Advance NanoTek Limited

ACN 079 845 855

Annual Report

For the Year Ended 30 June 2021

ACN 079 845 855
ASX Code: ANO

Contents

For the Year Ended 30 June 2021

Chairman's Letter

The $265,000 profit before tax is as expected given a 63.69% decline in revenue primarily due to the following reasons:

- COVID-19 travel restrictions and lockdowns globally reducing demand for sunscreen products.
- Our key distributors reduced their stock levels in North America and Europe due to ANO establishing warehouse facilities in Netherlands and USA.

While this result is disappointing, the Company has used this time to invest in infrastructure to support an expanding product range and capacity including laboratory and manufacturing facilities. At the time of issuing this report, the Company remains commercially debt free.

Vegan / Organic Plus ZinClear Product development

The Board have used the past 6 months to achieve the following significant milestones:

- TGA licence obtained to manufacture dispersions in Brisbane.
- Developed 6 new 100% vegan/organic plus ZinClear XP dispersions with samples sent to all distributors and major customers. One of these dispersions has been used to produce an end sunscreen product rated SPF54.5, tested by an approved FDA lab.
- Commenced work on our Brisbane facility to be certified as both vegan and organic / natural.
- Equipment has been ordered for a second Alusion facility with space generated through the use of advanced warehousing methods.

FY22 Outlook

As previously announced the COVID-19 recovery in our sales is ongoing with more and more countries lifting lockdowns and travel restrictions. Distributors are requesting orders to be brought forward. Based on forecasts from distributors and firm orders placed to date, we anticipate that sales for this half to be similar to that of FY19 sales.

We are positive that the growth in zinc based sunscreen will continue and our new 100% vegan / organic plus ZinClear XP dispersions will generate additional sales in FY22. We are pleased to inform you that one of our Australian customers, VeganicSKN, has developed two natural sunscreen insect repellents using our sunflower base dispersion which has been tested by Melbourne University, rating 5 hours and 3 hours protection from mosquitos.

Finally, I would like to thank our Chemists, QA staff, Production Managers in Brisbane and Perth and all other staff for their efforts over what has been a very difficult 12 months.

Lev Mizikovsky
Non-Executive Chairman

Dated: 20 August 2021

Managing Director's Review

ANO Performance since 2016

	2016	2017	2018	2019	2020	2021
Revenue	4,147,589	5,097,488	6,583,764	12,260,424	17,967,379	6,522,768
Employee Wages	849,428	591,385	782,310	1,052,523	2,565,532	1,784,171
Profit Before Tax	(452,411)	561,174	1,125,069	3,381,419	7,461,205	265,208
EPS*	(3¢)	1¢	4.62¢	16.90¢	8.99¢	0.054¢
Share Price* as at 30 June	23¢	24¢	50¢	$6.72	$4.25	$3.70

* These EPS & share price figures have been adjusted to reflect the share consolidation completed in 2018.

COVID-19 Impact on Result

COVID-19 lockdowns and travel restrictions has significantly impacted the XP powder and dispersion sales and combined with key distributors reducing their 3-4 months supplies of inventory as mentioned above, has resulted in a 63.69% decline in revenue. However, FY22 is looking promising with sales revenue for the first half anticipated to be similar to that of FY19 first half sales. The Company did receive $555,350 in JobKeeper allowances during the year which enabled us to maintain our staff levels and redirect their activities to development and expansion.

Production Through COVID-19

We have invested significantly into increasing finished inventory across all products and have over 300T of product ready and available in our warehouses in Netherlands and USA and in excess of 700T of product in our Australian warehouses. We are very well placed to meet the anticipated recovery and expansion of zinc powder sales over the next 12 – 18 months as more and more countries begin their COVID-19 recovery, relax travel restrictions and increase bans on chemical based sunscreens.

Capacity

The Company has invested in plant, equipment and infrastructure such as power upgrades to increase capacity in anticipation of the market growth in zinc-based sunscreens and skin care products. Our facility now has an annual capacity of 5,000T of XP Powder. Allowing for up to 50% of this capacity to be used as an input into our dispersion products, the remaining 50% provides the Company with capacity to grow at a rate of 6 times the XP Powder sales levels achieved in FY2019. As part of this investment, we have increased our power supply by 30% to cater for the anticipated growth in production in FY22.

Alusion

Work has begun on the new Alusion facility in Brisbane and we have started work in Perth on improvements to their Alusion facility. Once all completed, we will have capacity of in excess of 100T of Alusion for use and sale. This represents our expected growth rate of two times our current volume of Alusion sales excluding what we will use in our dispersions.

Managing Director's Review (continued)

100% Vegan / Organic Plus ZinClear XP Dispersions

Over the past 6 months our chemists and production team have worked tirelessly to develop 6 new vegan/ organic/ natural ZinClear XP dispersions. Despite numerous false starts we are of the opinion that we have developed a world first Vegan/ Organic/ Natural SPF 54 end product, from an approved FDA lab, based on our new sunflower vegan/ organic plus ZinClear XP dispersion. Further, we are in the final stages of completing the audits to become 100% vegan certified and organic/natural certified for our dispersions. This will mean all product produced in that Brisbane facility (units 1 & 2) will be vegan/organic/natural certified and labelled accordingly.

Production Equipment Investment

ANO has invested significantly into equipment where all production lines are duplicated or in the case of zinc oxide six times, so that we can reduce the risk of equipment breakdowns and lost production through repairs. With the investment in equipment, we now have the capacity to produce 3,700T of dispersion in this facility including the simultaneous production of 2-4 different dispersions in any production shift.

Staff

I would like to thank my staff in FY21 for the dedication and commitment to ANO in what has been an exceptionally difficult year. In particular, I thank my chemist team who have developed the new vegan/organic/natural formulations that hopefully will be the cornerstone of ANO sales growth for years to come.

Personal Note

On a personal note, I express to all of you, as my valued shareholders your attention to quotes published in a Tegus Transcript by Estee Lauder Director of R&D Material/Product Physical Science:

> *"We use Zinclear/Advance Nantech because of the quality and value add to the product technology they offer and future offerings."*
>
> *"They are the largest of the ZnO USA material manufacturers on the market. The Japanese manufacturers that compete in this technology market landscape come in as second. The market share and penetration will increase for Advance Nanotech in this space."*

As you should now be aware, UV chemical filters have been linked to skin cancers and environmental damage, which is why safe zinc-based sunscreens with no chemical filters will become more prevalent over time in the sunscreen market. There is a growing list of countries to ban UV chemical filters with Thailand the latest to join this list.

Managing Director's Review (continued)

Countries:	Octinoxate	Avobenzone	Oxybenzone (BP-3)	Methylbenzylidene Camphor	Homosalate	Octocrylene
Australia						
Hawaii	✖	✖	✖	✖	✖	✖
Palau	✖		✖	✖		
Bonaire	✖		✖			
USA				✖		
Marshall Islands	✖	✖	✖	✖	✖	✖
Japan		✖	✖	✖	✖	
Sweden			✖	✖		
U.S Virgin Islands			✖	✖		✖
Aruba			✖			
Nature Reserves Mexico	✖	✖	✖	✖	✖	✖
Thailand	✖	✖	✖	✖	✖	✖

In addition, the following recent article may be of interest, which refers to the Johnson & Johnson recall of sunscreen products.

Johnson & Johnson Consumer Inc. Issues Voluntary Recall of Specific NEUTROGENA® and AVEENO® Aerosol Sunscreen Products Due to the Presence of Benzene | Johnson & Johnson (jnj.com)

Finally, the TGA have reacted to the FDA and have issued a recall in Australia (Johnston & Johnston Neutrogena sunscreen recalled over cancer concerns related to benzene | The Courier Mail).

