite, corporate finance and restructuring roles.

Simon was previously partner and practice leader in international accounting firms and has extensive commercial and operational experience, having held various CFO, executive leadership and advisory roles with numerous listed and large private companies in Australia, Europe and Asia.

Key areas of his expertise include equity and debt transactions, risk management and operational performance improvement.

Mr Vertullo was previously a director of Donaco Ltd (ASX:DNA).

Mr Jason Titman –Non-executive Director (appointed 19 April 2021)

Mr Jason Titman is a SaaS technology C-Level Executive and Board Advisor, with extensive channel partnership and go to market experience in Australia, South East Asia, Europe, and the US. He is a proven multi-sector entrepreneur, with a track record of achieving significant growth in value and exits for business partners, shareholders and founders.

His key areas of expertise include deep operational experience, transformative leadership, strategy and lateral thinking, B2B channel partnerships, international expansion and corporate governance.

Mr Titman is a Chartered Accountant, has a Graduate Diploma from the Australian Institute of Company Directors and holds an MBA from the University of Queensland, where he guest lectures in the MBA Programs on Corporate Governance and is also involved with the UQ Entrepreneurial and Ventures team, which is building an entrepreneurialism program across all faculties within the University.

Mr Titman has not held any other directorships of publicly listed companies in the last three years.

Mr Phillip MacLeod – Company Secretary (appointed as Non-executive Director on 16 December 2020/resigned as Non-executive Director on 30 April 2021)

Mr MacLeod has over 25 years commercial experience and has held the position of company secretary with listed public companies since 1995. Mr MacLeod has provided corporate, management and accounting advice to Australian and international public companies involved in the resource, technology, healthcare and property industries.

Mr MacLeod is a Fellow of the Governance Institute of Australia, a member of the Australian Institute of Company Directors and a member of CPA Australia.

DIRECTORS' INTEREST

As at the date of this report, the Directors interest in securities of Vortiv Limited are as follows:

Director	Director's Interest	
	Shares (Nos.)	Options (Nos.)
Nicholas Smedley	-	-
Simon Vertullo	350,000	-
Jason Titman	33,715	-

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was the operation of Decipher Works Pty Ltd, a cyber security company and Cloudten Industries Pty Ltd, a cloud and cloud security company. In addition, the Company continued to hold a non-controlling interest in TSI India, a business network of operating bank automated teller machines and bill payment systems in India.

RESULTS OF OPERATIONS

The operating profit after income tax of the Company for the year was $10.4 million (2020: $2.3 million).

The basic and diluted earnings per share for the Company for the year was 8.0 cents (2020: 1.8 cents).

A fully franked dividend of 5.55 cents per share was declared on the 11th of March 2021 and was paid on the 9th of April 2021. (2020: Nil). This dividend totalled $7.8 million.

The shareholders approved, on the 19th of April 2021, an equal capital reduction of 10.0 cents per share and was paid on the 30th of April.

FINANCIAL POSITION

The net assets of the company have increased by $3.4 million since 31 March 2021 to $20.9 million. This is the result of an increase in the company's reserves of $0.4 million and an increase in accumulated losses of $2.8 million due to the expiration of options not exercised and convertible note repaid totalling $0.2 million, an operating profit during the year of $10.4 million offset by dividend payable of $7.8 million.

The Company's working capital, being current assets less current liabilities, was $14.8 million at 31 March 2021, an increase of $14.4 million from 31 March 2020 primarily due to the sale of DWX and C10.

On the 11th of March 2021 Vortiv announced the payment of a fully franked dividend of 5.55 cents per share to the holders of ordinary fully paid shares (140,524,363) on record date of 17 March 2021 to be paid on the 9th of April 2021. The total dividend paid was $7.8 million.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On the 22nd of October 2020, the Company announced the proposed sale of both DWX and C10 to CyberCX Pty Ltd for $25 million. The sale was effective at 16 December 2020. The profit on the sale is reported in the discontinued operation note 5. The prior year reflects both operations as discontinued for comparative purposes.

There were no other significant changes in the state of affairs of the Company during the financial year not otherwise dealt with in this report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 9 April 2021, the fully franked dividend of 5.55 cents per share was paid to shareholders with a record date of 17 March 2021 in the amount of $7.8 million.

On the 19th of April 2021, the shareholders approved an equal capital reduction of 10.0 cents per share with a record date of 23 April 2021 which was paid on the 30th of April 2021 in the amount of $14.1 million.

Subsequent to the balance date there were no other matters or circumstances that have arisen since the end of the year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial years.

Reconciliation to Preliminary Results

The following table reconciles the statutory consolidated statement of financial position to the preliminary consolidated statement of financial position in the Appendix 4E.

Consolidated statement of financial position	Appendix 4E $000	Adjustments $000	Statutory Financial Report $000
Financial assets at fair value through other comprehensive income	5,530	570	6,100
FVOCI reserve	226	570	796

The fair value of investments in TSI India has been finalised subsequent to the preliminary financial report. The adjustment did not affect the reported profit.

LIKELY DEVELOPMENTS

The Company is now focussed on seeking acquisition opportunities and pursuing to progress a transaction or transactions as quickly as possible.

Such activities are inherently risky, and the Board is unable to provide certainty that a transaction or transactions will be able to be achieved.

If a transaction is not successfully completed, the Company's financial prospects may materially change; therefore, the Board is unable to provide any further comment on likely developments or expected results.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

SHARE OPTIONS

Options over ordinary shares of the Company as at the reporting date are as follows:

Date granted	Expiry date	Fair value per option at grant date $	Exercise price $	Number of options
21 December 2018	21 December 2021	.14	.30	2,904,045
7 February 2019	21 December 2021	.16	.30	73,530
30 March 2020	30 March 2022	.10	.26	550,000

No option holder has any right under the options to participate in any other share issue of the Company or of any other controlled entity. Nil options were exercised during the year. 7,205,415 options expired during the year.

INDEMNIFICATION OF AUDITORS AND DIRECTORS

Under its Constitution the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, against costs and expenses incurred by the officer in successfully defending civil or criminal proceedings, and against any liability which arises out of conduct not involving a lack of good faith.

No indemnity was implemented in respect of auditors.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under legislation such as section 237 of the Corporations Act of Australia for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company entity with leave of the court under such legislation.

NON-AUDIT SERVICES

The auditors of the Company have been engaged to provide certain taxation related services during the year. The details of their remuneration have been presented in note 3 to the financial statements.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 March 2021 has been received and is included in this financial report.

Rounding of amounts

The amounts contained in this report and in the financial statements have been rounded to the nearest $1,000 (where rounding is applicable) as permitted under the Australian Securities and Investment Commission (ASIC) Corporations Instrument 2016/191.

DIRECTORS MEETINGS

The number of meetings attended by each Director of the Company during the year was:

Director	Eligible Number of meetings	
	Held	Attended
Gary Foster	6	6
Jeffrey Lai	6	6
Gregg Taylor	2	2
Howard Digby	6	6
Phil MacLeod	1	1

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Company.

