

Appendix 4D - Half Year Report for six months ended 31 December 2020

Results for announcement to the market

Name of entity	SKS TECHNOLOGIES GROUP LIMITED (Previously known as "ENEVIS LIMITED")
ABN	24 004 554 929

1 Reporting Period

Half Year Ended	31 December 2020
Previous corresponding periods – half year ended	31 December 2019
– year ended	30 June 2020

2 Results for announcement to the market

Revenue	down	38%	to	13,916,068
Net profit / (loss) from ordinary activities after tax attributable to members	up	127%	to	661,735
Net profit / (loss) for the period attributable to members	up	140%	to	1,032,971
			Amount per Security	Franked amount per Security
Interim Dividend - Current period		Nil		Nil
- Previous corresponding period		Nil		Nil
Final Dividend - Current period		Nil		Nil
- Previous corresponding period		Nil		Nil

No interim dividend has been declared for the half-year ending 31 December 2020.

Commentary on Result

First half trading recorded a group sales revenue (including discontinued operations) of \$13,916,068 compared to \$15,063,024 in the previous corresponding period. The Group reported a net profit from continuing operations of \$661,735 for the half year ended 31 December 2020, compared to the loss of \$1,061,599 in the previous corresponding period. The Group reported a total net profit of \$1,032,971 (including discontinued operations) for the half year ended 31 December 2020, being an improvement from a loss of \$2,560,366 in the previous corresponding period.

Refer to interim Financial Report for the Half-Year ended 31 December 2020 for more information.

This half yearly financial report is to be read in conjunction with the 30 June 2020 annual financial report.

3 Net tangible assets per security

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security (cents per share)	(1.55)	(3.90)

4. Details of entities over which control has been gained or lost during the period: (item 4)**Control gained over entities**

Name of entities (item 4.1)

- Not Applicable -

Date(s) of gain of control (item 4.2)

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)

\$

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$

Loss of control of entities

Name of entities (item 4.1)

- Not Applicable -

Date(s) of loss of control (item 4.2)

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).

\$

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$

5. Dividends (item 5)

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2020		Nil
Final dividend year ended 30 June 2020		Nil

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	Nil	Nil	Nil
Previous year	Nil	Nil	Nil

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (each class separately)	Nil	Nil

6. Details of dividend or distribution reinvestment plans in operation are described below (item 6):

- Not Applicable -

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

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7. Details of associates and joint venture entities (item 7)

Name of associate or joint venture entity	%Securities held
- Not Applicable -	

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2020 \$	2019 \$
Profit (loss) from ordinary activities before tax		
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax		
Adjustments		
Share of net profit (loss) of associates and joint venture entities		

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached).**9. Independent review of the financial report (item 9)**

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

SKS TECHNOLOGIES GROUP LIMITED
(Previously known as “ENEVIS LIMITED”)
and Controlled Entities

ABN 24 004 554 929

Financial Report
for the half-year ended 31 December 2020

The half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2020

Audiovisual, communications and electrical solutions



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Directors' Report

The directors present their report together with the condensed financial report of the group consisting of SKS Technologies Group Limited and the entities it controlled, for the half-year ended 31 December 2020 and independent review report thereon.

Directors

The names of the company's directors in office during the half-year and until the date of this report are set out below. Each of the directors was in office for this entire period, unless otherwise stated.

Peter Jinks, Managing Director

Greg Jinks, Executive Director

Terence Grigg, Non-Executive Director

Review and Results of Operations

First half trading recorded a group sales revenue (including discontinued operations) of \$13,916,068 compared to \$15,063,024 in the previous corresponding period. The Group reported a net profit from continuing operations of \$661,735 for the half year ended 31 December 2020, compared to the loss of \$1,061,599 in the previous corresponding period. The Group reported a total net profit of \$1,032,971 (including discontinued operations) for the half year ended 31 December 2020, being an improvement from a loss of \$2,560,366 in the previous corresponding period.