There are numerous large sunscreen customers like Johnson & Johnson and Edgewell that will need to look at their current range of UV chemical sunscreens and move to zinc based sunscreens within the next 12 months.

Class Actions Roll in as Johnson & Johnson Recalls Neutrogena, Aveeno Sunscreens with 'Traces' of Benzene

Class Action Claims Banana Boat Sunscreens Contain Benzene

In my view it is a matter of when, not if, for the shift to zinc oxide and I am genuinely excited that our business is very well placed to meet the demand of these customers and at the same time save lives.

GActon

Geoff Acton
Managing Director

Dated: 20 August 2021

Directors' Report

For the Year Ended 30 June 2021

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

1. General information

Directors

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

Names	Position
Lev Mizikovsky	Non-executive Chairman
Rade Dudurovic	Non-executive Director
Laurie Lefcourt	Non-executive Director
Geoff Acton	Managing Director

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

Company Secretaries

The following persons held the position of Company Secretary during the financial year:

- Geoff Acton (B.Com, CA, GAICD)
- Narelle Lynch ("Cert (Gov Prac)")

Principal activities

During the year the principal continuing activities of the Group consisted predominantly of the manufacture of aluminium oxide powder, zinc oxide dispersions and zinc oxide powder for the Personal Care Sector.

There were no significant changes in the nature of the Group's principal activities during the financial year.

2. Operating results and review of operations for the year

Operating results

Please refer to Managing Director's on page 2.

3. Financial review

Review of financial position

The net assets of the Group have increased by $385,000 from $27.571 million at 30 June 2020 to $27.956 million at 30 June 2021.

4. Other items

Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

COVID-19 Impacts to the Company

The Board have assessed the impact of Covid-19 and the key issues are:

- A drop in revenue of 63.69% caused by the global travel restrictions and numerous lockdowns in various countries.
- The Company was able to utilise JobKeeper to keep all staff employed although some staff were on reduced hours.
- The Company took the opportunity to build up significant stock reserves during the past 12 months and established two third party warehouses in USA and Europe.

Directors' Report
For the Year Ended 30 June 2021

4. Other items

Events after the reporting date

The Board undertook a rights issue which closed on 28 June 2021. 1,200,338 shares have been issued on 2 July 2021 raising $4,729,332 and normal trading began on 9 July 2021.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividends paid or recommended

No dividends have been paid or declared during the financial year. (2020: Nil)

Future developments and results

The Group has established a solid platform from which to grow sales, improve margins and deliver profitability.

Environmental issues

The Group's facilities are subject to various regulations including occupational health and safety, storage and handling of dangerous goods, Department of Environment registration, and disposal of effluents and waste.

No breaches of environmental regulations occurred during the year.

Indemnification and insurance of officers

The Directors, Secretaries and Officers of the Group and its controlled entities are insured for liabilities that include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Shares under option

Unissued ordinary shares of Advance NanoTek Limited under option at the date of this report are as follows:

Grant date	Exercisable from	Expiry date	Exercise price $	Under option NO.
May 2018	August 2018	2024	0.60	50,000
May 2018	August 2019	2024	0.75	50,000
May 2018	August 2020	2024	0.90	50,000
May 2018	August 2022	2024	1.20	442,000

Directors' Report
For the Year Ended 30 June 2021

4. Other items

Shares under option

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Information on directors

Lev Mizikovsky	**Non-executive Chairman**
Qualifications	FAICD
Experience	Since 1977, Mr. Lev Mizikovsky has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland companies including Lindsay Australia Limited (LAU), AstiVita Limited (AIR), Tamawood Limited (TWD) and SenterpriSys Limited (NSX: SPS).
Special Responsibilities	Member of all Committees
Directorships held in other entities	Lev is the founding Director of Tamawood Limited which started in July 1989 and is still a Non-executive Director. He is Executive Chairman of Astivita Ltd and Chairman of SenterpriSys Ltd.
Rade Dudurovic	**Non-executive Director**
Qualifications	B.Com (Hons), LLB (Hons)
Experience	Rade has an extensive background in private equity with strong exposure to industrial and branded consumer manufacturing and distribution businesses particularly in the Asian region. He has qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA.
Special Responsibilities	Chairman of the Nomination & Remuneration Committee.
Directorships held in other entities	Non-executive director of AstiVita Limited (AIR) and SenterpriSys Limited (NSX: SPS).
Laurie Lefcourt	**Non-executive Director**
Qualifications	B. Finance & Administration, FCA, GAICD
Experience	Laurie has extensive experience in senior finance roles across a number of industries including mining and resources, construction, infrastructure and agriculture. She has held CFO and company secretary roles in both small and large organisations. Laurie has significant experience from her executive career relating to strategy, governance, risk management and compliance.
Special Responsibilities	Chairperson of the Audit and Risk Management Committees.
Directorships held in other entities	Non-executive Director and Audit Committee Chair of Tamawood Limited (TWD) and Non-executive Director of SenterpriSys Limited (NSX: SPS).

Directors' Report
For the Year Ended 30 June 2021

Information on directors

Geoff Acton	**Managing Director**
Qualifications	B.Com, CA, GAICD
Experience	Geoff brings to Advanced NanoTek Ltd a vast amount of capabilities in his 22 year history with the Tamawood Group including as Chief Financial Officer and Company Secretary. Further, he has an in-depth knowledge of the renewable energy sector as head of the successful Renewable Energy Certificate trading business established in 2004.
Directorships held in other entities	Non-executive director of AstiVita Limited.

Company secretaries

Geoff Acton - appointed Company Secretary on 13 July 2015. Geoff is a chartered accountant and has more than 20 year history with Tamawood Limited in various capabilities including Director, Chief Financial Officer, Company Secretary and head of Tamawood's Renewable Energy Certificates trading business, which Geoff established in 2004.

Narelle Lynch "Cert (Gov Prac)"

Narelle was appointed joint company secretary on 9 August 2017.

Meetings of directors

The number of meetings of directors (including committees of directors) held during the financial year and the number of meetings attended by each director were as follows:

	Directors' Meetings		Audit Committee		Risk Committee		Nomination & Remuneration Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Lev Mizikovsky	13	13	4	4	1	1	2	2
Rade Dudurovic	13	13	4	4	1	1	2	2
Laurie Lefcourt	13	13	4	4	1	1	2	2
Geoff Acton	13	13	-	4*	-	1*	-	2*

*Attended by invitation.

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

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

The total fees to the Group's external auditors, William Buck (QLD) for non-audit services during the year ended 30 June 2021 was nil (2020: $1,200).

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 15 of the financial report.

Directors' Report
For the Year Ended 30 June 2021

Remuneration report (audited)

This report details the nature and amount of remuneration for the key management personnel of the Group, including the Directors in accordance with the requirements of the Corporations Act 2001 and its Regulations, and has been audited in accordance with section 308(3C).

Remuneration policy

The performance of Advance NanoTek Limited depends upon the quality of its key management personnel. To prosper, the Group must attract, motivate and retain highly skilled Directors and other key management personnel.

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

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

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

Non-executive Director Remuneration

Objective

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

Structure

The Company's Constitution and the ASX Business Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. The aggregate remuneration that may be paid to Non-executive directors is $350,000 exclusive of Superannuation Guarantee Levy. This remuneration may be divided among the non-executive directors in such a fashion as the Board may determine. Notice of any proposed increase in the total amount of remuneration payable to the non-executive directors must be given to members in the notice covering the general meeting at which the increase is to be proposed. The Board will seek approval from time to time as deemed appropriate.