Key Management Personnel

The KMP of the Company during the current year and the prior financial year were:

Name	Role
Mr. Gernot Abl	Non-executive director (resigned 31 July 2019)
Mr. Gregg Taylor	Non-executive director (appointed 9 October 2019/resigned 31 August 2020)
Mr. Gary Foster	Non-executive director (resigned 17 February 2021)
Mr. Jeffrey Lai	Non-executive director (resigned 12 April 2021)
Mr. Howard Digby	Non-executive director (resigned 19 April 2021)
Mr. Phil MacLeod	Non-executive director (appointed 16 December 2020/resigned 30 April 2021)

Except as noted the named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration of KMPs

Details of the nature and amount of each element of the emoluments of each director of the Company are as follows:

Year ended 31 March 2021	Short term benefits Salary & fees	Post-employment Benefits	Equity Compensation Benefits	Total	Compensation based on performance
	$000	$000	$000	$000	%
Gary Foster -resigned 17 February 2021	59	-	-	59	-
Jeffrey Lai -resigned 12 April 2021	251	14	-	265	18.9
Howard Digby -resigned 19 April 2021	56	-	-	56	-
Phil MacLeod -appointed 16 December 2020 -resigned 30 April 2021	11	-	-	11	-
Gregg Taylor- -resigned 31 August 2020	18	-	-	18	-
Total	**395**	**14**	**-**	**409**	**18.9**

Year ended 31 March 2020	Short term benefit Salary & fees	Post-employment Benefits	Equity Compensation Benefits	Total	Compensation based on performance
	$000	$000	$000	$000	%
Gary Foster	72	-	7	79	8.9
Jeffrey Lai	183	17	-	200	-
Gernot Abl*	12	-	-	12	-
Howard Digby	36	-	5	41	12.2
Gregg Taylor**	20	-	7	27	25.9
Total	**323**	**17**	**19**	**359**	**5.3**

*resigned 31 July 2019

**appointed 9 October 2019/resigned 31 August 2020

Options: Granted and vested to KMPs

Numbers and amounts relating to options and shares for year ending 31 March 2020 have been converted based on the 20 for one consolidation that was effective 3 April 2020.

Year ended 31 March 2021	Opening Balance Nos.	Number acquired during the year Nos.	Granted as remuneration Nos.	Expired Nos.	On leaving Nos.	Closing Balance Nos.
Jeffrey Lai	1,592,280	-	-	1,555,515	-	36,765
Howard Digby	273,530	-	-	86,765	-	186,765
Gary Foster	200,000	-	-	-	-	200,000
Gregg Taylor	200,000	-	-	-	-	200,000
Total	**2,265,810**	**-**	**-**	**1,642,280**	**-**	**623,530**

Year ended 31 March 2020	Opening Balance Nos.	Number acquired during the year Nos.	Granted as remuneration Nos.	Expired Nos.	On leaving Nos.	Closing Balance Nos.
Jeffrey Lai	1,739,339	-	-	147,059	-	1,592,280
Howard Digby	270,589	-	150,000	147,059	-	273,530
Gary Foster	-	-	200,000	-	-	200,000
Gregg Taylor*	-	-	200,000	-	-	200,000
Total	**2,009,928**	**-**	**550,000**	**294,118**	**-**	**2,265,810**

*appointed 9 October 2019/resigned 31 August 2020

Share-based compensation arrangement to KMPs

There was nil share-based compensation during the year ended 31 March 2021.

Shareholding of KMPs

Year ended 31 March 2021	Balance at 1 April 2020 Nos.	Acquired during the year Nos.	Sold during the year Nos.	Other Nos.	Balance at 31 March 2021 Nos.
Gary Foster	8,141,940	-	-	-	8,141,940
Jeffrey Lai	497,059	-	-	-	497,059
Howard Digby	147,059	-	-	-	147,059
Phil MacLeod*	6,810	-	-	-	6,810
Total	**8,792,868**	**-**	**-**	**-**	**8,792,868**

*appointed 16 December 2020/resigned 30 April 2021

Year ended 31 March 2020	Balance at 1 April 2019 Nos.	At appointment date Nos.	Sold during the year Nos.	Acquired during the year Nos.	Balance at 31 March 2020 Nos.
Gary Foster	8,807,924	-	665,984	-	8,141,940
Jeffrey Lai	147,059	350,000	-	-	497,059
Howard Digby	147,059	-	-	-	147,059
Total	**9,452,042**	**-**	**665,984**	**-**	**8,786,058**

Service agreements

The Company had a formal service agreement with Mr Jeffrey Lai, Chief Executive Officer. His agreement commencement date was 20 March 2017 through to his resignation date as Chief Executive Officer on 22 January 2021. Remuneration was $200,000 inclusive of superannuation guarantee. Other benefits include mobile phone and laptop computer. Post probation period incentive package included options with a 3-year term subject to achievement of specific performance hurdles.

Convertible notes of KMPs

Vortiv offered convertible notes to KMP and employees (see note 14) during the year ended 31 March 2018. Gary Foster and Jeffrey Lai accepted the offer as disclosed below. The convertible notes including interest were repaid during the year.

	Face Value	Balance at 31 March 2021 Nos.	Balance at 31 March 2020 Nos.
Gary Foster	50,000	-	1
Jeffrey Lai	500,000	-	1
Total	**550,000**	**-**	**2**

Vortiv did not engage in any other transactions with KMPs, other than in their capacity as shareholders of the company.

Performance of the Company for the last five years

The performance of the Company and the impact on shareholder wealth are noted below.

	31 Mar 21	31 Mar 20	31 Mar 19	31 Mar 18	31 Mar 17
	$000	$000	$000	$000	$000
Revenue*	10,326	11,533	5,821	2,366	92
Profit/(loss) before tax from continuing operations	(470)	(673)	143	(587)	(1,303)
Profit/(loss) after tax from continuing operations	(470)	(673)	143	(587)	(1,303)
Profit/(loss) after tax from discontinued operations	10,875	2,949	(95)	-	-
Profit/(loss) after tax for the year	10,405	2,276	48	(587)	(1,303)
	Cents	Cents	Cents	Cents	Cents
Share price at beginning	10.0	14.0	16.0	34.0	68.0
Share price at the end	13.0	10.0	14.0	16.0	34.0
Dividends paid/payable	5.55	-	-	-	-
Basic earnings per share	8.0	2.06	0.04	(0.60)	(1.40)
Diluted earnings per share	8.0	2.06	0.04	(0.60)	(1.40)

