

**Tomizone
Limited**

tomizone®

Annual Report 2021

ABN 99 000 094 995

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Chairman's Report

In October 2021 a major milestone was achieved with regard to the financial restructure through the agreement with the receivers of FE Investments Limited that will result (subject to the other elements of the Tomizone Group's financial restructure being achieved) in total outstanding debt of approximately \$8.2m being converted into ordinary shares in Tomizone. With this agreement formally agreed Tomizone is undertaking the other elements of the financial restructure that will include conversion of other material liabilities in the Group and a capital raising to meet ASX requirements and provide the Group with the working capital required to allow Tomizone to achieve its growth objectives. A shareholders meeting will be shortly convened to approve the equity related components of the financial restructure.

The table below summarises the financial performance of Tomizone over the past three years.

Comparison	2019	2020	2021
Revenues	5,618,917	4,037,348	3,099,185
Direct Costs	(2,824,249)	(2,077,408)	(1,384,658)
Gross Margin	2,794,668	1,959,940	1,714,527
Margin	50%	49%	55%
Other operating income (expense)	(7,222)	114,958	53,548
Employee benefits expense	(2,229,411)	(1,630,648)	(1,548,103)
Other expenses	(3,117,954)	(1,314,028)	(1,067,236)
Share Based Payment	(70,282)	(46,673)	(11,638)
EBITDA	(2,630,201)	(916,451)	(858,902)
One off restructuring costs	1,020,280	-	-
EBITDA adjusted	(1,609,921)	(916,451)	(858,902)

Directors Report

Your Directors submit their report for the year ended 30 June 2021 for Tomizone Limited (the Company).

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

John Seton, Independent Chairman

Ian Bailey, Non Executive Director

Maxim Carling, Independent Non Executive Director (resigned 21 July 2021)

Wayne Johnson, Independent Non Executive Director (appointed 21 July 2021)

Matt Adams, Managing Director

John Seton

(Independent Chairman)

Mr Seton is an experienced public company Chairman, director and operational CEO and is a Chartered Fellow of the New Zealand Institute of Directors. John is a commercial lawyer who has practised in corporate and commercial law both in New Zealand and internationally and has extensive experience owning, managing and sitting on the boards of significant public and private business operations in a variety of industries.

John brings a skill set covering corporate and project fundraising (both debt and equity, including a number of public company IPOs), transaction negotiation and management, mergers and acquisitions and steering businesses through periods of significant change.

John has extensive hands-on experience across several industries, including an understanding of corporate governance, the opportunities and pitfalls of markets undergoing change and the value (and limitations) of technology.

Ian Bailey

(Non-Executive Director)

Mr Bailey has a wealth of experience developing small companies into much larger companies that create positive returns for shareholders.

Ian has had extensive experience in both the NZ and Australian markets, particularly in payments (EFTPOS), merchant Point of Sale (POS) technology, both hardware and software, and telecommunications sectors. In addition, Ian has been involved in the listing and management of two companies listed on the New Zealand Securities Exchange.

Ian has a solid background in technology, management, sales and marketing. He holds qualifications which include Diploma in Electronic Computer Servicing, Electronics certificate from Auckland Technical Institute, certificate in Business Management from the Australian Institute of Management and has completed units in Marketing from the University of Auckland. In addition, Ian has completed a wide range of courses from the New Zealand Institute of Directors, including a Certificate in Company Direction, Chairing the Board, Finance Essentials and Governance Essentials

Ian is also a Chartered member of the New Zealand Institute of Directors and an Affiliate of the Australian Institute of Directors. He has held directorships in private and public companies in New Zealand and Australia.

Mr Bailey does not hold any other ASX listed directorships.

Maxim Carling

(Independent Non-Executive Director)

Mr Carling is a principal of Carling Capital Partners (CCP) and has significant experience in merchant banking and financial advisory services including capital and debt raising for ASX listed entities, as well as extensive experience around mergers and acquisitions. Mr Carling's corporate career includes being a Director/Senior Partner in Standard Chartered Bank, Ramsay Health Care and Prime Media, whilst serving as Financial Director of Paul Ramsay Group, Deloitte Touché Tohmatsu, Asian Capital Partners Australia, ANZ Investment Bank and Terrain Capital.

More recently Mr Carling founded CCP in 2003, which has acted as a principal and advisor to many junior ASX-listed companies and private companies. Mr Carling also served on the Boards of two ASX-listed companies and assisted in their capital raisings.

His qualifications include a Bachelor of Commerce from UNSW, Bachelor of Arts from University of Wollongong and a past associate of the Australian Society of Certified Practising accountants (CPA).

Mr Carling does not hold any other ASX listed directorships.

Wayne Johnson

(Independent Non-Executive Director)

Mr Johnson is Chairman and CEO of Noblemen Ventures, a corporate and advisory business based in Sydney, which he founded in 2008. Mr Johnson is a seasoned private and public company director and career entrepreneur. Capitalising on his substantial commercial experience gained from over 30 years of building and investing in businesses in Australia, New Zealand, Asia and North America, Mr Johnson provides corporate advisory and business investment services to select investors and midmarket public and private entities.

Matt Adams

(Managing Director)

Mr Adams is an experienced finance professional with over 20 years' experience in executive management positions. Mr Adams was a partner in the mid-sized chartered accounting firm Taylor Woodings for over 10 years until its acquisition by FTI Consulting (a NYSE listed consulting firm) upon which Mr Adams was appointed Senior Managing Director of FTI Consulting. In 2014 Mr Adams left FTI Consulting and founded the boutique corporate advisory firm Dynamic Corporate Investments of which he is Managing Director.

Mr Adams brings extensive experience in growth strategies, operational efficiency consulting, corporate governance and capital structuring. Mr Adams is qualified as a Chartered Accountant and has worked in executive roles in a number of public and private companies. Mr Adams has overseen the restructuring and recapitalization of several listed companies including asset sale and business carve outs, capital

and debt re-organisation and operational optimisation. In addition, Mr Adams has strong networks within the private equity, hedge fund and banking sectors.

Mr Adams was appointed Company Secretary on 21 July 2021.

Director interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and options of Tomizone Limited were:

	Number of ordinary shares	Number of performance shares	Number of options over ordinary shares
Ian Bailey	47,323,015	-	5,000,000
Matt Adams	15,333,333	-	5,000,000
Maxim Carling	1,866,667	-	-
	64,523,015	-	10,000,000

Company Secretary

Mark Ohlsson

Mr Ohlsson was appointed as Company Secretary on 13 February 2018. He has been involved in Venture Capital for over 35 years. His particular expertise is in assessing venture capital and business proposals, all aspects of contractual negotiations and Board consultation.

He has been Company Secretary and or Director of a number of ASX listed companies. Mr Ohlsson resigned as Company Secretary on 21 July 2021.

Principal activities

Tomizone offers an extensive suite of managed services, encompassing WIFI & Analytics, Business Cloud Applications, VoIP, Data Redundancy, Business Security and Point of Sale. A monthly subscription model for all services gives SME through to multi-site enterprise clients a predictable, consolidated fee for all hardware, software, email, back-up, telephony and security requirements, along with best-in-class priority support. As a managed service provider, the Company's strategy is simple: Increase a client's bottom line, reduce their ICT burden and harness their competitive edge by facilitating a stronger connection with their customers.