The current directors' fees were last reviewed with effect from 1 July 2020. The Non-executive Chairman will receive no fees. Other Directors receive fees commensurate with their time commitment and responsibilities.

Executive Director Remuneration

Objective

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

Structure

The Board believes that, at this stage of the Group's development, and in light of the size of the Group and its executive team, senior manager and executive director remuneration should be comprised of the following three components:

- Fixed salary and benefits, including superannuation;
- Short-term performance incentives (bonus payments); and
- Long-term performance incentives (such as options, shares or performance rights)

In determining the level and make-up of executive remuneration, the Board considers external benchmarking information to help ensure that the Group provides a competitive and acceptable remuneration level and that the market value for executives and senior managers in similar companies is considered taking into account the work that they are required to perform.

Directors' Report

For the Year Ended 30 June 2021

Remuneration report (audited)

Short term performance incentives

Senior managers and executives may be eligible for bonus payments from time to time at the discretion of the Board, if the Board considers that any executive's contribution warrants such recognition. No bonuses have been awarded in this financial year.

Long-term performance incentives

Apart from the options to Mr Geoff Acton (page 13) of this report, there are no other long term performance incentives in place with key management personnel and the executive director.

Company performance, Shareholder Wealth and Key Management Personnel Remuneration

The Board is cognisant of the link between Directors', and other key management personnel remuneration to the achievement of strategic goals and performance of the Group. In setting remuneration policy, the Group seeks to align key management personnel rewards with overall shareholder value creation.

The Board reviews senior management remuneration on a regular basis to ensure base remuneration and any performance payments are directly linked to the achievement of profit contribution targets.

Details of shareholder returns are provided below. Given the stage of commercialisation of the Group's products and technologies, shareholder returns have been adversely impacted by ongoing investment in research and product development.

	2021	2020	2019	2018	2017
	cents	cents	cents	cents	cents
Net assets per share	**46.70**	46.25	31.43	11.81	0.72
Net tangible assets per share	**28.25**	28.63	16.25	8.29	0.70
Earnings/(loss) per share	**0.054**	8.99	16.90	5.47	0.10
Earnings/(loss) per share - excluding impairment & tax	**0.44**	12.63	5.93	5.47	0.11
Share price	**$3.70**	$4.25	$6.72	$0.50	$0.24

Directors' Report
For the Year Ended 30 June 2021

Remuneration report (audited)

The following table of benefits and payments details, in respect to the 2021 and 2020 financial years, the components of remuneration for each member of the key management personnel (KMP) of the Group.

Table of benefits and payments

	Short term employee benefits		Post employment benefits	LSL Benefits		
	cash salary fees	bonus	Superannuation		Termination Benefits	
Year Ended 30 June 2021	**$**	**$**	**$**	**$**	**$**	**TOTAL$**
Non-Executive Directors						
Lev Mizikovsky	**-**	**-**	**-**	**-**	**-**	**-**
Rade Dudurovic	**50,000**	**-**	**-**	**-**	**-**	**50,000**
Laurie Lefcourt	**55,000**	**-**	**-**	**-**	**-**	**55,000**
Sub-total Non-Executive Directors	**105,000**	**-**	**-**	**-**	**-**	**105,000**
Executive Directors						
Geoff Acton	**240,040**	**-**	**5,099**	**1,075**	**-**	**246,214**
Sub-total Executive Directors	**240,040**	**-**	**5,099**	**1,075**	**-**	**246,214**
	345,040	**-**	**5,099**	**1,075**	**-**	**351,214**

	Short term employee benefits		Post employment benefits	LSL Benefits		
	cash salary fees	bonus	Superannuation		Termination Benefits	
Year Ended 30 June 2020	**$**	**$**	**$**	**$**	**$**	**TOTAL$**
Non-Executive Directors						
Lev Mizikovsky	-	-	-	-	-	-
Rade Dudurovic	50,000	-	-	-	-	50,000
Laurie Lefcourt	55,000	-	-	-	-	55,000
Sun-total Non-Executive Directors	105,000	-	-	-	-	105,000
Executive Directors						
Geoff Acton	185,000	-	-	-	-	185,000
Sub-total Executive Directors	**185,000**	**-**	-	-	-	**185,000**
	290,000	-	-	-	-	290,000

Remuneration for Mr. Acton's company secretarial services is set out on Note 27.

Directors' Report
For the Year Ended 30 June 2021

Remuneration report (audited)

Service Agreements

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

The remuneration and other terms of employment for the Group's executives are formalised in service agreements and/or letters of employment, each of which provides for the executive's participation in any bonus or employee share schemes, plus other benefits and membership of approved professional or industry bodies.

On termination, Executive Directors and other key management personnel are entitled to their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable.

Unless otherwise stated, service agreements and employment contracts do not provide for predetermined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy and outlined above. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

Employment details of members of key management personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group. The table also illustrates the proportion of remuneration that was performance based and the proportion of remuneration received in the form of options that is fixed.

		Remuneration		
		Performance based	Fixed salary / Fees	Total
		%	%	%
Directors	**Position**			
Lev Mizikovsky - Non-executive Chairman	No fixed term. Offer for re-election as director every three years after appointment at AGM.	-	100	100
Rade Dudurovic - Non-executive Director	No fixed term. Offer for re-election as director every three years after appointment at AGM.	-	100	100
Laurie Lefcourt - Non-executive Director	No fixed term. Offer for re-election as director every three years after appointment at AGM.	-	100	100
Geoff Acton - Managing Director	No fixed term. Offer for re-election as director every three years after appointment at AGM.	-	100	100

Directors' Report
For the Year Ended 30 June 2021

Remuneration report (audited)

Directors' shareholdings

30 June 2021	Balance at beginning of year	Option Exercised	Exercised	Other changes	Balance at the end of year
Directors					
Lev Mizikovsky	28,042,854	-	-	193,198	28,236,052
Rade Dudurovic	263,501	-	-	-	263,501
Laurie Lefcourt	3,769	-	-	-	3,769
Geoff Acton	83,629	392,000	-	(86,200)	389,429
	28,393,753	392,000	-	106,998	28,892,751

30 June 2020	Balance at beginning of year	Option Exercised	Exercised	Other changes	Balance at the end of year
Directors					
Lev Mizikovsky	26,645,360	-	-	1,397,494	28,042,854
Rade Dudurovic	258,334	-	-	5,167	263,501
Laurie Lefcourt	-	-	-	3,769	3,769
Geoff Acton	265,786	-	-	(182,157)	83,629
	27,169,480	-	-	1,224,273	28,393,753

Directors' Options

30 June 2021	Balance at beginning of year	Options Granted	Other changes	Vested during the year	Exercised during the year	Balance at the end of year	Balance of Vested Options
Directors							
Rade Dudurovic	250,000	-	(50,000)	-	-	200,000	150,000
Geoff Acton	1,176,000	-	(392,000)	-	(392,000)	392,000	-
	1,426,000	-	(442,000)	-	(392,000)	592,000	150,000

30 June 2020	Balance at beginning of year	Options Granted	Other changes	Vested during the year	Exercised during the year	Balance at the end of year	Balance of Vested Options
Directors							
Rade Dudurovic	250,000	-	-	50,000	-	250,000	150,000
Geoff Acton	1,176,000	-	-	392,000	-	1,176,000	392,000
	1,426,000	-	-	**442,000**	-	1,426,000	542,000

End of Audited Remuneration Report

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

Directors' Report
For the Year Ended 30 June 2021

The directors of the Company declare that:

1. *the financial statements and notes for the year ended 30 June 2021 are in accordance with the Corporations Act 2001 and:*

    a. *comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and*

    b. *give a true and fair view of the financial position and performance of the consolidated group;*

2. *the Chief Executive Officer has given the declarations required by Section 295A that:*

    a. *the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;*

    b. *the financial statements and notes for the financial year comply with the Accounting Standards; and*

    c. *the financial statements and notes for the financial year give a true and fair view.*

3. *in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.*

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

L Mizikovsky

Lev Mizikovsky
Non-Executive Chairman

Dated: 20 August 2021

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ADVANCE NANOTEK LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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

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

This declaration is in respect of Advance NanoTek Limited and the entities it controlled during the period.