*includes discontinued operations

The Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Nicholas Smedley
Perth, 30th June 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 March 2021 $000	Year ended 31 March 2020 $000
Continuing operations			
Finance income		19	4
Other income		80	-
Revenue		**99**	**4**
Employee benefits expenses		(530)	(504)
Professional services		(365)	(179)
Research & development		-	(84)
Depreciation expenses		(1)	(2)
Depreciation of right of use assets		(54)	(88)
Finance costs		(11)	-
Share based payments		-	(19)
Fair value adjustment on contingent consideration	12	473	420
Other expenses		(81)	(221)
Loss before tax from continuing operations		**(470)**	**(673)**
Income tax benefit/(expense)	4	-	-
Loss after tax from continuing operations		**(470)**	**(673)**
Profit from discontinued operations	5	10,875	2,949
Profit after tax for the year		**10,405**	**2,276**
Other comprehensive income/(loss)			
Items that may be subsequently reclassified to profit or loss:			
Foreign currency movement in translation of foreign operations		4	(4)
Exchange difference on translation of discontinued operation		-	(14)
Movement in fair value of financial assets designated at fair value through other comprehensive income	9	570	(4,250)
Other comprehensive income/(loss) for the period		574	(4,268)
Total comprehensive income/(loss) for the period attributable to members		**10,979**	**(1,992)**
Earnings/(Loss) per share			
Basic earnings/(loss) per share from continuing operations (cents per share)		(0.4)	(0.5)
Diluted earnings/(loss) per share from continuing operations (cents per share)		(0.4)	(0.5)
Basic earnings/(loss) per share from continuing and discontinued operations (cents per share)		8.0	1.8
Diluted earnings/(loss) per share from continuing and discontinued operations (cents per share)		8.0	1.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 Mar 2021 $000	31 Mar 2020 $000
ASSETS			
Current Assets			
Cash and cash equivalents	7	22,709	1,054
Trade and other receivables	8	124	2,068
Contract assets		7	217
Income tax receivable		37	-
Prepayments		7	94
Total Current Assets		**22,884**	**3,433**
Non-current Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	9	6,100	5,530
Deferred tax asset	4	-	1,264
Plant & equipment	10	2	109
Right of use asset		-	57
Goodwill	11	-	10,945
Total Non-current Assets		**6,102**	**17,905**
TOTAL ASSETS		**28,986**	**21,338**
LIABILITIES			
Current Liabilities			
Payable to Cloudten Vendors	12	-	27
Trade and other payables	13	265	1,606
Contract liabilities		-	581
Lease liabilities		-	56
Dividend payable	14	7,799	-
Convertible note	15	-	737
Total Current Liabilities		**8,064**	**3,007**
Non-Current Liabilities			
Payable to Cloudten Vendors	12	-	646
Provisions	16	-	143
Total Non-Current Liabilities		**-**	**789**
TOTAL LIABILITIES		**8,064**	**3,796**
NET ASSETS		**20,922**	**17,542**
EQUITY			
Contributed equity	17	41,989	41,789
Reserves	18	802	385
Accumulated losses		(21,869)	(24,632)
TOTAL EQUITY		**20,922**	**17,542**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 Mar 2021 $000	Year ended 31 Mar 2020 $000
Cash flows from operating activities			
Receipt from customers		11,201	11,274
Payments to employees		(6,157)	(6,882)
Payments to suppliers		(4,542)	(3,167)
Payments for research & development		49	(177)
Income taxes received/(paid)		(2,003)	168
Interest received		20	4
Net cash inflow/(outflow) from operating activities		**(1,432)**	**1,220**
Cash flows from investing activities			
Net cash inflow/(outflow) on sale/acquisition of business	5	24,007	(5,596)
Payment for plant & equipment		(81)	(61)
Net cash inflow/(outflow) from investing activities		**23,926**	**(5,657)**
Cash flows from financing activities			
Proceeds from issue of shares		-	2,000
Proceeds from exercise of options		-	1,393
Repayment of convertible notes	15	(722)	(98)
Share issue costs		-	(101)
Principal elements of lease payments		(111)	(89)
Net cash inflow/(outflow) from financing activities		**(833)**	**3,105**
Net increase/(decrease) during the period		**21,661**	**(1,332)**
Cash and cash equivalents at the beginning of the period		1,054	2,411
Effect of exchange rate movements on foreign currencies		(6)	(25)
Cash and cash equivalents at the end of the period		**22,709**	**1,054**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed equity	Convertible note reserve	Foreign currency translation reserve	FVOCI reserve	Share- based payment reserve	Accumulated losses	Total equity
	$000	$000	$000	$000	$000	$000	$000
Balance at 1 April 2019	**38,498**	**52**	**1**	**4,476**	**135**	**(26,938)**	**16,224**
Net profit/(loss) for the period	-	-	-	-	-	2,276	2,276
Total other comprehensive income/(expense)	-	-	(18)	(4,250)	-	-	(4,268)
Total comprehensive income/(expense) for the period	**-**	**-**	**(18)**	**(4,250)**	**-**	**2,276**	**(1,992)**
Issue of shares	3,513	-	-	-	-	-	3,513
Issue costs	(222)	-	-	-	-	-	(222)
Share based payments	-	-	-	-	19	-	19
Expired options transferred to accumulated losses	-	-	-	-	(30)	30	-
Balance at 31 March 2020	**41,789**	**52**	**(17)**	**226**	**124**	**(24,632)**	**17,542**
Net profit/(loss) for the period	-	-	-	-	-	10,405	10,405
Total other comprehensive income/(expense)	-	-	4	570	-	-	574
Total comprehensive income/(expense) for the period	**-**	**-**	**4**	**570**	**-**	**10,405**	**10,979**
Issue of shares	200	-	-	-	-	-	200
Convertible note repaid	-	(52)	-	-	-	52	-
Dividend payable	-	-	-	-	-	(7,799)	(7,799)
Expired options transferred to accumulated losses	-	-	-	-	(105)	105	-
Balance at 31 March 2021	**41,989**	**-**	**(13)**	**796**	**19**	**(21,869)**	**20,922**

Notes to Accounts

1. General Information

Corporate information

Vortiv Limited is a company domiciled in Australia. These consolidated financial statements comprise Vortiv Limited, a company incorporated in Australia and its subsidiaries ("the Group") as at and for the year ended 31 March 2021.

The Group's principal activity during the year was the operations of Decipher Works Pty Ltd, a cyber security specialist and Cloudten Industries Pty Ltd, a cloud and cloud security company. On the 22nd of October 2020, Vortiv announced the proposed sale of both DWX and C10 to CyberCX Pty Ltd for $25 million. With the approval of shareholders, the sale was complete effective the 16th of December 2020. The profit on the sale is reported in the discontinued operation note 5. The prior year reflects both operations as discontinued for comparative purposes.

In addition, the Company continued to hold a non-controlling interest in TSI India, a company installing and managing a network of ATMs on behalf of major banks in India.

This financial report was approved and was authorised for issue by the Directors on the date of the Directors' declaration.

Components of the Company

The Company financial statements represent the financial position of Vortiv Limited, and the other entities within the Company at 31 March 2021 and their financial performance, cash flows and changes in equity for the year ended on that date.

The Company comprises of the following entities:

		Extent of control	
	Incorporation	31 Mar 2021	31 Mar 2020
Accounting parent			
Vortiv Limited ("VOR")	Australia		
Controlled entities			
Decipher Works Pty Ltd	Australia	0%	100%
Cloudten Industries Pty Ltd	Australia	0%	100%
Cloudten Industries Ltd	United Kingdom	0%	100%
Cloudten Industries Pte Ltd	Singapore	0%	100%
Transaction Solutions International Pty Ltd	Australia	100%	100%
Transaction Solutions International (Mauritius) Pty Limited	Mauritius	100%	100%

The Company retains a non-controlling 24.89% interest in TSI India.

Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial statements comprise the consolidated financial statements for the Group. For purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

The financial statements have been prepared on the basis of historical costs, unless specifically stated otherwise in the notes. Cost is based on the fair value of the consideration given or received at the time of the transaction.

The financial statements have been presented in Australian dollars.

Statement of compliance

This financial report complies with Australian Accounting Standards, which include equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Critical accounting judgements and key sources of estimation and uncertainty

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value measurements

The Company has investments in unlisted shares that are not traded in an active market but that are classified as Fair value through other comprehensive income (FVOCI) financial assets and stated at fair value because the directors consider that fair value can be reliably measured. Fair value is determined in the manner described in note 9. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment's revaluation reserve, with the exception of impairment losses where the losses exceed prior revaluation increments, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Benefit from carried forward tax losses

The future recoverability of the carried forward tax losses are dependent upon the Group's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities. The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment. (refer Note 4)

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 18.

Adoption of new and revised Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020.

Standards and interpretations in issue not yet adopted

The Group has reviewed the new and revised Standards and Interpretations in issue not yet adopted for the year ended 31 March 2021. As a result of this review the Group has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company; therefore, no change is necessary to Group accounting policies.

2. SEGMENT INFORMATION

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses and whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) in order to effectively allocate Group resources and assess performance.

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer in the capacity of the CODM. Two operating segments have been identified around differences in products and services.

One segment, being holder of a minority interest in TSI India, a specialist in providing solutions in the payments, electronic surveillance and managed services space. The other being IT (Information Technology) services through its wholly owned subsidiaries, Decipher Works Pty Ltd, a cyber security specialist and Cloudten Industries Pty Ltd, a cloud and cloud security specialist. The IT Services subsidiaries were sold effective 16 December 2020. Information about this discontinued segment is provided in Note 5.

	TSI India $000	IT Services $000	Corporate $000	Total $000
31 March 2021				
Other income	-	-	80	80
Revenue	**-**	**-**	**80**	**80**
Corporate expenses	-	-	(503)	(503)
EBITDA*	**-**	**-**	**(423)**	**(423)**
31 March 2020				
Other income	-	-	-	-
Revenue	**-**	**-**	**-**	**-**
Corporate expenses	-	-	(587)	(587)
EBITDA*	**-**	**-**	**(587)**	**(587)**

*EBITDA is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition costs, capital gains/losses and equity accounted results from associate companies.