Review of Operations

Revenue from operations for the year ending 30 June 2021 was \$3,099,185 (2020: \$4,037,348), an decrease of 23% from the previous year.

The consolidated entity's comprehensive loss attributable to the equity holders of the Company, after providing for income tax, amounted to \$2,924,182 (2020 loss: \$2,517,197).

The earnings before interest expense, income tax, depreciation, amortisation and impairment (EBITDAI) amounted to a loss of \$858,902 (2020 loss: \$916,451)

Total Assets are \$863,927 (2020: \$1,639,169) and Net Liabilities are \$15,900,919 (2020: \$12,988,373).

Significant changes in the state of affairs

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

Issue of Share Capital

No shares were issued during the year ended 30 June 2021.

Customer Focus

Tomizone has enhanced its product offering, from providing solely WiFi and Analytics to delivering an extensive suite of ICT managed services, including ICT services, POS systems, payments terminals, CCTV, Security systems and VOIP, to meet its customers' needs as well as generating sustainable positive returns to its shareholders.

Significant events after the balance date

COVID-19

Like many businesses Tomizone has been impacted by the COVID-19 pandemic. In order to address the challenges this pandemic has brought on, Tomizone:

- carried out a full review of all operational costs and reduced these where possible;
- managed the remote working environment in New Zealand's two lockdown periods;
- adapted where necessary to address our customers ongoing security and ICT needs with a focus on Tomizone's customer's essential services sectors

Receivership of FE

In October 2021 a major milestone was achieved with regard to the financial restructure through the agreement with the receivers of FE Investments Limited that will result (subject to the other elements of the Tomizone Group's financial restructure being achieved) in total outstanding debt of approximately \$8.2m being converted into ordinary shares in Tomizone.

There have been no other significant events since the end of the financial year.

Dividends

No dividends have been paid or declared since the start of the financial year by the Company.

The Directors have recommended that no dividend be paid by the Company in respect of the year ended 30 June 2021.

Environmental regulation and performance

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth of Australia or of a State or Territory.

Indemnification of directors and officers

To the extent permitted by law, the Company has agreed to indemnify its Directors against claims by third parties from liabilities or actions arising as a Director of the Group (for an unspecified amount) unless that claim or proceeding arises out of misconduct involving a lack of good faith.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditor, R.L. Rodgers & Associates, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify R L Rogers during or since the financial year.

Directors' meetings

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

	Directors Meetings	Directors meeting held while a Director
Number of meetings attended:		
Ian Bailey	9	9
Matt Adams	9	9
Maxim Carling	9	9
John Seton	9	9

Committee membership

Due to the Company's size, the Board considered that it is not appropriate to have separate committees.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

Rounding

The amounts contained in the financial report have been rounded to the nearest \$1 (where rounding is applicable) where noted (\$) under the option available to the Company under ASIC CO 98/0100. The Company is an entity to which the class order applies.

Auditor independence and non-audit services

The Directors have received a declaration from the auditor of Tomizone Limited. This has been included on page 49. During the year the Company's auditor performed no other services in addition to their audit responsibilities.

Remuneration report (audited)

The Directors of the Group present the Remuneration Report for the year ended 30 June 2021 for Non-Executive Directors, Executive Directors and other Key Management Personnel, collectively referred to as “KMP”. This remuneration report outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001, as amended (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

Key Management Personnel

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

The table below outlines the KMP of the Group during the financial year ended 30 June 2021. Unless otherwise indicated, the individuals were KMP for the entire financial year.

For the purposes of this report, the term “KMP” includes all currently serving Non Executive and Executive Directors and Senior Executives of the Group.

Independent and Non-Executive Directors

Name	Date of appointment to Tomizone Limited
Maxim Carling	Independent Non Executive Director - appointed 1 September 2017, resigned 21 July 2021
John Seton	Independent Chairman - appointed 17 December 2018
Ian Bailey	Non Executive Director - appointed 17 December 2018
Wayne Johnson	Independent Non Executive Director - appointed 21 July 2021

Executive Directors

Name	Date of appointment to Tomizone Limited
Matt Adams	Executive Director - appointed 3 July 2017

Remuneration governance, policy and principles

The principles of the Group’s executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent in the interests of delivering value to shareholders.

Executive director and other key management personnel remuneration policy

Tomizone has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board as a whole is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- short term incentives, being employee share awards and bonuses.

There were no short term incentives issued during the year.

The Board assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

Executive and Executive Director remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits, as well as employer contributions to superannuation funds).

Matt Adams operates via his private company Dynamic Corporate Investments Pty Limited. His remuneration is a total package of \$300,000.

The agreement contains a termination clause whereby 6 months' notice must be given.

Non-Executive Director remuneration

Fees and payments to Non-Executive Directors reflect the demands and risks which are made of the Directors in fulfilling their responsibilities. Non-Executive Directors fees are reviewed annually by the Board. The constitution of the Company provides that the Non-Executive Directors of the Company are entitled to such remuneration, as determined by the Board, which must not exceed in aggregate the maximum amount determined by the Company in a general meeting.

The most recent determination of total maximum aggregate Non-Executive Director remuneration was at a general meeting held on 28 April 2015 where the shareholders approved a maximum aggregate remuneration of \$750,000.

KMP remuneration outcomes for 2021 (including link to performance)

Executive remuneration for the years ended 30 June 2020 and 30 June 2021

Name	Year	Short - term benefits				Post Employment		Other long- term benefits		Share-based payments		Total	Performance related	
		Directors fees	Salary & fees	Cash bonus	Non monetary benefits	Super-annuation	Retirement benefits	Cash incentives	Long service leave	Share options	Shares			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non- Executive Independent Director														
John Seton*	2021	90,000	-	-	-	-	-	-	-	-	-	90,000	-	0%
	2020	90,000	-	-	-	-	-	-	-	-	-	90,000	-	0%
Maxim Carling	2021	60,000	-	-	-	-	-	-	-	-	-	60,000	-	0%
	2020	60,000	-	-	-	-	-	-	-	-	-	60,000	-	0%
Non- Executive Directors														
Ian Bailey	2021	60,000	-	-	-	-	-	-	-	5,834	-	65,834	-	0%
	2020	60,000	-	-	-	-	-	-	-	11,150	-	71,150	-	0%
Total 2021		210,000	-	-	-	-	-	-	-	5,834	-	215,834	-	0%
Total 2020		210,000	-	-	-	-	-	-	-	11,150	-	221,150	-	0%

Name	Year	Short - term benefits				Post Employment		Other long- term benefits		Share-based payments		Total	Performance related	
		Directors fees	Salary & fees	Cash bonus	Non monetary benefits	Super-annuation	Retirement benefits	Cash incentives	Long service leave	Share options	Shares			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Executive Directors														
Matt Adams	2021	-	300,000	-	-	-	-	-	-	5,834	-	305,834	-	0%
	2020	-	300,000	-	-	-	-	-	-	11,150	-	311,150	-	0%
Total 2021		-	300,000	-	-	-	-	-	-	5,834	-	305,834	-	-
Total 2020		-	300,000	-	-	-	-	-	-	11,150	-	311,150	-	-

The value of share options granted to key management personnel as part of their remuneration is calculated as at grant date using the Black-Scholes pricing model. The amounts disclosed as part of remuneration for the year have been determined by allocating the grant date value on a straight-line basis over the period from the grant date to vesting date.