William Buck

William Buck (Qld)
ABN 21 559 713 106

J A Latif
Director

Brisbane 20th August 2021

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Corporate Governance Statement
30 June 2021

The objective of the Board of Advance NanoTek Ltd is to create and deliver long term shareholder value through a range of diversified product sales and development in cosmetics and sunscreen.

Advance NanoTek Ltd and its subsidiaries operate as a single economic activity under a unified Board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic Group ("the Group").

Advance NanoTek Ltd has adopted the recommendations of the ASX Corporate Principles Edition 4. Advance NanoTek Ltd has completed and lodged an Appendix 4G in conjunction with the lodgement of its Annual Report. Advance NanoTek Ltd has clearly explained in its governance strategy where principles have been adopted and if not why not.

The company's charters, committees and corporate governance principles are on our website www.advancenanotek.com.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021

	Note	2021 $000's	2020 $000's
Revenue	5	**6,523**	17,967
Other income	5	**982**	1,887
Raw materials and consumables used		**(1,744)**	(6,910)
Employee benefits expense		**(1,784)**	(2,566)
Amortisation charge	15	**(85)**	-
Depreciation expense - property, plant & equipment	13	**(831)**	(342)
Depreciation expense - right of use assets		**(510)**	(420)
Legal expense		**(167)**	(107)
Directors fees – non-executive		**(106)**	(105)
Insurance fees		**(190)**	(205)
Rent expense		**(6)**	-
Lease interest expense		**(128)**	(101)
Finance costs		**-**	-
Patent renewal		**(60)**	(90)
Travel costs		**(2)**	(54)
Rates & taxes		**(15)**	(12)
Corporate costs		**(284)**	(470)
Consulting		**(242)**	(236)
Other operating expenses		**(1,086)**	(775)
Profit before income tax		**265**	7,461
Income tax expense	8	**(233)**	(2,133)
Profit for the year		**32**	5,327
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified subsequently to profit or loss		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**32**	5,327
Profit attributable to:			
Members of the parent entity		**32**	5,327
Total comprehensive income attributable to:			
Members of the parent entity		**32**	5,327

Earnings per share		
Basic earnings per share	0.054 Cents	8.99 Cents
Diluted earnings per share	0.053 Cents	8.78 Cents

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

Consolidated Statement of Financial Position
As At 30 June 2021

	Note	2021 $000's	2020 $000's
ASSETS			
Current Assets			
Cash and cash equivalents	9	**95**	260
Trade and other receivables	10	**1,243**	4,355
Inventories	11	**12,153**	8,451
Other assets	12	**752**	1,683
Total Current Assets		**14,243**	14,749
Non-Current Assets			
Property, plant and equipment	13	**9,172**	6,764
Right of use assets	14	**2,722**	2,881
Deferred tax assets	16	**6,656**	6,400
Development assets	15	**1,670**	1,226
Total Non-Current Assets		**20,220**	17,271
TOTAL ASSETS		**34,463**	32,020
LIABILITIES			
Current Liabilities			
Trade and other payables	17	**3,186**	1,256
Lease liabilities		**434**	423
Provisions	18	**93**	83
Shareholder loan	27	**200**	-
Total Current Liabilities		**3,913**	1,762
Non-Current Liabilities			
Lease liabilities		**2,407**	2,537
Provisions	18	**187**	150
Total Non-Current Liabilities		**2,594**	2,687
TOTAL LIABILITIES		**6,507**	4,449
NET ASSETS		**27,956**	27,571
EQUITY			
Issued capital	19	**45,951**	45,598
Reserves	20	**1,519**	1,519
Accumulated losses		**(19,514)**	(19,546)
TOTAL EQUITY		**27,956**	27,571

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

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2021

2021

	Issued Capital $000's	Accumulated Losses $000's	Foreign Currency Translation Reserve $000's	Share Based Payment Reserve $000's	Total $000's
Balance at 1 July 2020	**45,598**	**(19,546)**	**16**	**1,503**	**27,571**
Profit for the year	**-**	**32**	**-**	**-**	**32**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**32**	**-**	**-**	**32**
Transactions with owners in their capacity as owners					
Shares issued during the year	**353**	**-**	**-**	**-**	**353**
Total Transaction with owners	**353**	**-**	**-**	**-**	**353**
Balance at 30 June 2021	**45,951**	**(19,514)**	**16**	**1,503**	**27,956**

2020

	Issued Capital $000's	Accumulated Losses $000's	Foreign Currency Translation Reserve $000's	Share Based Payment Reserve $000's	Total $000's
Balance at 1 July 2019	41,699	(24,868)	16	1,482	18,329
Cumulative adjustment upon change in accounting policies (AASB 16)	-	(5)	-	-	(5)
Balance at 1 July 2019	41,699	(24,873)	16	1,482	18,324
Profit for the year	-	5,327	-	-	5,327
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	5,327	-	-	5,327
Transactions with owners in their capacity as owners					
Shares issued during the year	3,937	-	-	-	3,937
Shares bought back during the year	(38)	-	-	-	(38)
Shares based payment	-	-	-	21	21
Total Transaction with owners	3,899	-	-	21	3,920
Balance at 30 June 2020	45,598	(19,546)	16	1,503	27,571

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

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2021

	Note	2021 $000's	2020 $000's
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customer (Inc.GST)		**10,184**	16,350
Payments to suppliers and employees (Inc.GST)		**(8,663)**	(16,129)
Lease interest expense		**(128)**	(101)
Net cash provided by operating activities	25	**1,393**	120
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(3,239)**	(3,347)
Payment for development assets		**(802)**	(425)
Net cash used in investing activities		**(4,041)**	(3,772)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Shares issued during the year		**353**	3,937
Share application monies received		**2,400**	-
Proceeds from shareholder loan		**200**	-
Repayment of lease liabilities		**(469)**	(378)
Net cash provided by financing activities		**2,483**	3,559
Net decrease in cash and cash equivalents held		**(165)**	(93)
Cash and cash equivalents at beginning of year		**260**	353
Cash and cash equivalents at end of financial year	9	**95**	260

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

Notes to the Financial Statements
For the Year Ended 30 June 2021

The financial report covers the consolidated financial statements and notes of Advance NanoTek Limited and its controlled entities ('the Group'). Advance NanoTek Limited is a for-profit company limited by shares, incorporated and domiciled in Australia and whose shares are traded on the Australian Securities Exchange Limited.

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

The financial report was authorised for issue by the Directors on 20 August 2021.

The separate financial statements and notes of the parent entity, Advance NanoTek Limited, have not been presented separately within this financial report as permitted by the Corporations Act 2001. Parent entity summary is included in note 4.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention.

2 Summary of Significant Accounting Policies

(a) Principles of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

A list of controlled entities is contained in Note 21 to the financial statements.

(b) Income Tax

ANO and its wholly-owned Australian subsidiary has formed an income tax consolidation group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2015.

2 Summary of Significant Accounting Policies

(b) Income Tax

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

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

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

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

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

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

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

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

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

(c) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

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

When impracticable to determine the period to which an error relates, the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable are restated.