The results for the half year reflect the impact of the following key matters:

The sales growth in SKS Technologies Pty Ltd (our audio visual and electrical division) has shown a decline primarily due to the Covid-19 impact in Victoria during the first half of the year. Despite the overall decline, the group continues to have strong sales growth in South Australia. The pipeline of opportunities, as well as the size of opportunities, remains favourable across the regions in which the group operates.

On 7 August 2020, the group completed the sale of the commercial lighting business and assets under an Asset Sale Agreement. This enabled us to release more working capital for our core technology business which mainly contributed to the increased performance during the period. Further the group recorded sales of \$702,572 from the discontinued Lighting business, in the first half of the year mainly from a backlog of orders delayed due to Covid 19 and liquidation of inventory.

The group recovered insurance proceeds of \$217,538 as compensation for a loss suffered by the group and received government incentives of \$1,299,200 during the period.

Directors' Report (Cont'd)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* in relation to the review for the half-year is provided with this report on page 4.

Rounding of Amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Peter Jinks', with a stylized flourish at the end.

Peter Jinks
Director

Melbourne

Date: 18th February 2021

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
To the Directors of SKS Technologies Group Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



Kevin P Adams
Director
DFK BKM Audit Services

Camberwell
18 February 2021



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2020

		Half- year	
	Notes	31 December 2020 \$	31 December 2019* \$
Revenue and Other Income			
Sales revenue	2	13,213,496	15,063,024
Other income	2	1,387,856	-
		14,601,352	15,063,024
Expenses			
Raw material, Consumables, and logistics		(8,369,001)	(9,754,909)
Occupancy expenses		(49,732)	(48,064)
Employee Benefit Expenses		(4,486,239)	(4,924,940)
Administration expenses		(640,885)	(845,559)
Depreciation and amortisation		(253,737)	(247,325)
Finance costs		(140,023)	(303,826)
Total expenses		(13,939,617)	(16,124,623)
Profit / (Loss) before income tax expense from continuing operations		661,735	(1,061,599)
Income tax expense		-	-
Profit / (Loss) from continuing operations		661,735	(1,061,599)
Profit / (Loss) after tax from discontinued operations	3	371,236	(1,498,767)
Other comprehensive income for half-year		-	-
Total comprehensive Income / (loss) for half-year		1,032,971	(2,560,366)
(Loss)/ earnings per share (cents per share) for profit attributable to the equity holders of the entity:			
Basic earnings / (loss) per share – Continuing Operations		0.66	(1.59)
Basic earnings / (loss) per share – Discontinued Operations		0.37	(2.25)
Diluted earnings / (loss) per share – Continuing Operations		0.66	(1.59)
Diluted earnings / (loss) per share – Discontinued Operations		0.37	(2.25)

* Comparative amounts reclassified to more appropriately reflect comparable results from discontinued operations.

The accompanying notes forms part of these Financial Statements

**Condensed Consolidated Statement of Financial Position
as at 31 December 2020**

	Notes	31 December 2020	30 June 2020
		\$	\$
Current assets			
Cash and cash equivalents		1,051,532	229,005
Trade and other receivables		5,925,209	6,235,181
Inventories		-	170,528
Assets held for sale		-	990,670
Other current assets		334,069	115,066
Total current assets		7,310,810	7,740,450
Non-current assets			
Plant and equipment		179,823	229,055
Lease assets	9	747,131	854,386
Intangible assets	10	45,610	33,379
Other non-current assets		158,470	131,654
Total Non-current assets		1,131,034	1,248,474
Total assets		8,441,844	8,988,924
Current liabilities			
Trade and other payables		6,161,366	5,890,922
Borrowings	5	-	1,401,589
R&D liability		626,025	860,520
Provisions		565,211	588,270
Lease liabilities		407,257	438,785
Liabilities held for sale		-	51,351
Total current liabilities		7,759,859	9,231,437
Non-current liabilities			
R&D liability		1,005,313	1,001,640
Provisions		36,423	47,712
Lease liabilities		394,698	482,471
Total non-current liabilities		1,436,434	1,531,823
Total Liabilities		9,196,293	10,763,260
(Net assets deficiency)		(754,449)	(1,774,336)
Equity			
Contributed capital	6	20,645,221	20,658,305
Accumulated losses		(21,399,670)	(22,432,641)
Total equity		(754,449)	(1,774,336)