Key terms of services agreements

Non Executive Director remuneration arrangements

Determination of fees and maximum aggregate NED fee pool

The Shareholders approved a maximum Director fee pool being no more than \$750,000 on April 2015. The Board has therefore approved NED fees of up to \$60,000 per annum and Chairman Fees of up to \$90,000 per annum in the year to 30 June 2021.

Importantly, the Directors have not, as at the end of the Financial year, taken payment for outstanding fees and have accrued these. The fees reflect the higher risk and significant work needed by the Company to recover value for the shareholders.

Additional disclosures relating to option and share awards

Options awarded, exercised and lapsed during the year.

There following share options lapsed during the year ended 30 June 2021:

Grant date	Expiry Date	Exercise Price \$	Number under option
19/10/2017	19/12/2020	0.1000	28,000,000

There were no share options granted or exercised during the year.

Share options do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met, until their expiry date.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

Shareholdings of KMP

Details of ordinary shares in the Company held directly, indirectly or beneficially, by key management personnel (KMP), including their related parties, is as follows:

	Balance 1 July 2020	Received as part of remuneration	Purchase of shares	Balance on resignation	Sale of shares	Balance 30 June 2021
Non- Executive Directors						
Ian Bailey	47,323,015	-	-	-	-	47,323,015
Executive Directors						
Matt Adams	15,333,333	-	-	-	-	15,333,333
Total	62,656,348	-	-	-	-	62,656,348

Non-use of remuneration consultants

The Group has not engaged consultants to provide recommendations on setting the remuneration for executives.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry Date	Exercise Price \$	Number under option
19/10/2018	20/06/2022	0.0350	10,000,000

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.

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.

This concludes the remuneration report, which has been audited.

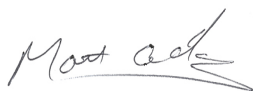
Signed in accordance with a resolution of the Directors.



John Seton

Independent Chairman

29 October 2021



Matt Adams

Managing Director

Financial Statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue		3,099,185	4,037,348
Direct Costs		(1,384,658)	(2,077,408)
Gross Profit		1,714,527	1,959,940
Other operating income (expense)	6.1	53,548	114,958
Employee benefits expense		(1,548,103)	(1,630,648)
Other expenses		(1,067,236)	(1,314,028)
Depreciation and amortisation expense		(220,240)	(258,555)
Impairment		(502,823)	(173,007)
Share Based Payment		(11,638)	(46,673)
Loss before income tax and finance costs		(1,581,965)	(1,348,013)
Finance costs	6.3	(1,557,473)	(1,375,053)
Finance income		159	231
Loss before tax from operations		(3,139,279)	(2,722,835)
Income tax benefit	7	176,246	66,268
Loss for the year from continuing operations		(2,963,033)	(2,656,567)
LOSS FOR THE YEAR		(2,963,033)	(2,656,567)
Other comprehensive income			
Exchange differences on translation of foreign operations		38,851	139,370
Income tax effect		-	-
Other comprehensive income(loss) for the year, net of tax		38,851	139,370
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(2,924,182)	(2,517,197)

Attributable to:

Equity holders of the Parent	(2,924,182)	(2,517,197)
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Earnings per share

Basic, profit for the year attributable to ordinary equity holders of the Parent	8	(\$0.0061)	(\$0.0059)
Diluted, profit for the year attributable to ordinary equity holders of the Parent	8	(\$0.0057)	(\$0.0055)

The above 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

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and short-term deposits	9	82,817	229,338
Trade and other receivables	10	479,203	492,887
Inventories	11	22,341	25,730
Current tax receivables		1,949	1,942
Total Current assets		586,310	749,897
Non-current assets			
Intangible assets	12	3,124	624,043
Property, plant and equipment	13	216,725	217,218
Other receivables		9,312	9,352
Deferred tax assets	7	48,456	38,659
Total Non-current assets		277,617	889,272
TOTAL ASSETS		863,927	1,639,169
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	14	7,471,897	5,059,497
Interest-bearing loans and borrowings	15	7,300,656	7,048,587
Deferred revenue	16	46,867	51,628
Employee benefit liabilities	17	123,707	191,522
Current tax liabilities		5,565	-
Total Current liabilities		14,948,692	12,351,234
Non-current liabilities			
Interest-bearing loans and borrowings	15	1,816,154	2,103,854
Deferred tax liabilities	7	-	172,454
Total Non-current liabilities		1,816,154	2,276,308
TOTAL LIABILITIES		16,764,846	14,627,542
NET ASSETS		(15,900,919)	(12,988,373)
Equity			
Contributed equity	19	24,885,935	24,885,935
Other capital reserves	20	1,230,140	1,218,502
Accumulated losses		(41,534,646)	(38,571,611)
Foreign currency translation reserve	20	(482,348)	(521,199)
TOTAL EQUITY		(15,900,919)	(12,988,373)
TOTAL EQUITY AND LIABILITIES		863,927	1,639,169

The above 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

Attributable to the equity holders of the parent					
	Contributed equity (Note 18)	Other capital reserves (Note 19)	Retained earnings	Foreign currency translation reserve	Total Equity
Note	\$	\$	\$	\$	\$
As at 1 July 2020	24,885,935	1,218,502	(38,571,611)	(521,199)	(12,988,373)
Loss for the period	-	-	(2,963,033)	-	(2,963,033)
Other comprehensive income	-	-	(2)	38,851	38,849
Total comprehensive income	-	-	(2,963,035)	38,851	(2,924,184)
Share-based payments	18	11,638	-	-	11,638
At 30 June 2021	24,885,935	1,230,140	(41,534,646)	(482,348)	(15,900,919)

For the year ended 30 June 2020

Attributable to the equity holders of the parent					
	Contributed equity (Note 18)	Other capital reserves (Note 19)	Retained earnings	Foreign currency translation reserve	Total Equity
Note	\$	\$	\$	\$	\$
As at 1 July 2019	24,885,935	1,171,828	(35,915,046)	(660,569)	(10,517,852)
Loss for the period	-	-	(2,656,567)	-	(2,656,567)
Other comprehensive income	-	-	2	139,370	139,372
Total comprehensive income	-	-	(2,656,565)	139,370	(2,517,195)
Share-based payments	18	46,674	-	-	46,674
At 30 June 2020	24,885,935	1,218,502	(38,571,611)	(521,199)	(12,988,373)

The above 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

		2021	2020
	Notes	\$	\$
Operating activities			
Receipts from customers		3,603,636	4,862,416
Payments to suppliers and employees		(3,513,154)	(4,970,357)
Interest received		-	165
Interest paid		(38,711)	(71,023)
Net cash flows used in operating activities	9	51,771	(178,799)
Investing activities			
Receipts from sale of property, plant and equipment		-	(972)
Purchase of property, plant and equipment		(26,958)	(35,624)
Net cash flows used in investing activities		(26,958)	(36,596)
Financing activities			
Proceeds from borrowings		-	609,465
Repayment of borrowings		(108,619)	(208,070)
Repayment of lease liabilities		(85,971)	-
Net cash flows from financing activities		(194,590)	401,394
Net increase/(decrease) in cash and cash equivalents		(169,778)	186,000
Net foreign exchange difference		(1,383)	(5,570)
Cash and cash equivalents at 1 July		193,154	12,724
CASH AND CASH EQUIVALENTS AT 30 JUNE	9	21,993	193,154

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2021

1. Corporate information

The consolidated financial statements of Tomizone Limited (Tomizone) and its subsidiaries (collectively, the Group) for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors on 29 October 2021.