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Materials

Purchase cost is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Finished Goods and Work-in-progress

Cost of direct material and labour and a proportion of overheads based on normal operating capacity.

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

(e) Property, plant and equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant and Equipment	13-15 years
Motor Vehicles	5 years

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Investments and other financial assets

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

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

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Research and development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Work-in-Progress - Formulation Development Costs

The development of end formulation products comprises a number of phases including initial development, customer testing and feedback, testing processes including stability and SPF testing and regulatory approvals in order to be "shelf-ready" and capable of being sold. These costs are capitalised to work-in-progress and once the products are fully approved, these work-in-progress amounts will be transferred to end formulation assets.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use and capitalised borrowing costs.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is generally 5 years.

(h) Cash and cash equivalents

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

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

(i) Employee benefits

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

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

2 Summary of Significant Accounting Policies

(j) Provisions

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

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

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

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

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

(l) Share capital

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

(m) Right-of-use assets

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

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

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

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(n) Lease liabilities

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

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

(o) Revenue and other income

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

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

Revenue arises mainly from the sale of proprietary advanced material products.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from sale of proprietary advanced material products

Revenue from sale of proprietary advanced material products is recognised when or as the Group has transferred control of the assets to the customer. Invoices for goods transferred are due upon receipt by the customer. Control transfers at the point in time the customer takes undisputed delivery of the goods.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(o) Revenue and other income

Licence Income

Revenue earned under licence agreements is recognised on an accrual basis over the expected term of the licence agreement.

Other income

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

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants are recognised in other income.

(p) Finance costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(q) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

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

(r) Foreign currency transactions and balances

Transaction and balances

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

At the end of the reporting period:

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

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(r) Foreign currency transactions and balances

Transaction and balances

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the rates at the dates of the transaction are used.

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

(s) Share based payments

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

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

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

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

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

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

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

An Employee Share Plan ('Plan') has been established to enable officers, staff and contractors to participate in the capital growth of the Company. The Group follows this by allowing all Eligible Employees of the Group to be

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(s) Share based payments

issued shares in the Company.

Restriction on disposal - A participant may not dispose of, deal in, or grant a security interest over, any interest in a share issued under the Plan until the earlier of

(i) the end of the period of three years commencing on the date of the issue of that share
(ii) the date on which the participant is no longer employed by a Group company; and
(iii) the end of any other period determined by the Board in accordance with relevant law.

Shares to rank pari passu - Shares issued under the Plan will rank equally in all respects with ordinary shares in the company for the time being on issue except for any rights attached to the shares by reference to a record date prior to the date of issue.

The Plan is in compliance with the Corporations Act and Listing Rules of ASX as amended or waived from time to time.

(t) Trade and other receivables

Trade and other receivables

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

(u) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(v) Current and non-current classification

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

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

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the

2 Summary of Significant Accounting Policies

(v) Current and non-current classification

reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

(w) Trade and other payables

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

(x) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

(y) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(z) Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These did not have a material impact on the consolidated entity.

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

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key estimates - inventories

Inventories are valued at the lower of cost and net realisable value. The Group assesses net realisable value by reference to the current and expected future selling price of its products. Where the consumption of certain inventory balances for future sales is not reasonably assured, the Group recognises an expense in the current year.

Key estimates - development costs

Development expenditure incurred on an individual project is carried forward (capitalised) when management considers that its future recoverability can reasonably be regarded as assured.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets recognition criteria listed above. Where no internally generated intangible asset can be recognised, expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Notes to the Financial Statements
For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

Key estimates - judgements due to impact of COVID-19

Refer to Director's Report on page 5 for detail on the COVID-19 impact on the consolidated entity.

4 Parent entity

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

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

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

	2021 $000's	2020 $000's
Statement of Financial Position		
Assets		
Current assets	**14,243**	14,749
Non-current assets	**20,220**	17,271
Total Assets	**34,463**	32,020
Liabilities		
Current liabilities	**3,913**	1,762
Non-current liabilities	**2,594**	2,687
Total Liabilities	**6,507**	4,449
Equity		
Issued capital	**45,951**	45,598
Retained earnings	**(19,514)**	(19,546)
Reserves	**1,519**	1,519
Total Equity	**27,956**	27,571
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	**32**	5,327
Total comprehensive income	**32**	5,327

Guarantees

The parent entity did not have any guarantees as at 30 June 2021 or 30 June 2020.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020

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Notes to the Financial Statements
For the Year Ended 30 June 2021

5 Revenue and Other Income

Revenue from continuing operations

	2021 $000's	2020 $000's
Sales revenue		
- sale of Zinclear	**4,401**	15,787
- sale of Alusion	**2,122**	2,180
Total Revenue	**6,523**	17,967
Other Income		
- R&D tax incentive	**490**	292
- Licence income	**-**	716
- Gain / (Loss) on exchange differences	**(277)**	428
- Other income	**196**	231
- Government grants	**573**	215
- Gain on expiration of lease	**-**	5
Total Other income	**982**	1,887

Licence Income

In 2020, license income was due to the return of the exclusive worldwide rights to Antaria for its platelet aluminium technology (Alusion).

6 Expenses

The result for the year includes the following specific expenses:

	2021 $000's	2020 $000's
Superannuation contributions	**233**	198

7 Auditors' Remuneration

	2021 $000's	2020 $000's
Remuneration of the auditor of the parent entity for auditing or reviewing the financial statements		
- William Buck (QLD)	**58**	44
Total	**58**	44

Notes to the Financial Statements
For the Year Ended 30 June 2021

8 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2021 $000's	2020 $000's
Current tax expense		
Current income tax	**-**	-
Adjustments recognised for current tax of prior periods	**-**	-
Deferred tax expense		
Relating to the origination and reversal of temporary differences	**(257)**	1,841
Adjustments recognised for R&D tax incentive	**490**	292
Income tax expense for continuing operations	**233**	2,133
Total income tax expense	**233**	2,133

(b) Reconciliation of income tax to accounting profit:

	2021 $000's	2020 $000's
Profit	**265**	7,461
Prima facie income tax expense at the statutory income tax rate of 30% (2020:30%)	**79**	2,238
Tax effect of:		
- Permanent differences	**144**	(311)
Adjustments in respect of current income tax of previous years:		
Adjustment for current tax of prior period	**-**	(86)
Adjustment recognised for impact of R&D tax incentive of prior years	**-**	292
Other	**10**	-
Income tax expense	**233**	2,133

9 Cash and Cash Equivalents

	2021 $000's	2020 $000's
Cash at bank and in hand	**95**	260
	95	260

Notes to the Financial Statements
For the Year Ended 30 June 2021

10 Trade and Other Receivables

	2021 $000's	2020 $000's
CURRENT		
Trade receivables	**1,185**	4,346
Allowance for expected credit losses	**(66)**	(66)
	1,119	4,280
Other receivables	**124**	75
Total current trade and other receivables	**1,243**	4,355

(a) Aged analysis

The ageing analysis of receivables is as follows:

	2021 $000's	2020 $000's
0-30 days	**562**	816
31-60 days	**409**	164
61days and over	**214**	3,366
	1,185	4,346

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. Refer to Note 28(b) for further details of credit risk management.

11 Inventories

	2021 $000's	2020 $000's
CURRENT		
At cost:		
Raw materials and consumables	**1,766**	1,450
Work in progress	**1,000**	641
Finished goods	**9,450**	6,423
Provision for impairment	**(63)**	(63)
	12,153	8,451

Write downs of inventories to net realisable value during the year were $ NIL (2020: $ NIL).