A reconciliation of EBITDA to operating profit before tax for the period is as follows:

	31 March 2021 $000	31 March 2020 $000
EBITDA	**(423)**	**(587)**
Depreciation & Amortisation	(55)	(90)
EBIT	**(478)**	**(677)**
Finance income	19	4
Finance expense	(11)	-
Profit/(loss) before tax from continuing operations	**(470)**	**(673)**
Income tax benefit/(expense)	-	-
Profit/(loss after tax from continuing operations	**(470)**	**(673)**
Profit from discontinued operations	10,875	2,949
Profit for the period	**10,405**	**2,276**

	TSI India $000	IT Services $000	Corporate $000	Total $000
31 March 2021				
Segment assets				
Cash and term deposits	-	-	22,709	22,709
Trade and other receivables	-	-	124	124
Contract assets	-	-	7	7
Income tax receivable	-	-	37	37
Prepayments	-	-	7	7
Financial assets	6,100	-	-	6,100
Plant and equipment	-	-	2	2
Total segment assets	6,100	-	22,886	28,986
Segment liabilities				
Trade and other payables	-	-	265	265
Dividend payable	-	-	7,799	7,799
Total segment liabilities	-	-	8,064	8,064
NET SEGMENT ASSETS	**6,100**	**-**	**14,822**	**20,922**
31 March 2020				
Segment assets				
Cash and term deposits	-	1,025	29	1,054
Trade and other receivables	-	2,050	18	2,068
Contract assets	-	217	-	217
Prepayments	-	46	48	94
Financial assets	5,530	-	-	5,530
Goodwill	-	10,945	-	10,945
Deferred tax asset	-	-	1,264	1,264
Plant and equipment		108	1	109
Right of use assets	-	57	-	57
Total segment assets	5,530	14,448	1,360	21,338
Segment liabilities				
Payable to Cloudten Vendors	-	-	673	673
Trade and other payables	-	1,396	210	1,606
Contract liabilities	-	581	-	581
Provisions	-	143	-	143
Lease liabilities	-	56	-	56
Convertible note	-	-	737	737
Total segment liabilities	-	2,176	1,620	3,796
NET SEGMENT ASSETS	**5,530**	**12,272**	**(260)**	**17,542**

3. PROFIT AND LOSS ITEMS

	Year ended 31 Mar 2021 $000	Year ended 31 Mar 2020 $000
Loss for the year includes:		
Auditors' remuneration		
Paid/payable to parent entity auditor, Bentleys (WA) Pty Ltd		
For audit and review of financial statements	48	52
For taxation services	12	11
	60	63
Paid/payable to auditors of subsidiary entities		
For audit and review of financial statements	6	8
For taxation services	2	2
	8	10

4. INCOME TAXES RELATING TO CONTINUING OPERATIONS

Income tax recognised in profit or loss

	Year ended 31 Mar 2021 $000	Year ended 31 Mar 2020 $000
Current tax expense/(income) in respect of current year	1,925	-
Deferred tax expense/(income) in respect of current year	1,264	(1,264)
Adjustments recognised in the current year in relation to the current tax of prior years	41	-
Tax expense attributable to discontinued operations	(3,230)	1,264
Income tax recognised in profit	-	-

Income tax reconciled to the accounting profit

	Year ended 31 Mar 2021 $000	Year ended 31 Mar 2020 $000
Profit for the year before income tax from continuing and discontinued operations	13,636	1,401
Income tax using the Australia tax rate of 26.0%	3,545	385
Adjustment for:		
Effect of different tax rate in Mauritius of 15%	(8)	6
Effect of permanent non-deductible items	(165)	(106)
Effect of permanent non-assessable items	60	-
Effect of previously unrecognised deferred tax assets now recognised	(1,724)	(1,264)
Effect of previously recognised deferred tax assets now unrecognised	906	-
Accounting profit on sale of businesses	(3,354)	-
Sale of business – Capital Gain	3,573	-
Deferred tax impact of sold businesses	286	-
Adjustment to deferred tax assets as a result in change of tax rate	69	-
Adjustments recognised in the current year in relation to the current tax of prior years	41	-
Under recognition in prior year of deferred tax assets not brought to account as future income tax benefits	1	(285)
Tax expense attributable to discontinued operations	(3,230)	1,264
Tax expense recognised in Statement of profit or loss and other comprehensive income relating to continuing operations	**0**	**0**

Income tax recognised in other comprehensive income

	Year ended 31 Mar 2021 $000	Year ended 31 Mar 2020 $000
Arising on income and expenses reclassified from equity to profit or loss:		
Capital raising costs	26	21

Recognised and unrecognised deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Group intends to settle its current tax assets and liabilities on a net basis. The following is an analysis of the deferred tax balances for financial reporting purposes:

	31 Mar 2021 $000	31 Mar 2020 $000
Trade and other receivables	(2)	(60)
Trade and other payables	14	171
Capital raising costs	41	48
Employee entitlements	4	61
Right of use assets	-	3
Carried forward tax losses	849	1,041
Net tax assets	906	1,264
Recognised tax assets and liabilities	-	1,264
Unrecognised tax assets and liabilities	906	-

5. Discontinued Operations

Disposal of international operations and security businesses

On 27 February 2020, the Company announced the closure of the international operations in the United Kingdom (UK) and Singapore.

On the 22nd of October 2020, the Company announced the proposed sale of both DWX and C10 to CyberCX Pty Ltd for $25 million. The sale was complete effective 16 December 2020. The Financial performance and cash flow information presented below is for the period 1 April 2020 through 15 December 2020 in the current period and the year ended 31 March 2020.

Analysis of loss for the year from discontinued operations

The combined results of the discontinued operations (UK, Singapore, DWX and C10) are included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been represented to include those operations classified as discontinued in the current year.

	Year ended 31 Mar 2021 $000	Year ended 31 Mar 2020 $000
Profit for the year from discontinued operations		
Revenue	10,227	11,764
Expenses	(9,022)	(10,079)
Profit before tax	1,205	1,685
Attributable income tax benefit/(expense)	-	1,264
Profit after income tax of discontinued operations	1,205	2,949
Gain on sale of subsidiary after income tax	9,670	-
Profit from discontinued operations	10,875	2,949
Exchange differences on translation of discontinued operations	-	-
Profit for the year from discontinued operations	10,875	2,949

Consideration received or receivable:		
Cash	25,311	
Business sale costs	(1,354)	
Carrying amount of net assets sold	(11,056)	
Gain on sale before income tax	12,901	
Income tax	(3,231)	
Gain on sale of subsidiaries after income tax	9,670	
Cash flows from discontinued operations		
Net cash outflows from operating activities	164	2,785
Net cash inflows from investing activities (outflows to parent office)	(732)	(503)
Net cash outflows from financing activities	(30)	(89)
Effect of exchange rate movements	(10)	(6)
Net cash inflows/(outflows)	(608)	2,187

6. EARNINGS PER SHARE

	Year ended 31 Mar 2021 $000	Year ended 31 Mar 2020 $000
Net profit/(loss) attributable to equity holders from continuing operations	(470)	(673)
Net profit attributable to equity holders from continuing and discontinued operations	10,405	2,276
	No.	***No.***
Weighted average number of shares for basic and diluted earnings per share	129,709,106	129,171,922
Earnings/(loss) per share from continuing operations (cents per share)	(0.4)	(0.5)
Earnings/(loss) per share from continuing and discontinued operations (cents per share)	8.0	1.8

The number of shares and per share amounts are post the 1:20 consolidation that occurred on 3 April 2020. There are potential ordinary shares that have not been included in the dilutive earnings per share calculation because they are anti-dilutive.