Tomizone Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX: TOM). The company has been suspended on the ASX from 1 October 2019.

The separate financial statements of the parent entity, Tomizone Limited, have not been presented within this report as permitted by the Corporations Act 2001.

2. Summary of significant accounting policies

2.1. Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments, which have been measured at fair value.

The financial report is presented in Australian dollars.

Going Concern

The Financial Statements of the group have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisations of assets and settlement of liabilities in the ordinary course of business. The Group incurred a net loss for the twelve months ending 30 June 2021 of \$3.1m before tax. Continuation of these losses will be unable to be funded from the current cash position of the Group. However, it is noted the following relevant matters:

- Of the total loss \$510,000 is in regard to fees owing to directors, who have agreed to participate in the financial restructure and receive equity in regard some of the outstanding amounts
- Of the total loss \$503k relates to the write down of the Ironman Group customer contracts
- The year ended 30 June 2021 included several COVID-19 related lockdowns in Australia and New Zealand which had a significant impact on the groups revenues
- Included in the total loss is approximately \$1.6m in interest payable in regard to financial liabilities which are anticipated to convert to ordinary shares in Tomizone as part of the overall financial restructure
- During the year the Group has continued to streamline its costs and develop its platform for growth
- The Group is pursuing a financial restructure that will eliminate materially all of the Group's debt and provide it with sufficient working capital
- The directors of the group consider the cashflow projections and assumptions will be achieved and, together with the financial restructure will be able to continue as a going concern. In the event the Group cannot continue as a going concern it may not be able to realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements.

2.2. Compliance with International Financial Reporting Standards (IFRS)

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. Material

accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

2.3. Changes in accounting policies, disclosures, standards and interpretations

Accounting Standards and Interpretations issued but not yet effective

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, have been assessed for any potential impact of such pronouncements on the Group when adopted in future periods.

New and amended Accounting Standards adopted by the Group

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

The following accounting standards and interpretations are most relevant to the Group:

AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019)

The Group has adopted AASB16 from 1 January 2019, the standard first impacted the financial statements in the year ended 30 June 2021.

The Standard has resulted in all leases being recognised on the balance sheet, except for short-term leases and leases of low value assets. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The main impact on the Group is recognising a “right to use” asset for operating leases, with a liability recognised for future payments of operating leases.

AASB 2018-7: Amendments to Australian Accounting Standards (Definition of Material) (applicable to annual reporting periods commencing on or after 1 January 2020)

The Directors anticipate that the adoption of AASB 2018-7 does not have a significant impact on the Group's financial statements.

AASB 2019-1: Amendments to Australian Accounting Standards (Conceptual Framework for Financial Reporting) (applicable to annual reporting periods commencing on or after 1 January 2020)

The Directors anticipate that the adoption of AASB 2019-1 does not have a significant impact on the Group's financial statements

2.4. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

(c) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; and
- Held primarily for the purpose of trading; and
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the Group's normal operating cycle; and
- It is held primarily for the purpose of trading; and
- It is due to be settled within twelve months after the reporting period

Or

– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

(d) Foreign currency translation

The Group's consolidated financial statements are presented in Australian dollars (\$), which is also the parent's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation purpose are recognised in other comprehensive income and reflected in the foreign currency translation reserve in the statement of financial position. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group does not provide any extended warranties or maintenance contracts to its customers.

Sale of services

Revenue from the sale of services is recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be provided. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Sale of subscriptions

Revenue is generated from subscription sales and once the customer has taken undisputed delivery of the services. The revenue from the subscription agreement is recognised on a monthly basis at equal amounts for each month of the subscription agreement. In recognising subscription sales revenues, the Group considers the nature of the tenure of the agreement and the useful life of the services being provided under the subscription agreement.

Interest income

Interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit or loss.

(f) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that

taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Goods and services tax (GST)

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

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

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

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

(g) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment transferred from customers is initially measured at the fair value at the date on which control is obtained.

Depreciation is calculated over the estimated useful lives of the assets as follows:

Plant and equipment	50% (straight-line), 8% - 50% (diminishing value)
Furniture, fittings and equipment	12% - 50% (diminishing value)
Motor vehicles	20%-30% (diminishing value)
Leasehold improvements	20% - 40% (diminishing value)
Leased plant and equipment	20% - 40% (straight line), 20% - 50% (diminishing value)
Right of Use assets	20% -30% (straight line)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

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

(h) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development; and
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a systematic basis based on the future economic benefits over the useful life of the project. During the period of development, the asset is tested for impairment at a minimum annually, and as indicators arise.

A summary of the policies applied to the Group's intangible assets is as follows:

	Software	Customer Contracts	Development Costs
Useful lives	Finite (5 years)	Finite (10 years)	Finite (7 years)
Amortisation method used	Amortised on a straight-line basis over the period of expected future	Amortised on a straight-line basis over the period of the expected future value of customers	Amortised on a straight line basis over the period of expected future sales from the related project
Internally generated or acquired	Acquired	Acquired	Internally generated
Remaining estimated life	2 years	7 years	0 years

(j) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial assets are recognised initially at fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at fair value through profit or loss
- Loans and receivables

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by AASB 139.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include

indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter insolvency or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss as finance costs or finance income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 139 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information refer to Note 15.1.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sales.

Work in progress is recognised as the cost incurred in the construction of assets not yet completed.

(l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five to ten years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the last forecast year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGUs recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 30 June and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in the statement of profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 June at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(m) Provisions

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave which are expected to be settled within 12 months of the reporting date are recognised as current liabilities in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Restructuring

Liabilities for restructuring are recognised only if a plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it.

(n) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 8).

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 18. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense.

(o) Fair value measurement

The Group measures financial instruments such as derivatives and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(p) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest methods, less provision for impairment. This provision includes amounts that are not considered to be recoverable from debtors and amounts that are expected to be credited to debtors. Trade receivables are generally due for settlement no more than 30 days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. A provision for impairment of trade receivables is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, the trade receivables balances are considered for credit notes that are expected to be raised against individual and collective balances.

(q) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial risk management objectives and policies — Note 15.2
- Capital management — Note 15.3

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

The cash flows are derived from the budget for the next year and do not include restructuring activities or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangible assets with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount are based on cashflow projections derived from financial budgets approved by Management.

Share-based payments

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also

requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Management has assessed at this stage not to recognise a deferred tax asset for tax losses on the basis a tax profit has yet to be generated.

4. Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Country of incorporation	% Equity interest	
		2021	2020
Tomizone New Zealand Limited	New Zealand	100.0	100.0
Tomizone Australia Pty Limited	Australia	100.0	100.0
Jimojo Pty Limited	Australia	100.0	100.0
Tomizone Inc	USA	100.0	100.0
Tomizone India Pvt Limited	India	100.0	100.0
Tomizone International Limited	New Zealand	100.0	100.0
Tomizone Licensing Limited	New Zealand	100.0	100.0
Tomizone Consulting Beijing Company Limited	China	100.0	100.0
Tomizone Holdings Limited	New Zealand	100.0	100.0
Ironman Group Limited	New Zealand	100.0	100.0

*Tomizone India Pvt Limited has been discontinued in May 2019

5. Segment information

Tomizone's operating segment has been determined based on internal management reporting structure and the nature of the product provided by Tomizone. It reflects the business level at which financial information is provided to management for decision making regarding resource allocation and performance assessment. On this basis it is concluded that Tomizone is reviewed for management purpose as a single operating segment.

The Group operates in one industry, being the provision of ICT managed service, and other technology related management services, and is based primarily in Australia and New Zealand. The Group has identified its operating segment based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

6. Other income/expenses

6.1. Other operating income/(loss)

	2021	2020
	\$	\$
Net gain/(loss) on disposal of property, plant and equipment	(56,666)	(37,484)
Foreign exchange gains/(loss) - (net)	(2,727)	(22,845)
Wage Subsidies and cashflow boosts	112,941	175,287
	53,548	114,958

6.2. Operating lease expenses

	2021	2020
	\$	\$
Operating lease expenses	18,974	128,420
	18,974	128,420

6.3. Finance costs

	2021	2020
	\$	\$
Interest on debt and borrowings	(1,557,473)	(1,375,053)
Total interest expense	(1,557,473)	(1,375,053)
Net gain/loss on financial instruments at fair value through profit or loss	-	-
Total finance costs	(1,557,473)	(1,375,053)

7. Income tax

The major components of income tax expense for the years ended 30 June 2021 and 2020 are:

Consolidated statement of profit or loss

	2021	2020
	\$	\$
Prior year adjustments	-	-
Deferred tax / (benefit)	(176,246)	(66,268)
Income tax expense / (benefit) reported in the consolidated statement of profit or loss	(176,246)	(66,268)

Reconciliation between tax expense and the accounting profit multiplied by Australia's domestic tax rate for 2021 and 2020:

	2021 \$	2020 \$
Accounting loss before income tax	(3,139,279)	(2,722,835)
At Australia's statutory income tax rate of 30% (2020: 30%)	(941,784)	(816,851)
Non-deductible expenses for tax purposes		
Impairment of intangible asset	140,790	48,442
Other non-deductible expenses	(129,324)	12,138
Deferred tax assets not recognised	708,893	652,148
Effect of lower tax rate in NZ of 28% (2020: 28%)	45,178	37,855
Income tax expense / (benefit) reported in the statement of profit or loss	(176,246)	(66,268)

Deferred tax / (benefit)

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2021 \$	2020 \$	2021 \$	2020 \$
Intangibles in Ironman Group acquisition	-	(172,820)	-	-
Bad debts	4,468	7,255	2,450	(2,603)
Employee liabilities	29,480	25,954	(3,937)	(7,625)
Other	14,508	5,816	(1,977)	2,372
Deferred tax expense/(income)	-	-	(3,464)	(7,856)
Net deferred tax (liabilities)/assets	48,456	(133,795)		

Reflected in the statement of financial position as follows:

Deferred tax assets	48,456	38,659
Deferred tax liabilities	-	(172,454)
Deferred tax liabilities, net	48,456	(133,795)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has recognised no deferred tax assets for temporary differences or unused tax losses. The benefits of the temporary differences and unused tax losses will only be realized if the conditions for deductibility set out in Note 2.4 (f) occur.

8. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary

shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	2021	2020
	\$	\$
(Loss) attributable to ordinary equity holders of the parent		
(Loss) attributable to ordinary equity holders of the Parent for basic earnings & dilution	(2,924,182)	(2,517,197)
(Loss) attributable to ordinary equity holders of the Parent adjusted for the effect of dilution	(2,924,182)	(2,517,197)
	'000	'000
Weighted average number of ordinary shares for basic EPS	425,201	425,201
Effect of dilution:		
Performance shares & options	31,352	31,352
Weighted average number of ordinary shares adjusted for the effect of dilution	456,553	456,553

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

9. Cash and short-term deposits

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 30 June 2021:

	2021	2020
	\$	\$
Cash at banks and on hand	82,817	229,338
Bank overdrafts and credit cards	(60,824)	(36,184)
Cash and cash equivalents	21,993	193,154

Cash at banks earns interest at floating rates based on daily bank deposit rates. The Group has pledged a part of its short-term deposits to fulfil collateral requirements. Refer to Note 15.1 for details of bank overdrafts.

9.1. Reconciliation of cash flows from operating activities

	2021	2020
	\$	\$
Reconciliation of net profit / (loss) after tax to net cash flows from operations:		
Loss after tax from continuing operations	(2,963,033)	(2,656,567)
Adjustments to reconcile profit / (loss) after tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	104,972	138,266
Amortisation and impairment of intangible assets	618,091	293,676
Share based payment expense	11,638	46,674
Gain / (Loss) on disposal of property, plant and equipment	56,666	37,484
Deferred tax movements	(176,246)	(66,268)
Amortised Loan Fees	4,445	34,217
Working capital adjustments		
(Increase)/ decrease in trade and other receivables and prepayments	(13,684)	(202,762)
(Decrease)/ increase in trade and other payables	2,405,533	2,112,748
Decrease/ (increase) in inventories	3,389	83,733
Net cash flows used in operating activities	51,771	(178,799)

10. Trade and other receivables

	2021	2020
	\$	\$
Current trade and other receivables		
Trade receivables	268,244	335,661
Other receivables	176,015	130,155
Prepayments	34,944	27,071
Total trade & other receivables	479,203	492,887

Trade receivables are non-interest bearing and are generally on terms of 30 days. As at 30 June, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	< 30 days	30- 60 days	61- 90 days	> 90 days
	\$	\$	\$	\$		\$
2021	268,244	221,489	22,680	3,431	1,992	18,651
2020	335,661	255,353	31,572	27,017	21,219	498

Non-current other receivables represent an unsecured loan to a third party with an interest rate of 15% and a repayment date of 22 December 2021.

11. Inventory

At 30 June, the Group held inventory balances as follows:

	2021 \$	2020 \$
Work in progress (at cost)	13,636	16,654
Other inventories	8,705	9,076
Total trade & other receivables	22,341	25,730

12. Intangible assets

	Development costs \$	Software \$	Customer contracts \$	Goodwill \$	Total \$
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Cost

At 30 June 2019	4,634,100	1,048,321	1,360,027	4,123,285	11,165,733
Additions	-	-	-	-	-
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	-	(105,566)	-	-	(105,566)
At 30 June 2020	4,634,100	942,755	1,360,027	4,123,285	11,060,167
Additions	-	-	-	-	-
Acquisitions	-	-	-	-	-
Disposals	-	(4,453)	-	-	(4,453)
Exchange differences	-	(19,832)	-	-	(19,832)
At 30 June 2021	4,634,100	918,470	1,360,027	4,123,285	11,035,882

Amortisation and impairment

At 30 June 2019	4,634,100	1,029,336	436,927	4,123,284	10,223,647
Amortisation	-	7,073	113,596	-	120,669
Acquisition	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	173,007	-	173,007
Exchange differences	-	(100,480)	19,280	-	(81,200)
At 30 June 2020	4,634,100	935,929	742,810	4,123,284	10,436,124
Amortisation	-	3,287	111,981	-	115,268
Acquisition	-	-	-	-	-
Disposals	-	(4,059)	-	-	(4,059)
Impairment	-	-	502,823	-	502,823
Exchange differences	-	(19,811)	2,412	-	(17,399)
At 30 June 2021	4,634,100	915,347	1,360,027	4,123,284	11,032,757

Net book value

As 30 June 2020	-	6,826	617,217	-	624,043
As 30 June 2021	-	3,124	0	-	3,124

Goodwill and Customer Contracts

The carrying value of intangible assets, including goodwill and customer contracts is dependent upon the revenue stream generated by the current customer base and the achievement of the value-in-use assessment assumptions.