Notes to the Financial Statements
For the Year Ended 30 June 2021

12 Other Assets

	2021 $000's	2020 $000's
CURRENT		
Prepayments	**18**	14
Deposits with suppliers	**734**	1,669
	752	1,683

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

13 Property, plant and equipment

	2021 $000's	2020 $000's
Motor Vehicles		
Motor Vehicles	**220**	149
Accumulated depreciation	**(61)**	(28)
Total Motor Vehicles	**159**	121
Office eqpt, Furn & Fixtures		
Furniture, Fixtures and Fittings	**851**	735
Accumulated depreciation	**(582)**	(487)
Total Office eqpt, Furn & Fixtures	**269**	247
R & D eqpt, Quality Eqpt		
At cost	**782**	676
Accumulated depreciation	**(451)**	(419)
Total R & D eqpt, Quality Eqpt	**331**	257
Production Plant		
At cost	**8,267**	6,387
Accumulated depreciation	**(2,796)**	(2,288)
Total Production Plant	**5,471**	4,098
Leasehold Improvements		
At cost	**2,714**	1,743
Accumulated depreciation	**(377)**	(265)
Total Leasehold Improvements	**2,337**	1,478
Laboratory		
At cost	**694**	634
Accumulated depreciation	**(134)**	(84)
Total Laboratory	**560**	550
Clean Room		
At cost	**47**	13
Accumulated depreciation	**(2)**	-
Total Clean Room	**45**	13
Total property, plant and equipment	**9,172**	6,764

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Property, plant and equipment

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

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

	Office eqpt, Furn & Fixtures	Motor Vehicles	R & D eqpt, Quality Eqpt	Production Plant	Leasehold Improvts	Lab Assets	Clean Room	Total
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Year ended 30 June 2021								
Balance at the beginning of year	**247**	**121**	**257**	**4,098**	**1,478**	**550**	**13**	**6,764**
Additions	**117**	**71**	**198**	**1,481**	**1,245**	**93**	**34**	**3,239**
Transfers between asset classes	**-**	**-**	**(92)**	**399**	**(274)**	**(33)**	-	-
Disposals	**-**	**-**	-	-	-	-	-	-
Depreciation expense	**(95)**	**(33)**	**(32)**	**(507)**	**(112)**	**(50)**	**(2)**	**(831)**
Balance at the end of the year	**269**	**159**	**331**	**5,471**	**2,337**	**560**	**45**	**9,172**

	Office eqpt, Furn & Fixtures	Motor Vehicles	R & D eqpt, Quality Eqpt	Production Plant	Leasehold Improvts	Lab Assets	Clean Room	Total
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Year ended 30 June 2020								
Balance at the beginning of year	201	13	285	2,292	487	481	-	3,759
Additions	92	45	149	1,713	1,148	51	149	3,347
Disposals - written down value	-	-	-	-	-	-	-	-
Transfers	-	68	(95)	171	(93)	85	(136)	-
Depreciation expense	(46)	(5)	(82)	(78)	(64)	(67)	-	(342)
Balance at the end of the year	247	121	257	4,098	1,478	550	13	6,764

Notes to the Financial Statements
For the Year Ended 30 June 2021

14 Right of use assets

	2021 $000's	2020 $000's
Land and buildings - Right of use	**3,425**	3,254
Accumulated depreciation	**(703)**	(373)
	2,722	2,881

Additions to the right-of-use assets during the year were $351,099. (2020: $3,074,197).

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between one to three years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

15 Development Assets

	2021 $000's	2020 $000's
Work-in-Progress - Formulation Development Costs	**1,402**	1,006
Formulations	**232**	-
Less: Accumulated amortisation	**(60)**	-
ZinXation	**123**	222
Less: Accumulated amortisation	**(27)**	(2)
	1,670	1,226

Reconciliation

	Work-in-Progress-Development Costs	Formulations	ZinXation	Total
2021				
Opening balance	1,006	-	220	1,226
Additions	802	-	-	802
Transfers	(232)	232	-	-
Write-offs	(174)	-	(99)	(273)
Amortisation	-	(60)	(25)	(85)
	1,402	172	96	1,670

	Work-in-Progress-Development Costs	Formulations	ZinXation	Total
2020				
Opening balance	801	-	-	801
Additions	425	-	-	425
Transfers	(220)	-	220	-
	1,006	-	220	1,226

Notes to the Financial Statements
For the Year Ended 30 June 2021

16 Tax assets and liabilities

(a) Deferred tax assets

Deferred tax assets balance comprises temporary differences attributable to:

	2021 $000's	2020 $000's
Amounts recognised in profit and loss		
Intangibles	**90**	60
Provisions	**48**	48
Accrued expenses	**57**	50
Leases	**35**	24
Unrealised foreign exchange loss	**16**	-
Trade and other receivables	**20**	-
Other	**40**	2
	306	184
Losses available for offset against future taxable income	**5,758**	5,768
R&D offsets carried forward	**63**	-
Total amounts recognised in profit and loss	**6,127**	5,952
Amounts recognised in Equity		
DTA relating to share issue costs	**9**	13
Tax losses relating to share issue costs	**449**	449
Total amounts recognised in equity	**458**	462
DTA	**6,585**	6,414
Deferred tax liabilities offset against deferred tax assets	**-**	(85)
Net adjustment to deferred tax assets for benefits not recognised in profit or loss	**71**	71
Total offsets	**71**	(14)
Closing balance	**6,656**	6,400

(b) Deferred tax liabilities

Deferred tax liabilities balance comprises temporary differences attributable to:

	2021 $000's	2020 $000's
Trade and other receivables	**-**	5
Unrealised foreign currency gains	**-**	80
Total deferred tax liabilities	**-**	85
Deferred tax liabilities offset against deferred tax assets	**-**	(85)
Closing balance	**-**	-

Notes to the Financial Statements
For the Year Ended 30 June 2021

17 Trade and Other Payables

	2021 $000's	2020 $000's
CURRENT		
Unsecured liabilities		
Trade payables	**758**	1,179
Other payables	**28**	77
Unalloted share application monies	**2,400**	-
	3,186	1,256

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

18 Provisions

	2021 $000's	2020 $000's
CURRENT		
Employee benefits	**93**	86
Other provisions	**-**	(3)
	93	83
NON-CURRENT		
Employee benefits	**91**	54
Restoration/Decommissioning provision (112 Radium St.)	**96**	96
	187	150

	Restoration/ Decommng provision $000's
Opening balance at 1 July 2020	**96**
Less restoration costs	**-**
Balance at 30 June 2021	**96**

Provision for Restoration/Decommissioning

The balance of $95,831 reflects the costs of restoration at 112 Radium Street when the lease expires in March 2023 with 1x2 year option. No provision of restoration at 81 Shettleston St. has been considered, given there is an agreement in place with the landlord that no make good clauses apply to the lease.

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Provisions

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current as the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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

The measurement and recognition criteria relating to employee benefits have been discussed at Note 2(i).

19 Issued Capital

	2021 $000's	2020 $000's
59,988,018 (2020: 59,611,018) Ordinary shares fully paid	**45,951**	45,598
Total	**45,951**	45,598

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

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

Notes to the Financial Statements
For the Year Ended 30 June 2021

19 Issued Capital

(a) Movement in ordinary shares

	2021 No.	2020 No.
At the beginning of the reporting period	**59,611,018**	58,920,252
Shares bought back during the year		
Share buy-back	**-**	(6,678)
Shares issued during the year		
Employee share scheme issue (cancellations)	**(15,000)**	15,000
Non-renounceable rights issue	**-**	682,444
Options exercised	**392,000**	-
At the end of the reporting period	**59,988,018**	59,611,018

(b) Capital Management

At this stage of the Group's growth, management's capital management objectives are to ensure that the entity continues as a going concern and to maintain a capital structure that supports future development of the Group's business. To date, capital management activities have included the issue of new shares to raise equity for investment in research and product development and other activities aimed at supporting the commercialisation and sales and marketing of its products and technologies.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group has not entered into any other arrangements to issue further shares other than the rights issue in July 2021. However, management may consider the issue of further shares in the future in order to provide the necessary capital of future growth and/or take advantage of other opportunities.