7. CASH AND CASH EQUIVALENTS

	31 Mar 2021 $000	31 Mar 2020 $000
Cash and cash equivalent consist of:		
Cash in hand and on demand deposits	22,709	1,054
	22,709	1,054
Reconciliation of profit for the year to operating cash flows:		
Net profit for the year	10,405	2,276
Adjustments for:		
Depreciation expense	118	130
Share based payments	-	19
Finance costs	11	88
Foreign exchange gains	10	7
Fair value adjustment on contingent consideration	(473)	(420)
Gain on sale of discontinued operations	(12,901)	-
Movement in working capital items:		
Decrease/(increase) in trade and other receivables	2,225	(787)
Decrease/(increase) in income tax receivable	(37)	-
Decrease/(increase) in deferred tax asset	1,264	(1,264)
Decrease/(increase) in prepayments	87	(28)
Increase/(decrease) in trade and other payables	(1,998)	1,138
Increase/(decrease) in employee provisions	(143)	61
	(1,432)	1,220

No non-cash financing occurred during the period.

8. TRADE AND OTHER RECEIVABLES

	31 Mar 2021 $000	31 Mar 2020 $000
Trade receivables	7	1,995
Security deposits	41	28
Other receivables	76	45
	124	**2,068**

The average credit period on the sale of goods and services is 30 days. No interest has been charged on trade receivables and an allowance for doubtful debts has not been recognised.

Age of trade receivables but not impaired

	31 Mar 2021 $000	31 Mar 2020 $000
0-30 days	7	1,337
31-60 days	-	474
61-90 days	-	82
>90 days	-	102
	7	**1,995**
Average age (days)	**30**	**34**

9. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) FINANCIAL ASSETS

	31 Mar 2021 $000	31 Mar 2020 $000
Shareholding in TSI India	6,100	5,530
	6,100	**5,530**

Fair value methodology

Shares in TSI India are not publicly traded and the directors are not aware of any reliable information regarding independent third-party share transactions to assess the fair value.

The fair value of investments in TSI India is measured on a recurring basis at each reporting date.

The assessment of fair value of those investments is a 'Level 3' hierarchy under *AASB 13 Fair Value Measurement*. The measurement of fair value under Level 3 hierarchy is based on significant unobservable inputs.

The directors have obtained an independent expert's valuation report to measure the fair value of the investment at balance date. The fair value measurement model is based on the Sum-of-parts methodology comprising the following:

- Discounted Cash Flows (DCF) method for valuation of the TSI India business; and
- The value of other assets and liabilities of TSI India

The DCF method estimates the fair value of the business by discounting the future cash flows arising from the business of TSI India. The application of DCF method requires significant assumptions to be made regarding the various inputs.

The independent valuation was derived from a range due to growth assumptions and the renewal of a major contract in December 2022. As stated in the director's report, TSI India had unaudited positive results for year ending 31 March 2021; however, with the continued uncertainty around the global trading conditions and the ongoing COVID-19 situation in India, the directors feel it is prudent to adopt a value for Vortiv's 24.89% share in TSI India at $6.1 million based on the low end result of the independent valuation conducted by a global accounting firm.

The key assumptions of the low end are:

- The forecast applies estimates for growth in the number of transactions.

- Transaction volumes for ATM operations and E-surveillance are estimated to grow 2% year on year.

- A major contract up for renewal in December 2022 is estimated to not be renewed.

- BillPay is not expecting any growth.
- I-Pay is forecasted to grow 50% in 2022, 25% in 2023, 12.5% in 2024, 6% in 2025 and 4% in 2026.
- Operating costs assume a 4.0% inflation rate based on the historical costs to 31 March 2021.
- A post-tax discount rate of 11.5% has been applied based on the cost of equity using a risk free rate of return of 6.15%, a Beta (regeared) of 3.81 and an equity risk premium of 4.0%.
- The inflation rate has been assumed at 4.0% based on RBI and TSI India ATM transaction data.

The valuation of the Company's investment in TSI India is predominantly based on prospective financial information. Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of managements actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecast.

Reconciliation of movement in 'Level 3' financial instruments

	31 Mar 2021 $000	31 Mar 2020 $000
Balance at the beginning of the year	5,530	9,780
Movement in fair value of financial instruments	570	(4,250)
	6,100	**5,530**

The directors have concluded that, even though the company has a 24.89% equity interest in TSI India, it does not exert significant influence over the operations of the investee. The reasons are stated below:

- Board representation: VOR has one seat on a Board of 7 directors. The decisions of the Board are taken by a majority vote. VOR has no significant ability to influence decision making at Board level.
- Material transactions: There have been no material transactions between VOR and the investee.
- Interchange of Managerial personnel: Jeffrey Lai was replaced by Nicholas Smedley as a non-executive director during the year. There has been no other interchange of managerial personnel between VOR and TSI India
- Provision of essential technical information: There has been no provision of essential technical information between VOR and the investee.

10. Plant and Equipment

	31 Mar 2021 $000	31 Mar 2020 $000
Plant and equipment		
At cost	5	184
Accumulated depreciation	(3)	(75)
	2	**109**
Movement in plant and equipment		
Balance at the beginning of the year	109	87
Additions during the year	85	60
Disposals during the year	(159)	-
Depreciation for the year	(33)	(38)
Balance at the end of the year	**2**	**109**

11. Goodwill

	31 Mar 2021 $000	31 Mar 2020 $000
Decipher Works Pty Ltd	-	3,163
Cloudten Industries Pty Ltd	-	7,782
Goodwill	-	10,945

Vortiv acquired 100% of Decipher Works Pty Ltd on 23 August 2017 for $5.1 million resulting in goodwill of $3.2 million.

Vortiv acquired 100% of Cloudten Industries Pty Ltd on 1 February 2018 for $8.8 million including contingent consideration of $200,000 of shares issued resulting in goodwill of $7.8 million.

Both businesses were sold effective 16 December 2020 for $25 million to CyberCX Pty Ltd. See Note 5.

12. Payable to Cloudten Vendors

	31 Mar 2021 $000	31 Mar 2020 $000
Balance at the beginning of the year	673	6,496
Contingent consideration on acquisition and adjustment (i & ii)	(473)	(420)
Less payment in shares (1,065,086)	(200)	-
Less cash payments	-	(5,600)
Less/(plus) Income tax and other payments made on behalf of Cloudten vendors	-	197
Balance at the end of the year	-	673
Current	-	27
Non-current	-	646

(i) The fair value of the contingent consideration at the end of 2020 was adjusted to $673,115, down by $419,885 from the previous year primarily due to the resignation of Malcolm Duncanson, one of the sellers of the Cloudten business. As a result of his resignation, Malcolm released his half of the remaining consideration.

(ii) The fair value of the contingent consideration in 2021 was adjusted to nil. On 25 September 2020, the Company bought out the earnout rights of the Cloudten vendor for $200,000 of Vortiv shares based on a 5-day VWAP resulting in 1,065,086 shares issued and the remaining $473,115 was written down.

13. Trade and Other Payables

	31 Mar 2021 $000	31 Mar 2020 $000
Trade payables	229	737
Employee entitlements	34	609
Other payables	2	260
	265	**1,606**

The trading terms with the creditors generally provide for 30 days credit.

14. Dividend Payable

	31 Mar 2021 $000	31 Mar 2020 $000
Cash dividends on ordinary shares declared and paid:		
Cash dividends for 2021: 5.55 cents per share (2020: Nil)	7,799	-

A cash dividend of 5.55 cents per share was declared and announced on 11 March 2021 to shareholders with a record date of 17 March 2021. The payment date was 9 April 2021; therefore, a dividend payable is included as a separate line item in the statement of financial position as 31 March 2021.