The Company tests whether goodwill has incurred any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU), including the intangibles, is determined on value-in-use calculations.

The calculation uses cash flow projections based on financial budgets approved by Management.

There was no goodwill recognised in 2021 (2020: \$Nil).

At purchase date, consideration was given to the allocation of goodwill to cash generating units. At the time of purchase the rationale for the acquisitions was to increase the footprint of the Tomizone brand through both increased products and increased customers, create cross-selling opportunities and protect the existing future cash flows of the Tomizone businesses. Based on how management review the business no additional CGU's were identified.

Customer Contracts

The Customer contracts were acquired as part of a business combination. They were recognised at their fair value at the date of acquisition. Since acquisition the customer book has been valued each year based on its estimated future cashflows. As the contracted customer book decreases each year as contracts are paid into, the valuation of the assets has decreased each year (noting new customers/ contracts cannot replace contracts running off).

The total value of future cashflows in respect to the originally acquired contract book is now relatively small and accordingly, a decision has been made to write off the balance of the intangible asset.

We have given consideration to continuing to measure impairment rather than writing the asset off. However, we have elected not to follow this course due to:

- The low value of future profitability in the original customer book
- The receivership and liquidation of FE Investments Limited (a counter party to the original management contract)
- The fact the underlying security division of the Tomizone Group is now non-core to Tomizone's operations

Accordingly there was an impairment charge of \$502,823 in 2021 (2020: \$173,007).

13. Property, plant and equipment

	Plant and equipment \$	Furniture, fittings, and equipment \$	Motor Vehicles \$	Leasehold improvements \$	Right of Use Assets \$	Total \$
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Cost

At 30 June 2019	1,860,154	24,039	121,377	65,822	-	2,071,392
Additions	30,444	2,440	-	-	-	32,883
Disposals	(20,374)	-	(14,404)	-	-	(34,778)
Exchange differences	(35,159)	(538)	(2,716)	(1,473)	-	(39,886)
At 30 June 2020	1,835,065	25,941	104,257	64,349	-	2,029,611
Additions	27,515	2,808	-	-	137,222	167,544
Disposals	(111,803)	(3,897)	(163)	(60,281)	-	(176,143)
Exchange differences	(6,650)	(112)	(449)	(277)	-	(7,488)
At 30 June 2021	1,744,127	24,740	103,645	3,791	137,222	2,013,524

Depreciation

At 30 June 2019	1,654,111	14,137	32,184	26,195	-	1,726,627
Depreciation charged for the year	112,689	1,800	16,235	7,542	-	138,266
Disposals	(5,712)	-	(7,915)	-	-	(13,627)
Exchange differences	(36,324)	(334)	(1,534)	(681)	-	(38,873)
At 30 June 2020	1,724,764	15,604	38,969	33,056	-	1,812,393
Depreciation charged for the year	57,174	2,319	11,350	350	33,779	104,972
Disposals	(78,866)	(3,875)	(114)	(30,884)	-	(113,739)
Exchange differences	(6,305)	(72)	(309)	(141)	-	(6,827)
At 30 June 2021	1,696,767	13,976	49,896	2,381	33,779	1,796,799

Net book value

As 30 June 2020	110,300	10,337	65,288	31,293	-	217,218
As 30 June 2021	47,360	10,764	53,749	1,410	103,443	216,725

14. Trade and other payables

	2021 \$	2020 \$
Trade payables	690,135	610,722
Other payables	121,320	207,706
Accrued expenses	5,721,148	3,603,858
Payroll tax and other statutory liabilities	939,294	637,211
	7,471,897	5,059,497

15. Financial assets and financial liabilities

15.1. Financial liabilities, Interest-bearing loans and borrowings

	Interest Rate	2021	2020
	%	\$	\$
Current interest-bearing loans and borrowings			
Bank overdrafts	18%	30,271	36,184
Credit cards	21%	30,553	15,474
Lease Liability	5%	67,011	-
Loans	11 - 15%	3,812,821	3,636,929
Convertible Notes	12.5%	3,360,000	3,360,000
Total current		7,300,656	7,048,587
Non-current interest-bearing loans and borrowings			
Loans	11 - 15%	1,816,154	2,103,854
Total non-current		1,816,154	2,103,854

Bank overdrafts

The Group operates overdrafts with mainstream commercial banks. The approved limit is NZD \$40,000.

Lease Liability

Lease liabilities are presented in the consolidated statement of financial position within borrowings as follows:

	2021	2020
	\$	\$
Lease liabilities - current	67,011	-
	67,011	-

The Group has a lease for the main office building in Auckland, New Zealand. The lease liability is secured by the related underlying asset.

Future minimum lease payments at 30 June 2021 were as follows:

	1 year or less	1 to 2 years	2 to 3 years	Over 3 years	Total
	\$	\$	\$	\$	\$
Lease payments	68,528	-	-	-	68,528
Finance Charges	(1,517)	-	-	-	(1,517)
Net present values	67,011	-	-	-	67,011

The Group has elected not to recognise a lease liability for short term leases (leases with an expected terms of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expenses as incurred.

Convertible Notes

	2021	2020
	\$	\$
Opening balance	3,360,000	3,360,000
Carrying amount of liability as at 30 June	3,360,000	3,360,000

These notes were issued on 14 June 2016 and were convertible into 28,000,000 ordinary shares at any time up to 14 August 2019. The convertible notes have a face value of \$4,200,000 and a carrying amount of \$3,360,000 as at 30 June 2021 (2020: \$3,360,000). The convertible notes are secured by first ranking general security interest over some assets of the Company and all its wholly owned subsidiaries. The settlement of outstanding convertible notes forms part of the overall financial restructure of Tomizone.

Loans terms and maturity

The Group holds long and short terms loans with interest rates ranging from 10% to 20% with maturity dates through to 2023.

15.2. Financial risk management objectives and policies

The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group's principal financial liabilities, other than derivatives, comprise of loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations.

The Group is exposed to market risk, credit risk and liquidity risk. Senior management oversee the management of these risks. Senior management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The Board provides assurance to the Senior management that the financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is limited due primarily to the Group's long-term debt obligations that have fixed interest rates. Refer to Note 15.1.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. The main exposure is to New Zealand dollars.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the NZD exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in NZD rate	Effect on profit before tax \$	Effect on equity \$
2021	-5.00%	112,657	22,943
2020	-5.00%	91,819	53,722

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in AU dollars, where the functional currency of the entity is a currency other than AU dollars.

Credit risk

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

Other credit risk arises from cash and cash equivalents, deposits with reputable banks and security deposits with landlords.