The accompanying notes forms part of these Financial Statements

Condensed Consolidated Statement of Changes in Equity

Half-year ended 31 December 2019

Consolidated	Contributed equity \$	Accumulated losses \$	Total equity \$
At 1 July 2019	19,198,931	(17,443,354)	1,755,577
(Loss) for the half year	-	(2,560,366)	(2,560,366)
At 31 December 2019	19,198,931	(20,003,720)	(804,789)

Half-year ended 31 December 2020

Consolidated	Contributed equity \$	Accumulated losses \$	Total equity \$
At 1 July 2020	20,658,305	(22,432,641)	(1,774,336)
Shares buy back- Unmarketable parcels	(13,084)	-	(13,084)
Profit for the half year	-	1,032,971	1,032,971
At 31 December 2020	20,645,221	(21,399,670)	(754,449)

**Condensed Consolidated Statement of Cash Flows
for the half-year ended 31 December 2020**

	Half-year	
	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers	16,229,438	26,068,639
Receipts from government incentives	1,299,200	-
Payments to suppliers and employees	(15,691,092)	(25,883,310)
Interest received	202	188
Interest paid on Lease liability	(33,802)	(32,279)
Interest paid	(77,773)	(354,429)
Net cash flows from/(used in) operating activities	1,726,173	(201,191)
Cash flows from investing activities		
Payment for plant and equipment	(3,251)	(2,840)
Proceeds from disposal of plant and equipment	9,089	5,863
Payments for intangibles	(24,811)	(7,816)
Payment for bank guarantee	(26,782)	-
Proceeds from sale of discontinued operations	1,022,409	-
Net cash flows from/(used in) investing activities	976,654	(4,793)
Cash flows from financing activities		
Payment for share buy back	(13,084)	-
Payment of lease liability	(215,218)	(292,003)
Proceeds from borrowings	14,287,753	25,109,033
Repayments of borrowings	(15,689,341)	(25,200,122)
Repayment of R&D liability	(250,410)	-
Net cash flows (used in) financing activities	(1,880,300)	(383,092)
Net increase / (decrease) in cash and cash equivalents	822,527	(589,076)
Cash and cash equivalents at beginning of half year	229,005	679,878
Cash and cash equivalents at end of the half year	1,051,532	90,802

The accompanying notes forms part of these Financial Statements

Notes to Condensed Consolidated Half-Year Financial Statements

1. Basis of Preparation of the Half-Year Financial Report

The condensed consolidated half-year financial report does not include all notes of the type normally included within the annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by SKS Technologies Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

This condensed half-year financial report covers SKS Technologies Group Limited and controlled entities ("the group"). SKS Technologies Group Limited is a company limited by shares, incorporated and domiciled in Australia. The address of SKS Technologies Group Limited's registered office and principal place of business is 53 Stanley Street, West Melbourne VIC - 3003. SKS Technologies Group Limited is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the director's report.

(a) Basis of accounting

This condensed consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report has been prepared in accordance with the historical cost convention, as modified by revaluations to fair value for certain class of assets as described in the accounting policies.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2020 and the corresponding half-year other than as stated below in Note 1(b).

(b) Summary of the significant accounting policies

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2020.

(c) Revenue

Revenue from the sale of goods is recognised when the customer receives the goods and ownership of the goods have passed and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Ownership is considered to have passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the provision of services is recognised as performance obligations are satisfied over time, via transfer of services to customers, which is measured based on stage of completion.