15. Convertible Notes

During the year ended 31 March 2018, the company offered 2-year Convertible notes to staff, management and directors of the company to be used for working capital and advance further growth opportunities. The company raised $670,000. The terms of the notes were:

- Immediate draw-down
- 2-year term
- 10% per annum interest accrued and payable at maturity in cash or converted in to shares at the conversion price

- Conversion price of 1.1 cents (22 cents post consolidation)
- Unsecured

The notes were initially recognised by compounding the future value based on the 2-year term and 10% per annum interest rate. The present value was then calculated using a 15% discount rate, resulting in an equity component of $51,730. Interest of $99,694 was expensed in the year.

The notes were to expire on 15 December 2019; however, the company offered an extension to noteholders with the following terms:

- 9 months, expires 15 September 2020
- 8% per annum interest accrued and payable at maturity in cash or converted in to shares at the conversion price
- Conversion price of 1.1 cents (22 cents post consolidation)
- Unsecured

Notes with a face value of $80,000 were not extended and cash (including interest) was paid to the noteholders.

The convertible notes including interest were repaid during the year for a total of $721,601.

	01 Apr 2020 $000	Financing cash flows (i) $000	Non-cash changes Equity component $000	Other changes (ii) $000	31 Mar 2021 $000
Convertible notes	737	(722)	52	67	-

	01 Apr 2019 $000	Financing cash flows (i) $000	Non-cash changes Equity component $000	Other changes (ii) $000	31 Mar 2020 $000
Convertible notes	747	(98)	-	88	737

(i) The financing cash flows make up the net amount of proceeds/(payments) in the statement of cash flows.
(ii) Other changes include interest accruals

16. Provisions

	31 Mar 2021 $000	31 Mar 2020 $000
Long Service Leave	-	143
	-	**143**

17. Contributed Equity

	31 Mar 2021 $000	31 Mar 2020 $000
Issued and paid up capital	41,989	41,789
	41,989	**41,789**

	Nos.	$000
Movement in ordinary shares		
Balance at 1 April 2019	120,620,042	38,498
Issued for cash	18,839,235	3,513
Costs of issue	-	(222)
Balance at 1 April 2020	**139,459,277**	**41,789**
Issued in lieu of earnout to Cloudten Vendors*	1,065,086	200
Balance at 31 March 2021	**140,524,363**	**41,989**

*Announced on 25 September 2020, the Company bought out the earnout rights of the Cloudten vendor for $200,000 of Vortiv shares based on a 5-day VWAP resulting in 1,065,086 shares issued.

Numbers and amounts relating to options and shares for year ending 31 March 2020 have been converted based on the 20 for one consolidation that was effective 3 April 2020.

Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the company, to participate in the proceeds from 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 proxy, at a meeting of the company.

18. RESERVES

	31 Mar 2021 $000	31 Mar 2020 $000
FVOCI reserve	796	226
Share based payment reserve	19	124
Convertible note reserve	-	52
Foreign currency translation reserve	(13)	(17)
	802	**385**

19. SHARE BASED PAYMENTS

Employee share-based payments

The company has an employee share option plan for directors, executives, and employees of the company and its subsidiaries. The board may in its absolute discretion impose performance criteria that must be satisfied. Once the performance criteria are satisfied, the company must obtain shareholder approval before an option can be granted.

During the year there were no options granted to directors, executives, and employees of the Company and its subsidiaries.

Non-employee share-based payments

During the year, no share-based compensation was granted as part consideration for services performed in a capital raising undertaken by the company.

Share-based payment arrangements in existence during the current year

Name	Number	Grant date	Expiry date	Exercise price
Convertible notes	6	15 December 2017	15 September 2020	22.0 cents
1 for 1 attaching unlisted	2,409,091	28 March 2018	03 April 2020	34.0 cents
Managing broker	250,000	28 March 2018	03 April 2020	40.0 cents
Jeffrey Lai	1,518,750	29 August 2018	23 September 2020	17.0 cents
1 for 1 attaching unlisted	2,904,045	21 December 2018	21 December 2020	26.0 cents
1 for 1 attaching unlisted	2,904,045	21 December 2018	21 December 2021	30.0 cents
1 for 1 attaching unlisted	73,529	07 February 2019	21 December 2020	26.0 cents
1 for 1 attaching unlisted	73,529	07 February 2019	21 December 2021	30.0 cents
Howard Digby	50,000	07 February 2019	06 February 2021	24.4 cents
Howard Digby	150,000	30 March 2020	30 March 2022	26.0 cents
Gary Foster	200,000	30 March 2020	30 March 2022	26.0 cents
Gregg Taylor	200,000	30 March 2020	30 March 2022	26.0 cents

Movements in share options during the year

		2021		2020
	Number of options	Weighted average exercise price CU	Number of options	Weighted average exercise price CU
Balance at beginning of year	10,732,989	28.0	22,693,284	24.0
Issued during the year	-	-	550,000	1.4
Exercised during the year	-	-	(6,368,383)	(13.0)
Expired during the year	(7,205,414)	(18.3)	(6,141,912)	(12.0)
Balance at end of year	3,527,575	29.4	10,732,989	28.0

The share options outstanding at the end of the year had a weighted average remaining contractual life of 9.2 months (2020: 10.3 months).

20. FINANCIAL INSTRUMENTS

Board policy on financial instruments

The Company's financial instruments arise directly from its operations and through the fund-raising activities. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Financial instruments expose the Company to certain risks. The nature and extent of such risks, and the management's risk management strategy are noted below.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Given the nature and size of the business, no formal risk management committees have been established, however responsibility for control and risk management is delegated to the appropriate level of management with the chief executive officer and chief financial officer (or their equivalent) having ultimate responsibility to the Board for the risk management and control framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set 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 Company's activities.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of the operations and financial position of the Company. The Board also reviews risks that relate to operations and financial instruments as required, but at least every six months.

Given the uncertainty as to the timing and amount of cash inflows and outflows, the Company has not implemented any additional strategies to mitigate the financial risks and no hedging has been put in place. As the Company's operations change, the Directors will review this policy periodically going forward.

The Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains.

Capital Management Policy

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Company, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Company is currently examining new business opportunities where acquisition/working capital requirements of a new project may involve additional funding in some format (which may include debt, where appropriate).

The Board manages the paid-up share capital as its capital base. (2021: $42.0 million; 2020: $41.8 million).

Fair value of financial instruments

	31 Mar 21 $000	31 Mar 20 $000
Cash and cash equivalent	22,709	1,054
Trade and other receivables (1)	131	2,285
FVOCI financial assets (*Refer note 10)*	6,100	5,530
Total	28,940	8,869
Trade and other payables (1)	(265)	(1,662)
Payable to Cloudten Vendors	-	(673)
Dividend payable	(7,799)	-
Convertible notes	-	(737)
	(8,064)	**(3,072)**

(1) The fair values closely approximate their carrying amount on account of the short maturity cycle.

Credit risk

The Group's credit risks arise from potential default of trade and other receivables. The maximum credit exposure is limited to the carrying amount of trade and other receivables of $130,706 (2020: $2,284,638) at reporting dates.

	31 Mar 21 $000	31 Mar 20 $000
Ageing analysis of trade and other receivables:		
Recoverable within 3 months	131	2,257
Recoverable after 3 months	-	28
Bad and doubtful debts	-	-
Total	**131**	**2,285**

Trade and other receivables comprise receivables from customers, contract assets (work in progress) and rental bonds. The Board monitors the recoverability through an aged receivable schedule and inputs from the management team.

There are no significant concentrations of credit risks.