The maximum exposure to credit risk at the reporting date is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral. The single largest receivable is \$29,462, with the average per entity being \$448.

Credit risk is managed by a risk assessment process for all customers and counterparties, which takes into account past experience. There have been no impairment losses recognised during the year (2020: \$Nil).

Trade receivables

Customer credit risk is managed to the Group's established policies, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed at the time of customer acquisition. Outstanding customer receivables are regularly monitored.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, where possible, that it will always have sufficient liquidity to meet its liabilities when due and aligns its revenues with its expenses.

Ultimate responsibility for liquidity management rests with the Directors. The Group ensures that, where possible, it has sufficient cash on demand to meet expected net cash outflows, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

There is a continuous monitoring of actual and forecast cash flows, matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date

on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended 30 June 2021

	Notes	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Total \$
Interest bearing loans and borrowings	16.1	7,300,656	1,044,282	661,573	110,299	9,116,810
Trade and other payables	15	7,471,897	-	-	-	7,471,897
		14,772,554	1,044,282	661,573	110,299	16,588,707

Year ended 30 June 2020

	Notes	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Total \$
Interest bearing loans and borrowings	16.1	7,048,587	279,858	1,048,791	775,205	9,152,441
Trade and other payables	15	5,059,497	-	-	-	5,059,497
		12,108,085	279,858	1,048,791	775,205	14,211,939

15.3. Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Board ensures the Group has sufficient capital as required for working capital purposes. There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

16. Deferred revenue

	2021 \$	2020 \$
Closing Balance at 30 June	51,628	64,599
Deferred during the year	181,787	209,914
Recognised during the year	(186,548)	(222,885)
Closing Balance at 30 June	46,867	51,628

The deferred revenue reflects revenue invoiced where the service has not been provided.

17. Employee benefit liabilities

Annual leave and accrued salaries

	2021	2020
	\$	\$
Current		
Annual leave	121,114	95,579
Accrued salaries	2,593	95,943
At 30 June	123,707	191,522

18. Share-based payments

Director and executive service agreements awards are made to directors, executives, and other key talent who have an impact on the Group's performance. Awards are delivered in the form of options over shares which vest over a period of one to three years subject to meeting performance measures. In addition, there were shared-based payments in relation to the unlisted options granted during the year.

Options movements during the year

	2021	WAEP	2020	WAEP
Outstanding at the beginning of the year	38,000,001	0.0829	95,741,212	0.0480
Expired during the year				
Unlisted Director options			(10,000,000)	0.0250
Unlisted Options			(47,741,211)	0.0250
Convertible note holder Options - FY18	(28,000,000)	0.1000	-	-
Outstanding at the end of the year	10,000,001	0.0350	38,000,001	0.0829

	2021	WAEP	2020	WAEP
Exercisable at closing date				
Convertible note holder Options - FY18	-	-	28,000,000	0.1000
Unlisted Director options	10,000,000	0.0350	10,000,000	0.0350

The weighted average remaining contractual life for the share options outstanding as at 30 June 2021 was 0.035 years.

With respect to options granted during the current financial year the fair value at grant date was independently determined using the Black Scholes Model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

Options granted during the year

There were no options granted during the year ended 30 June 2021

19. Contributed equity

Authorised shares

The share capital of Tomizone Limited consists of fully paid ordinary shares which entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	2021 '000	2020 '000
Ordinary shares	425,201	425,201
	425,201	425,201

Ordinary shares issued and fully paid

	'000	\$
At 30 June 2019	425,201	24,885,935
Issue of Share Capital	-	-
At 30 June 2020	425,201	24,885,935

Other than options issued for remuneration as referenced in Note 188 the Company has no options outstanding.

20. Equity - reserves

Other capital reserves

The share-based payment reserve is used to recognise the value of equity-settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration. Refer to Note 18 for further details of these plans.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign controlled subsidiaries.

21. Related party disclosures

The ultimate parent

Tomizone Limited (ASX: TOM) is the Group's ultimate parent company. Tomizone Limited is a Public Company incorporated and domiciled in Australia.

Compensation of key management personnel of the Group

	2021 \$	2020 \$
Short-term employee benefits	510,000	510,000
Share-based payment	11,638	22,300
Total compensation paid to key management personnel	521,638	532,300

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Security Interests held by Key Management Personnel at 30 June:

Issue date	2021 Number outstanding	2020 Number outstanding
Ian Bailey	47,323,015	47,323,015
Matt Adams	15,333,333	15,333,333
Total	62,656,348	62,656,348

Amounts owing to Key Management Personnel at 30 June:

Name of Related Party	Relationship	Nature of Transaction	2021 \$
John Seton	Chairman	Accrual	161,250
Ian Bailey	Director	Accrual	152,258
	Consultant	Accrual	262,500
	Chairman	Accrual	131,613
Matt Adams	Managing Director	Accrual	798,182
Maxim Carling	Director	Accrual	202,000
			1,707,803

22. Commitments and contingencies

Operating lease commitments - Group as lessee

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2021 \$	2020 \$
Within one year	1,621	1,621
After one year but not more than five years	-	-
	1,621	1,621

Contingent assets and liabilities

There were no contingent assets or liabilities at 30 June 2021.

23. Events after the reporting period

COVID-19

Like many businesses Tomizone has been impacted by the COVID-19 pandemic. In order to address the challenges this pandemic has brought on, Tomizone carried out a full review of all operational costs and reduced these where possible

- managed the remote working environment in New Zealand's two lockdown periods
- adapted where necessary to address our customers ongoing security and ICT needs with a focus on Tomizone's customer's essential services sectors

Receivership of FE

In October 2021 a major milestone was achieved with regard to the financial restructure through the agreement with the receivers of FE Investments Limited that will result (subject to the other elements of the Tomizone Group's financial restructure being achieved) in total outstanding debt of approximately \$8.2m being converted into ordinary shares in Tomizone.

24. Auditor's remuneration

	2021	2020
	\$	\$
Amounts received or due and receivable by auditors for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group - R.L. Rodgers & Associates	10,000	10,000
	10,000	10,000
Amounts received or due and receivable for other services for:		
Taxation compliance	-	-
	-	-

25. Information relating to Tomizone Limited (the parent)

	2021	2020
	\$	\$
Current assets	4,919	1,916
Total assets	4,919	201,916
Current liabilities	2,951,128	2,110,775
Total liabilities	6,111,128	5,470,775
Issued capital	60,808,867	60,808,867
Retained earnings	(68,170,715)	(67,321,729)
Other capital reserves	1,255,640	1,244,002
	(6,106,208)	(5,268,860)
Profit or loss of the Parent entity	(1,053,084)	(1,081,651)
Total comprehensive income of the Parent entity	(1,053,084)	(1,081,651)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has not provided any guarantees to third parties in relation to the debts of its subsidiaries as at 30 June 2021.