Notes to Condensed Consolidated Half-Year Financial Statements**(c) Revenue (cont'd)**

Certain customers may be invoiced in advance of provision of services and this amount is recognised as a liability until the group provides, and the customer consumes, the benefits of the services.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(d) Going Concern

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

The group generated a profit from continuing operations of \$661,735 during the half-year ended 31 December 2020 (half-year ended 31 December 2019 loss of \$1,061,599), and as at that date, the group's net assets deficiency was \$754,449 (30 June 2020: net assets deficiency \$1,774,336).

The group produced positive cash flows from operating activities for the half-year ended 31 December 2020 of \$1,726,173 (half-year ended 31 December 2019: negative \$201,191).

In the process of approving the group's forecast, the board has considered the cash position of the group within the next 12 months from the date of this report, further supported by the application of sensitivity analysis and stress-testing of the key revenue assumptions used with consideration to historical growth rate. Based on the assessment of the group's ability to achieve its growth targets, the board believes that the group will continue as a going concern and be able to repay its debts as and when they fall due. The board also acknowledges the group's access to the capital market should additional funding is required.

Accordingly, the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

Notes to Condensed Consolidated Half-Year Financial Statements
(e) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures and to more appropriately reflect comparable results from discontinued operations.

2. Revenue and Other Income

	31 December 2020	31 December 2019
	\$	\$
Revenue		
Revenue from services	13,213,496	15,063,024
	13,213,496	15,063,024
Other income		
Interest income	58	-
Other income*	1,387,798	-
	1,387,856	-

*Other income for the half year ended 31 December 2020 comprises of government incentives such as JobKeeper and insurance proceeds.

3. Discontinued Operations

The group divested its Lighting business and associated business assets in two stages, the Street Column Lighting business on 31 January 2020 and the Commercial Lighting business on 07 August 2020. The results of these discontinued operations for the current and comparative period are presented below.

Notes to Condensed Consolidated Half-Year Financial Statements

3. Discontinued Operations (cont'd)

(a) On 31 January 2020, the group sold the Street lighting business and associated business assets.

The results of the discontinued operations for the current and comparative period are presented below:

	31 Dec 2020 \$	31 Dec 2019 \$
(i) Financial performance information		
Revenue		
Sales revenue	-	4,324,348
Total Revenue	-	4,324,348
Expenses		
Total Expenses (excluding depreciation and amortisation)	(11,536)	(4,305,737)
Depreciation and amortisation	-	(140,085)
Total Expenses	(11,536)	(4,445,822)
<i>(Loss) before income tax of discontinued operations</i>	(11,536)	(121,474)
<i>Profit on disposal of the discontinued operations before income tax</i>	67,653	-
Income tax expense	-	-
<i>Profit / (Loss) after income tax of discontinued operations</i>	56,117	(121,474)
(ii) Cash flow information		
Net cash provided from operating activities	-	122,637
Net cash from / (used in) investing activities	312,208	(531,635)
Net cash (used in) financing activities	-	(162,587)
<i>Net cash flow</i>	312,208	(571,585)

Details of discontinued operation disposed

Consideration received or receivable	-
Less: Net liabilities	67,653
Profit on disposal of discontinued operation before tax	67,653
Income tax expense	-
Profit on disposal of discontinued operation after tax	67,653

Notes to Condensed Consolidated Half-Year Financial Statements

3. Discontinued Operations (cont'd)

- (b) On 07 August 2020, the group sold the Commercial lighting business and associated business assets. The results of the discontinued operations for the current and comparative period are presented below:

	31 Dec 2020 \$	31 Dec 2019 \$
(i) Financial performance information		
Revenue		
Sales revenue	702,572	3,217,259
Other income	74,522	17,554
Total Revenue	777,094	3,234,813
Expenses		
Total Expenses (excluding depreciation and amortisation)	(488,974)	(4,495,919)
Depreciation and amortisation	(8,983)	(116,187)
Total Expenses	(497,957)	(4,612,106)
<i>Profit/(Loss) before income tax of discontinued operations</i>	279,137	(1,377,293)
<i>Profit on disposal of the discontinued operations before income tax</i>	35,982	
Income tax expense	-	-
<i>Profit/(Loss) after income tax of discontinued operations</i>	315,119	(1,377,293)
(ii) Cash flow information		
Net cash from / (used in) operating activities	598,364	(161,989)
Net cash from by investing activities	710,202	523,904
Net cash (used in) / from by financing activities	(1,747,396)	227,206
<i>Net cash flow</i>	(438,830)	589,121