Liquidity risk

The Group's liquidity risks arise from potential inability of the Group to meet its financial obligations as and when they fall due, generally due to shortage of cleared funds. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The contractual maturity analysis of the Group's financial liabilities is as follows:

	< 3 months		> 3 months		Total	
	2021 $000	2020 $000	2021 $000	2020 $000	2021 $000	2020 $000
Trade and other payables	265	1,606	-	56	265	1,662
Payable to Cloudten Vendors	-	27	-	646	-	673
Dividend payable	7,799	-	-	-	7,799	
Convertible note	-	-	-	737	-	737
Total outflows	**8,064**	**1,633**	**-**	**1,439**	**8,064**	**3,072**
Cash and cash equivalents	22,709	1,054	-	-	22,709	1,054
Trade and other receivables	131	2,257	-	28	131	2,285
Total inflows	**22,840**	**3,311**	**-**	**28**	**22,840**	**3,339**
Net (outflow)/inflow on financial instruments	**14,776**	**1,678**	**-**	**(1411)**	**14,776**	**267**

Interest rate risk

Interest rate risk is the risk that fair values and cash flows of the Group's financial instruments will be affected by changes in the market interest rates.

The Group's cash and cash equivalents are impacted by interest rate risks. Other receivables and payables have short maturities and are non-interest bearing. Management believes that the risk of interest rate movement would not have a material impact of the Group's operations.

Management periodically reviews the interest rates offered on cash and cash equivalents. The Group's primary objective is on developing the core business rather than earning interest income. The cash balances are invested at the prevailing short-term market interest rates with credit worthy financial institutions.

The sensitivity of the interest-bearing financial instruments to a 1% change in market interest rate is:

	31 Mar 21 $000	31 Mar 20 $000
Cash and cash equivalents	22,709	1,054
	22,709	**1,054**
Impact on profit and equity +1% movement	227	11
Impact on profit and equity -1% movement	(227)	(11)

Foreign currency risk

The Company has exposure to Indian Rupees because of the geographical location of the investment.

	31 Mar 21 $000	31 Mar 20 $000
Indian rupee denominated financial instruments		
FVOCI financial assets	6,100	5,530
	6,100	**5,530**
US dollar denominated financial instruments		
Cash and cash equivalents	2	2
Trade and other payables	(22)	(21)
	(20)	**(19)**

The Board does not currently engage in hedging these foreign currency risks.

The sensitivity of the foreign currency denominated financial instruments to a 10% change in market exchange rate are:

Impact on other comprehensive income	31 Mar 21 $000	31 Mar 20 $000
Appreciation of A$ by 10%		
Indian rupees	610	553
US dollars	(2)	(2)
	608	**551**
Depreciation of A$ by 10%		
Indian Rupees	(610)	(553)
US dollars	2	2
	(608)	**(551)**

21. KEY MANAGEMENT PERSONNEL DISCLOSURE

Key Management Personnel

The KMP of the Company during the current year and prior financial year were:

Name	Role
Mr. Gernot Abl	Non-executive director (resigned 31 July 2019)
Mr. Gregg Taylor	Non-executive director (appointed 9 October 2019/resigned 31 August 2020)
Mr. Gary Foster	Non-executive director (resigned 17 February 2021)
Mr. Jeffrey Lai	Non-executive director (resigned 12 April 2021)
Mr. Howard Digby	Non-executive director (resigned 19 April 2021)
Mr. Phil MacLeod	Non-executive director (appointed 16 December 2020/resigned 30 April 2021)

All KMP of the Company were in office for the entire year unless stated otherwise.

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

	31 Mar 21 $000	31 Mar 20 $000
Short-term employee benefits	395	323
Post-employment benefits	14	17
Share based payments	-	19
	409	**359**

Loans to Key Management Personnel

There were no loans made to KMPs during the year (2020: Nil)

Other balances and transactions with Key Management Personnel

Vortiv offered convertible notes to KMP and employees (see note 14) during the year ended 31 March 2018. Gary Foster and Jeffrey Lai accepted the offer as disclosed in the Director's report. The convertible notes including interest were repaid during the year. Vortiv did not engage in any other transactions with KMPs, other than in their capacity as shareholders of the company.

22. COMMITMENTS

Capital commitments

At 31 March 2021, the Group had no capital commitments.

Operating lease commitments

The Group had operating lease commitments in relation to office premises for year ending 31 March 2020 and was nil as at 31 March 2021. The existing commitments in relation to non-cancellable operating leases at reporting dates were:

	31 Mar 2021 $000	31 Mar 2020 $000
Payable within 1 year	-	33
Between 1 and 5 years	-	-
Beyond 5 years	-	-
Total	**-**	**33**

23. CONTINGENT ASSETS AND LIABILITIES

At 31 March 2021 there are no contingent assets within the Group.

24. EVENTS AFTER BALANCE SHEET DATE

On the 19th of April 2021, the shareholders approved an equal capital reduction of 10.0 cents per share with a record date of 23 April 2021 which was paid on the 30th of April 2021.

On 9 April 2021, the fully franked dividend of 5.55 cents per share was paid to shareholders with a record date of 17 March 2021.

Subsequent to the balance date there were no other matters or circumstances that have arisen since the end of the year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial years.

25. PARENT ENTITY INFORMATION

The following detailed information is related to the parent entity, Vortiv Ltd at 31 March 2021. The information presented here has been prepared using consistent accounting policies as presented in note 25.

	31 Mar 21 $000	31 Mar 20 $000
Financial Position		
Assets		
Current assets	22,882	93
Non-current assets	7,703	23,520
Total assets	**30,585**	**23,613**
Liabilities		
Current liabilities	(8,188)	(370)
Non-current liabilities	-	(7,422)
Total liabilities	**(8,188)**	**(7,792)**
Net assets	**22,397**	**15,821**
Equity		
Contributed equity	42,759	42,559
Reserves	885	863
Accumulated losses	(21,247)	(27,601)
Total equity	**22,397**	**15,821**
Financial Performance		
Profit/(Loss) for the year	(13,996)	(633)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	**(13,996)**	**(633)**

No guarantees have been entered into by Vortiv in relation to the debts of its subsidiaries.

Vortiv had no commitments to purchase property, plant and equipment or contingent liabilities at year end.

26. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements comprise the financial statements of Vortiv Limited and its controlled entities. The Company has control when it 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.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intra-group balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Company and ceases when the Company loses control of the subsidiary. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent has control.

Accounting for subsidiaries in parent financial statements

The investments in subsidiaries are measured at costs less any accumulated impairment.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 31 March 2021 the Group generated a profit of $10.405 million (2020: $2.276 million) and net cash outflows from operating activities of $1.432 million (2020: inflows $1.220 million). Included in the profit was $10.875 million (2020: $2.949 million) profits from discontinued operations. As at balance date the Group had a working capital surplus of $14.820 million (2020: $0.426 million).

The following events have occurred subsequent to year end:

- On 9 April 2021, a fully franked dividend of $7.799 million (5.55 cents per share) was paid to shareholders with a record date of 17 March 2021.
- On 30 April 2021, a return of capital payment of $12.724 million (10 cents per share) was paid to shareholders.

Following the disposal of the Group's DWX and C10 businesses, the Group has minimal commitments as it seeks other business opportunities. The directors have prepared a cash flow forecast, which indicates the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. In the event the Board identifies an acquisition opportunity, the Company may need to raise funds from equity or debt sources or realise funds from its investments.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, with limited exceptions. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If that amount is less than the fair value of the net identifiable assets, the difference is recognised directly in the profit and loss as a bargain purchase.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note b above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Translation of foreign operations

The functional currencies of each individual component of the Group are their respective economic currencies.

As at the reporting date the assets and liabilities of foreign operations are translated into the presentation currency at the rate of exchange ruling at the reporting date and the statement of comprehensive income, statement cash flows and statement of changes in equity are translated at the weighted average exchange rates for the year.

The exchange differences arising on the retranslation are recognised in other comprehensive income and accumulated balances are carried forward as a separate component of equity.

On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to profit or loss.