Contingent assets and liabilities

The parent entity had no contingent assets or liabilities as at 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investment in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Directors Declaration

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

1. In the opinion of the directors:
 - a. the consolidated financial statements and notes of Tomizone Limited for the financial year ended 30 June 2021 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards and the Corporations Regulations 2001;
 - b. the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.2; and
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the Chairman and Chairman of the Audit and Finance committee in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

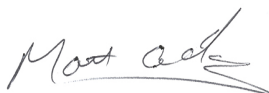
On behalf of the board



John Seton

Chairman

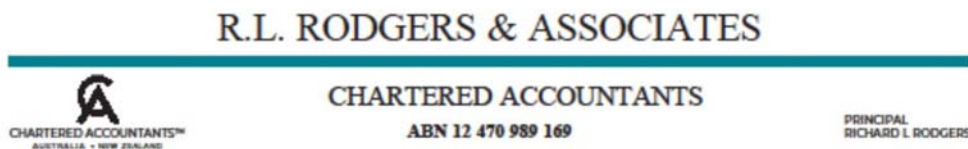
29 October 2021



Matt Adams

Non Executive Director

Independent Auditors Declaration



Auditor's Independence Declaration

As auditor of Tomizone Limited and its subsidiaries for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Tomizone Limited and its subsidiaries during the year.

R L RODGERS & ASSOCIATES

A handwritten signature in black ink, appearing to be 'R. Rodgers', is written over a light blue horizontal line.

RICHARD RODGERS

Principal

Dated at Sydney this 29th day of October 2021

Liability limited by a Scheme approved under Professional Standards Legislation

SUITE 408 HARLEY PLACE 251 OXFORD STREET BONDI JUNCTION NSW 2022

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Independent Auditors Report



Independent Auditor's Report 2021 to the Members of Tomizone Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tomizone 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 profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) 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 then ended,
- b) Complying with Australian Accounting Standards and the Corporations Regulations 2001

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of 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* (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.

Material uncertainty related to going concern

Without modifying our audit opinion, we draw attention to Note 2.1 in the financial report, the company results indicate that the Group incurred a net loss after tax of \$2,963,033 during the year ended 30 June 2021 and, as of that date, the Group's current liabilities exceeded its current assets by \$14,362,382. As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the

Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

Key Audit Matters

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

Key Audit Matter	How we addressed the Key Audit Matter
Impairment assessment of intangibles - customer contracts	
<p>As outlined in note 12, the impairment assessment of customer contracts involves significant judgement in respect of factors such as:</p> <ul style="list-style-type: none"> Fair value less cost to sell or value in use Amortisation over the expected term that revenue is generated from those contracts. <p>We focused on this area as a key audit matter due to the high degree of estimation and judgement required by the directors to assess fair value and whether impairment is required for the specified intangible assets as outlined in note 12</p>	<p>We challenged the directors' assumptions that support its position on impairment as follows:</p> <ul style="list-style-type: none"> Obtained a list of contracts used to assess the fair value on acquisition and compared to contracts and sales information at year end; Assessed management's determination of the expected term that revenue is generated from contracts; and Reviewed the key assumptions in the value in use model and challenged the source and determination of the values assigned to churn rate and discount rates. <p>We challenged management on the useful life assessment.</p>

Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard,

Responsibilities of the Directors of 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, IFRS 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

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

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

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

Report of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Tomizone 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.

R L RODGERS & ASSOCIATES



RICHARD RODGERS

Principal

Dated at Sydney this 29th day of October 2021

Liability limited by a Scheme approved under Professional Standards Legislation

SUITE 408 HARLEY PLACE 251 OXFORD STREET BONDI JUNCTION NSW 2022

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ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 October 2021.

(a) Substantial holders

Substantial holders	Fully Paid	
	Ordinary Shares	%
DULYNE PTY LTD	62,000,000	14.90%
HIPPO TRUSTEE LIMITED	38,823,015	9.33%
CITICORP NOMINEES PTY LIMITED	28,641,986	6.89%
COPPER LIMITED	22,183,030	5.33%
	151,648,031	36.45%

(b) Distribution of equity securities

Ordinary share capital

-416,000,676 fully paid ordinary shares are held by 784 shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

Options

- 10,000,000 unlisted director options are held by the following two holders:

Holders	Number
Ian Bailey	5,000,000
Matt Adams	5,000,000

Options do not carry a right to vote.

(c) Distribution schedule

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

Distribution schedule

	Fully Paid		Performance
	Ordinary Shares	Shares	Options
1- 1,000	270	-	-
1,001- 5,000	80	-	-
5,001- 10,000	53	-	-
10,001- 100,000	168	-	-
100,001 and over	213	-	2
	784	-	2

(d) Unmarketable parcels

The number of shareholders holding less than a marketable parcel of the Company's main class of securities (being fully paid ordinary shares) is 639.

(e) Twenty largest holders of quoted fully paid ordinary shares

Ordinary shareholders	Fully Paid Ordinary Shares	%
DULYNE PTY LTD	62,000,000	14.90%
HIPPO TRUSTEE LIMITED	38,823,015	9.33%
CITICORP NOMINEES PTY LIMITED	28,641,986	6.89%
COPPER LIMITED	22,183,030	5.33%
MR ANDREW FREDERICK TROWSE	17,714,324	4.26%
DYNAMIC CORPORATE INVESTMENTS PTY LTD	15,333,333	3.69%
SEQUOIA GROUP HOLDINGS PTY LTD	13,333,333	3.21%
INVESTCO 22 PTY LTD	8,500,000	2.04%
MR DAVID ARTHUR PAGANIN	8,009,614	1.93%
MR ROGER STEINEPREIS & MRS JACQUELINE STEINEPREIS	6,700,000	1.61%
CAZENOVE PTY LTD	6,068,593	1.46%
DUO TRUSTEE LIMITED	6,000,000	1.44%
ONE MANAGED INVESTMENT FUNDS LIMITED	5,919,549	1.42%
RODRIGO B LIBUNAO JR	5,850,000	1.41%
KINGFISHER CORPORATE TRUSTEE LIMITED	5,535,049	1.33%
SW11CONSULTING PTY LTD	5,000,000	1.20%
MR ADRIAN CHRISTOPHER WELCH	4,333,333	1.04%
JANUARIUS HOLDINGS INC	4,333,333	1.04%
AWAROA LANDS LIMITED	4,333,333	1.04%
ONE MANAGED INVESTMENT FUNDS LTD	3,796,875	0.91%
	272,408,700	65.48%

Corporate Information

ABN 99 000 094 995

Directors

JOHN SETON, Independent Chairman

IAN BAILEY, Non Executive Director

MAXIM CARLING, Independent Non Executive Director (resigned 21 July 2021)

MATT ADAMS, Managing Director

WAYNE JOHNSON, Independent Non Executive Director (appointed 21 July 2021)

Company Secretary

MARK OHLSSON, Company Secretary (resigned 21 July 2021)

MATT ADAMS, Company Secretary (appointed 21 July 2021)

Registered Office

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Australia
Phone: +61 9025 3995

Principal place of business

8 Antares Place
Rosedale
Auckland 0632
New Zealand

Share register

Link Market Services

Level 12, 680 George Street
Sydney NSW 2000
Australia
Phone: +61 1300 554 474

Tomizone Limited shares are listed on the Australian Securities Exchange (ASX: TOM)

Bankers

ASB Bank Limited

12 Jellicoe Street
North Wharf
Auckland 1010
New Zealand

Commonwealth Bank Limited

83 Market Street
Sydney NSW 2000
Australia

Auditors

R.L. Rodgers & Associates

Suite 408, 251 Oxford Street
Bondi Junction
NSW 2022
Australia

Website

www.tomizone.com

Corporate Governance Statement

www.tomizone.com/investor-relations/