Details of discontinued operation disposed

Consideration received	710,202
Less: Net assets disposed of	(674,220)
Profit on disposal of discontinued operation before tax	35,982
Income tax expense	-
Profit on disposal of discontinued operation after tax	35,982

Notes to Condensed Consolidated Half-Year Financial Statements

4. Dividends Paid or provided for on Ordinary Shares

There were no dividends proposed or recognised during the half-year ended 31 December 2020.

5. Borrowings

	31 December 2020	30 June 2020
Current	\$	\$
Secured:		
Bank and other loans (i)	-	1,401,589
	-	1,401,589

- (i) The current secured borrowings represent the net position of Invoice finance facility undertaken which is secured by a fixed and floating charge over SKS Technologies Group Limited, SKS Technologies Pty Ltd, Dueltex Pty Ltd and SKS Lighting Pty Ltd.

6. Contributed Capital

Movements in shares on issue

	Half-Year 31 Dec 2020		Half-Year 31 Dec 2019	
	No of Shares	\$	No of Shares	\$
Beginning of the half-year	99,916,704	20,658,305	66,611,100	19,198,931
Shares buyback during the half-year	(130,834)	(13,084)	-	-
End of the half-year	99,785,870	20,645,221	66,611,100	19,198,931

7. Operating Segments

The Group operates predominantly in Australia, in the audio-visual, communications, technology and electrical markets which is regarded as a single segment, hence there is no information on operating segments provided in this report.

Notes to Condensed Consolidated Half-Year Financial Statements

8. Subsequent Events

There were no matters or circumstances specific to SKS Technologies Group Limited that have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- the Group's operation in future financial years or
- the results of those operations in future financial years or
- the Group's state of affairs in future financial years.

9. Lease assets and lease liabilities

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

	31 Dec 2020	30 June 2020
	\$	\$
Carrying amount of lease assets, by class of underlying asset:		
Buildings	294,732	433,688
Motor Vehicle	452,399	420,698
	<u>747,131</u>	<u>854,386</u>

Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:

	Buildings	Motor Vehicle
	\$	\$
Carrying amount at 1 July 2020	433,688	420,698
Additions	78,232	98,984
Depreciation	(143,314)	(67,283)
Terminated/Adjustments during the period	(73,874)	-
Carrying amount at 31 December 2020	<u>294,732</u>	<u>452,399</u>

	31 Dec 2020	31 Dec 2019
	\$	\$
Interest expense on lease liabilities	33,802	32,279
Depreciation expense on lease assets	210,597	348,712
Total cash outflow in relation to leases	249,020	324,282

Notes to Condensed Consolidated Half-Year Financial Statements

10. Intangible assets

	31 December 2020	30 June 2020
	\$	\$
Computer software (a)	45,610	33,379
	45,610	33,379

(a) Reconciliation of carrying amounts at the beginning and end of the period

<u>Computer Software</u>		
Carrying value as at 1 July	33,379	98,612
Costs capitalised	24,812	9,715
Transferred/ Written off	-	(26,842)
Amortisation	(12,581)	(48,106)
Closing carrying value	45,610	33,379

Directors' Declaration

The directors declare that:

In the directors' opinion, the financial statements and notes thereto, as set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that SKS Technologies Group Limited will be able to pay its debts as and when they become due and payable.

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



Peter Jinks
Director

Date: 18th February 2021

**Independent Auditor's Review Report
To the members of SKS Technologies Group Limited**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of SKS Technologies Group Limited (Company) and Controlled Entities (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of SKS Technologies Group Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report, which indicates that as of 31 December 2020 the Group's total liabilities exceeded its total assets by \$754,449.

As stated in Note 1(d), these events or conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility of the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Kevin P. Adams
Director
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