The Group does not have any external debt and is not subject to any externally imposed capital requirements.

20 Reserves

	2021 $000's	2020 $000's
Foreign currency translation reserve		
Opening balance	**16**	16
Share based payment reserve		
Opening balance	**1,503**	1,482
Employee share scheme issues	**-**	21
	1,503	1,503
Total	**1,519**	1,519

Notes to the Financial Statements
For the Year Ended 30 June 2021

20 Reserves

(a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(b) Share based payment reserve

The share based payment reserve is used to record the value of share-based payments provided to employees, including directors and other key management personnel, as part of their remuneration.

21 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2021	Percentage Owned (%)* 2020
Subsidiaries:			
Antaria Pty Ltd	Australia	**100**	100
Antaria, Inc	USA	**100**	100
Antaria Europe, B. V.	Netherlands	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

22 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	2021 $000's	2020 $000's
Profit attributable to members of the parent entity used in the calculation of basic and diluted EPS	**32**	5,327

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2021 No.	2020 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**59,857,054**	59,212,892
- Diluted EPS	**60,449,054**	60,638,392

The difference between the number of shares used in calculating EPS and diluted EPS in the number of unexercised options on page 13 of 592,000.

Notes to the Financial Statements
For the Year Ended 30 June 2021

23 Contingencies

In the opinion of the Directors, the Group did not have any contingent liabilities or assets at 30 June 2021 (2020: None).

24 Operating Segments

Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Board considers the business from a market perspective and has identified one reportable segment, the Personal Care segment which produces and distributes dispersions of mineral-only UV filters in cosmetic emolliements used for sunscreen, skincare and pharmaceutical formulations, as well as alumina plate-like powders used for cosmetic applications.

(a) Revenue by geographical region

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	2021	2020
	$000's	$000's
Australia	**1,689**	2,281
United States of America & Canada	**1,041**	11,753
Europe	**2,992**	2,963
Rest of the world	**801**	970
	6,523	17,967

(b) Major customers

The Group's most significant customers account for 44% (2020: 58%) of total revenue. All other customers are individually less than 15% of total revenue.

Notes to the Financial Statements
For the Year Ended 30 June 2021

25 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021 $000's	2020 $000's
Profit for the year	**32**	5,328
Adjustments for non-cash items in profit:		
- amortisation	**85**	-
- depreciation	**1,341**	763
- share based payments	**-**	(17)
- other	**-**	29
- Write-off of development assets	**273**	-
- R&D grant	**(490)**	(292)
Net changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**3,112**	(2,606)
- (increase)/decrease in deferred tax assets	**234**	-
- (increase)/decrease in prepayments	**931**	(128)
- (increase)/decrease in inventories	**(3,702)**	(5,092)
- (increase)/decrease in deferred tax reinstated	**-**	2,133
- increase/(decrease) in trade and other payables	**(470)**	631
- increase/(decrease) in deferred income (Current)	**-**	(160)
- increase/(decrease) in deferred income (Non-Current)	**-**	(556)
- increase/(decrease) in provisions (Current)	**10**	51
- increase/(decrease) in provisions (Non-Current)	**37**	36
Net cash from operating activities	**1,393**	120

26 Key Management Personnel Disclosures

Key management personnel remuneration included within expenses for the year is shown below:

	2021 $000's	2020 $000's
Short-term employee benefits	**345**	290
Long-term benefits	**1**	-
Post employment benefits	**5**	-
Total	**351**	290

Refer to the remuneration report for further details.

Notes to the Financial Statements
For the Year Ended 30 June 2021

27 Related Parties

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

Amount receivable from related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables. Balances are settled within normal trading terms or as per agreement with the Board. No allowance for expected credit losses has been recognised on this outstanding balances, nor have any impairment expenses been incurred.

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

(i) Key management personnel:

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

For details of remuneration disclosures relating to key management personnel, refer to Note 29: Key Management Personnel Disclosure and remuneration report in the Director's Report.

Other transactions with KMP and their entities are shown below.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

(i) Sale of goods and services:

	2021 $	2020 $
Key management personnel:		
Lev Mizikovsky		
Expenditure on-charged at cost to entities associated with Lev Mizikovsky	**13,250**	-
Related parties:		
AstiVita Limited		
Administration, accounting services and sale of goods at cost & installation of PPE	**1,080,780**	122,689
Tamawood Group		
- Accounting services at cost	**693**	-
CyberguardAU Pty Ltd		
- Expenditure on-charged at cost	**4,561**	-
SenterpriSys Limited		
- Expenditure on-charged at cost	**3,592**	-

Notes to the Financial Statements
For the Year Ended 30 June 2021

27 Related Parties

(b) Transactions with related parties

(ii) Purchase of goods and services:

	2021 $	2020 $
Key management personnel:		
Lev Mizikovsky		
- Lease of premises & purchase of motor vehicle from an entity associated with Lev Mizikovsky	**452,075**	248,421
Geoff Acton		
- Provision of payroll, advisory and secretarial services by an entity associated with Geoff Acton	**182,700**	103,383
Related parties:		
AstiVita Limited		
- Provision of administration, logistics and accounting services at cost	**65,360**	180,924
Tamawood Group		
- Provision of administration services and construction material at cost and lease premises	**154,203**	132,800
CyberguardAU Pty Ltd.		
- Provision of IT equipment at cost and cyber security services	**32,450**	25,563
SenterpriSys Limited		
- Provision of IT equipment at cost and IT services	**161,144**	114,358
Winothai Pty Ltd		
- Provision of Management services	**11,825**	15,975

(iii) Outstanding balances:

	2021 $	2020 $
Key management personnel:		
Lev Mizikovsky		
- Amounts receivable	**-**	-
- Amounts payable	**73,334**	-
- Loan payable *	**200,000**	-
Geoff Acton		
- Amounts receivable	**-**	-
- Amounts payable	**-**	-

*These borrowings are unsecured and earn interest at 7% if not repaid within 1 year.

Notes to the Financial Statements
For the Year Ended 30 June 2021

27 Related Parties

(b) Transactions with related parties

(iii) Outstanding balances:

	2021 $	2020 $
Related parties:		
AstiVita Limited		
- Amounts receivable	**36,276**	60,513
- Amounts payable	**16,200**	38,737
Tamawood Group		
- Amounts receivable	**8,064**	-
- Amounts payable	**126,477**	70,155
CyberguardAU Pty Ltd		
- Amounts receivable	**10,017**	-
- Amounts payable	**-**	-
SenterpriSys Limited		
- Amounts receivable	**3,951**	-
- Amounts payable	**55,043**	21,814
Winothai Pty Ltd		
- Amounts receivable	**-**	-
- Amounts payable	**523**	798

28 Financial Risk Management

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group is primarily exposed to the following financial risks:

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

Objectives, policies and processes

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

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Notes to the Financial Statements
For the Year Ended 30 June 2021

28 Financial Risk Management

(a) Market risk

(i) Foreign currency risk

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

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

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

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

	2021	2020
Financial assets	**$000's**	**$000's**
Cash deposits in USD	**17**	67
Cash deposits in Euro	**38**	150
Customers denominated in USD	**448**	3,159
Customers denominated in Euro	**406**	553
Financial liabilities		
Trade payables denominated in USD	**(102)**	(1)
Trade payables denominated in Euro	**-**	(1)
Net exposure	**807**	3,927

(ii) Interest rate risk

The Group has no borrowings and has no current exposure to interest rate risk on borrowings.