Transactions in foreign currencies

In preparing the financial statements of each individual Group entity, transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling 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 and gain or loss in exchange rate movements are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Revenue recognition

Under *AASB 15 Revenue from Contracts with Customers* on the Group, the five-step method is applied to each contract to assess the impact on revenue recognition.

The five-step method for recognising revenue from contracts with customers involves consideration of the following:

1. Identifying the contract with the customer
2. Identifying performance obligations
3. Determining the transaction price
4. Allocating the transaction price to distinct performance obligations
5. Recognising revenue

AASB 15 requires the disaggregation of revenue to provide clear and meaningful information. For the Group, management concluded that presentation of revenue in terms of the method of revenue recognition was most appropriate.

IT Services

IT services provide management, architecture, design, implementation, deployment and managed service support under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered.

The Group has fixed and variable priced service contracts. Fixed price contracts are either a fixed monthly amount over a longer term or a fixed contract amount over a shorter term.

For fixed price, fixed monthly, longer term contracts, revenue is recognised at the fixed monthly amount at the end of each month. Some of these contracts have clauses that specify time spent above a limited number of hours for a specific activity is additionally billed and this is recognised as revenue in the period the time is spent based on the hours multiplied by the rate per the contract.

For fixed price, shorter term contracts, revenue is recognised at the end of each period when the service is provided or when the milestone is met as a proportion of the total services to be provided or milestones expected.

For variable price contracts, revenue is recognised on the actual service provided at the end of each period based on the actual labour hours spent multiplied by the rate per the contract.

IT services also purchases software licenses and partner services and re-sells them to their customers. Once the transaction is complete, the partner provides the customer with access to the software and their services. In some instances, we deploy the software on to the customers infrastructure, which is a separate service agreement as described above.

Revenue from the sale of software licenses is recognised at a point in time when the sale occurs and revenue from partner services is either recognised at a point in time when the sale occurs or over time when the services are performed.

Licenses that are bundled with other services, management has determined that the performance obligation is satisfied over a period of time.

Contract Costs

Contract costs consist of personnel time and materials consumed and are expensed as they occur.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Employee benefits

Employee benefits such as salary and wages are measured at the rate at which the Group expects to settle the liability; and recognise during the period over which the employee services are being rendered.

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Leases

At the commencement date of a lease, the Group will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group will separately recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment.

Income tax

Deferred 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 the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability 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.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets 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 assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences 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.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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.

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 balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other taxes

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

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

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

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

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

Earnings per share

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

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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

The weighted average number of shares outstanding during the reporting period represents the equity structure of the legal parent, i.e. Vortiv Ltd ("VOR").

Financial instruments

Initial Recognition and Measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For Financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement
Financial instruments are subsequently measure at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measure at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

(i) Financial assets at fair value through profit and loss or through other comprehensive Income
Financial assets are classified at 'fair value through profit or loss' or Fair value through Other comprehensive Income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'Fair Value through other comprehensive income'.

(ii) Financial Liabilities
The Group's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition
Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial Liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Cash and cash equivalents

Cash comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Receivables are recognised and carried at original costs less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The assets are depreciated over the following period in the current and prior reporting periods:

	Life
Computer related equipment	2 to 4 years
Office equipment & furniture	5 to 14 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value through other comprehensive income (FVOCI)

1. Classification

The Company classifies its financial assets into the following measurement categories:
- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

2. Measurement

Financial assets measured at fair value through other comprehensive income
Equity instruments
Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which *AASB 3 Business Combination* applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets measure at amortised cost
Debt instruments
Investments in debt instruments are measured at amortised cost where they have:
- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described below in note (3) Impairment of financial assets.

3. Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

No ECL is recognised on equity investments.

Compound instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to other equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Liabilities expected to be settled within the normal trading cycle are carried at cost, and those expected to be settled beyond 12 months are measured at amortised cost.

Share based payment arrangements

Share-based payment transactions of the company

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of valuation techniques. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Issued capital

Issued and paid-up capital are recognised at the consideration received by the company.

Expenses (including the tax effect) incurred directly in relation to the issue of the equity instruments are deducted from equity.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The liability for long service leave is recognised in the provision and measured based on current wage and salary levels and probability based on period of service.

CORPORATE INFORMATION

Directors

Nicholas Smedley	Chairman, non-executive director
Simon Vertullo	Non-executive director
Jason Titman	Non-executive director

Company secretary
Phillip MacLeod

Registered office
Unit 9, 88 Forrest Street
Cottesloe WA 6011

Principal office
Unit 9, 88 Forrest Street
Cottesloe WA 6011

Auditors
Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, London House
216 St Georges Terrace
Perth WA 6000

Share registry
Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
Telephone: 1 300 113 258
International: +61 8 9389 8033

Contact details
Telephone: +61 8 6444 1798

Bankers
National Australia Bank Limited

Stock exchange listing
ASX Limited
Home Exchange: Perth, Western Australia
Code: VOR

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Vortiv Limited, I state that:

In the opinion of the directors:

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

(b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;

(c) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;

The Directors have been given the declarations required by section 295A of the Corporations Act 2001

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors

Nicholas Smedley

Perth, 30th June 2021

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Vortiv Limited for the financial year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 30th day of June 2021

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Vortiv Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vortiv Limited ("the Company") and its subsidiaries ("the 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 changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2021 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 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 judgement, 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
Financial Assets - $6,100,000 Refer to Note 9 – Financial assets at fair value through other comprehensive income. The financial asset relates to the 24.89% equity interest in Transaction Solutions International (India) Private Limited. We deemed the financial asset as a key audit matter due to the size of the balance and the inherent judgement involved in determining the fair value of financial instruments with significant unobservable inputs. As at 31 March 2021 the financial assets were valued at $6,100,000 (2020: $5,530,000). The financial asset is a "level 3" financial instrument in accordance with the classifications under Australian Accounting Standards where values are derived from significant unobservable inputs. The valuation therefore requires a higher degree of judgement.	With the assistance of valuation specialists, our procedures included amongst others: - We obtained the independent expert's valuation of financial assets including the report and underlying valuation model; - We evaluated the methodology for determining the valuation of the investment in Transaction Solutions International (India) Private Limited with reference to generally accepted valuation methodologies and accounting standard requirements; - We checked the mathematical accuracy of the model; - We assessed the key assumptions supporting the basis for the valuation; - We assessed the appropriateness of the disclosures included in Note 9 to the financial report.
Disposal of Decipher Works Pty Ltd & Cloudten Industries Pty Ltd As disclosed in note 5 to the financial statements, during the year, the Consolidated Entity entered into a Share Sale Agreement to dispose of its trading subsidiaries Decipher Works Pty Ltd and Cloudten Industries Pty Ltd. The disposal is considered to be a key audit matter due to the significance of the transaction to the financial statements and the complexities in complying with the requirements of *AASB 5 Non-current Assets Held for Sale and Discontinued Operations ("AASB 5")*.	Our procedures amongst others included: - evaluated the terms and conditions of the Share Sale Agreement; - Verified the consideration received; - Undertook procedures on the balance sheet as at disposal date and assessed the gain recognised on disposal; and - Assessed the adequacy of the disclosures in note 5 to the financial statements in accordance with the requirements of AASB 5.

Revenue recognition	Our procedures included, amongst others:
During the year, the Consolidated Entity generated revenue from discontinued operations of $10,227,000. The recognition of revenue was considered a key audit matter due to the judgement and estimates involved in determining when performance obligations are met and revenue is recognised.	- Obtaining an understanding of the processes relating to revenue recognition; - Reviewing the revenue recognition policy for compliance with *AASB 15 Revenue from contracts with customers*; - Testing revenue on a sample basis to supporting documentation; and - Assessing the adequacy of the Consolidated Entity's revenue disclosures within the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 March 2021. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

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

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 30th day of June 2021