The Group's minimum exposure to market interest rate relates to its cash investments which are minimal.

The Company adopts a policy of minimising exposure to interest rate risk. A +/-1% change in interest rates would change the net interest expense by +/-$946 per annum (2020: +/-$2,598) on cash held at year end.

(iii) Foreign currency sensitivity analysis

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

28 Financial Risk Management

	2021		2020	
	+5%	**-5%**	**+5%**	**-5%**
USD				
Net results	**(18,110)**	**18,110**	(161,194)	161,194
Equity	**(18,110)**	**18,110**	(161,194)	161,194
Euro				
Net results	**(22,211)**	**22,211**	(35,083)	35,083
Equity	**(22,211)**	**22,211**	(35,083)	35,083

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

(b) Credit risk

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

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group conducts transactions with the following major type of counterparties:

- Receivables counterparties: The majority of sales to the Group customers are made on open terms. As part of managing this risk, new customers can be required to make (part) payment for goods prior to shipping initial orders

To manage credit risk, the Group maintains group wide procedures covering the application for credit approvals, granting and renewal of counterparty limits and regular monitoring of exposure against these limits. The Group monitors its trade receivables balances on an ongoing basis and also maintains a credit insurance policy where appropriate.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(c) Liquidity risk

Liquidity risk arises from the Group’s management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Notes to the Financial Statements

For the Year Ended 30 June 2021

28 Financial Risk Management

(c) Liquidity risk

	2021 $000's	2020 $000's
Current assets	**14,243**	14,749
Current liabilities	**(3,913)**	(1,762)
Working capital	**10,330**	12,987

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

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

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021 $000's	2020 $000's	2021 $000's	2020 $000's	2021 $000's	2020 $000's	2021 $000's	2020 $000's
Financial liabilities due for payment								
Trade and other payables	**786**	1,256	**-**	-	**-**	-	**786**	1,256
Lease liabilities	**552**	545	**1,805**	1,631	**933**	1,333	**3,290**	3,509
Total contractual outflows	**1,338**	1,801	**1,805**	1,631	**933**	1,333	**4,076**	4,765

The timing of expected outflows is not expected to be materially different from contracted cashflows.

29 Events Occurring After the Reporting Date

The Board undertook a rights issue which closed on 28 June 2021. 1,200,338 of shares have been issued on 2 July 2021 raising $4,729,332 and normal trading began on 9 July 2021.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements
For the Year Ended 30 June 2021

30 Company Details

The registered office of the company is:
Advance NanoTek Limited
1821, Ipswich Road
Rocklea, QLD 4106

Manufacturing Facilities
112 Radium Street
Welshpool, WA 6106

Unit 1 81 Shettleston Street
Rocklea, QLD 4106

Mainfreight Contract Warehouse Facilities
501 Gerault Road
Flower Mound
Texas 75028

Brede Steeg 1
s'Heerenberg 7041 GV
Netherlands

Warehouse Facilities
7 Charles Street
Bentley, WA 6102

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William Buck

Advance NanoTek Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Advance NanoTek Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of 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 other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

ACCOUNTANTS & ADVISORS

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Revenue recognition	
Refer also to note 5	**How our audit addressed it**
The group generated $6.523 million of sales revenue in the year ended 30 June 2021. This relates to sale of goods to customers which are recognised in the financial statements when revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the consolidated entity and at the point in time when the customer takes undisputed delivery of the goods. There is a risk of incorrect timing of revenue recognition due to fraud or misstatements. Due to this, we consider revenue recognition to be a key audit matter.	Our audit procedures included: — An analysis of sales transactions to verify the correct treatment in accordance with the AASB 15 revenue recognition criteria; — On a sample basis, comparing sales transactions to delivery documents; — Checking for significant credit notes issued subsequent to year end; — Obtaining confirmations from the group's key customers of accounts receivable balances at 30 June 2021 and reconciling cash payments received subsequent to year end against accounts receivable balances at 30 June 2021; and — Assessing the adequacy of the allowance for expected credit losses. We have also assessed the adequacy of disclosures in the notes to the financial statements.

Inventory valuation and existence	
Refer also to note 12	**How our audit addressed it**
The group held inventory of $12.153 million at 30 June 2021 across multiple locations. Inventory is costed using absorption costs and is carried at the lower of cost and net realisable value. This balance accounts for approximately 40% of the group's assets at 30 June 2021 and misstatements in this balance may have a considerable impact on the group's profit from continuing operations. As a consequence, we consider inventory existence and valuation to be a key audit matter.	Our audit procedures included: — Attending various stock counts during and at year end at locations holding material inventory values ensuring appropriate cut-off of goods in or out of inventory; — Obtaining confirmations from third party's holding stock on behalf of the group at 30 June 2021; — Agreeing on a sample basis the cost components of inventory items to actual prices; — Assessing the reasonableness of costing for WIP and finished goods; and

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	— Assessing whether an appropriate provision has been made for slow moving or obsolete inventory items. We have also assessed the adequacy of disclosures in the notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 13 of the directors' report for the year ended 30 June 2021.

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

Responsibilities

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

William Buck

William Buck (Qld)
ABN 21 559 713 106

J A Latif
Director

Brisbane, 20th August 2021

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Shareholder Information
30 June 2021

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 5 August 2021.

Voting rights

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

Options
No voting rights.

Distribution of equity security holders

	Ordinary shares	
Holding	**No. of shares**	**No. of holders**
1 - 1,000	428,065	956
1,001 - 5,000	1,270,295	525
5,001 - 10,000	933,133	124
10,001 - 100,000	4,989,977	166
100,001 and over	53,566,886	62
	61,188,356	1,833

There were 211 holders of less than a marketable parcel of ordinary shares.

Shareholder Information
30 June 2021

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

Twenty largest shareholders

	Ordinary shares	
Holding	**No. of shares**	**% of shares**
POLTICK PTY LTD	25,031,968	40.91
KEARNEY ETHICAL INVESTMENTS PTY LTD	4,850,066	7.93
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,272,371	3.71
MR BRIAN MAURICE KEARNEY + MRS MIRELLA UGHETTA DORICA KEARNEY <KEARNEY ETHICAL INV S/F A/C>	1,922,794	3.14
ANKLA PTY LTD	1,682,842	2.75
RAINROSE PTY LTD	1,374,796	2.25
ACROPOLIS PTY LTD <ACROPOLIS SUPER FUND A/C>	1,350,000	2.21
SKYLEVI PTY LTD <SUPERFUN SUPER FUND A/C>	1,257,397	2.05
CITICORP NOMINEES PTY LTD	628,870	1.03
MR CHRISTOPHER SILVESTRO	575,000	0.94
MR ALAN GRAHAM ROCHFORD <ALAN G ROCHFORD SUPER A/C>	561,292	0.92
BRADSHAW PTY LTD <THE GARLICK FAMILY A/C>	546,532	0.89
MR EDWIN GIOVANNI DIAZ	532,044	0.87
MR BRUCE JOHN CAMERON	505,500	0.83
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	504,059	0.82
MR KEITH WILLIAM KERRIDGE <AUSTRALASIAN ASSET MGMT A/C>	500,000	0.82
MELBOURNE CORPORATION OF AUSTRALIA PTY LTD	400,000	0.65
ROLLEE PTY LTD	380,081	0.62
MR GEOFFREY BROCKWELL ACTON	375,529	0.61
MRS NICOLE LOUISE BOWERS	370,444	0.61
	45,621,585	74.56