



Financial Statements

Nexdius Limited

ABN 95 165 149 968

For the year ended 30 June 2021

Prepared by BridgePoint Group Accounting



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Directors' Report

Nexdius Limited

For the year ended 30 June 2021

The directors present their report, together with the financial statements of the Group, being the company and its controlled entities, for the year ended 30 June 2021.

Directors Details

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

Mathew Grant Henry Collett

James Robert Cleland- Appointed 28 April 2021

Charles Campbell Sutherland- Appointed 30 June 2021

Andrew Michael Demura- Appointed 28 September 2021

Andrew Elder Forbes - Appointed 10 September 2020, Ceased 30 June 2021

Courtney Elizabeth Day - Appointed 3 July 2020, Ceased 12 April 2021

Kristina Kate Whiteman Arnott - Ceased 4 March 2021

Titus Emmanuel Day - Ceased 3 July 2020

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

Information on Directors

Name:	Andrew Demura
Title:	Non-Executive Chairman
Qualifications:	Bachelor Economics, Monash University
Experience and expertise:	<p>Andrew has had over 30 years' experience raising capital for businesses. A career treasury, banking, risk management professional with demonstrated capability in delivering high value, high impact transactions, projects and solutions for both existing and newly created businesses. Andrew has held senior roles at National Australia Bank Limited, AWB Limited and Eclipx Group Ltd (formally FleetPartners Pty Ltd).</p> <p>Andrew is currently Director of Maecenas Pty Ltd, DDM Securities Pty Ltd ("DDM"), Demcap Services Pty Ltd and AFSL Responsible Manager for DDM.</p>



Name:	Mathew Collett
Title:	CEO, Executive Director
Qualifications:	Dip Financial Markets
Experience and expertise:	<p>Mathew is the CEO and Co-founder of Nexdius Limited and its subsidiaries. He has over 30 years' experience across business management, banking, corporate advisory, FMCG and marketing. Mathew has had extensive experience building several successful start-ups including Cocoon Data his own corporate advisory firm and a FMCG company, Lime Grove. Mathew was a former Director at JBWere Futures Sydney, Managing Director of ICAP Futures Australia and Tullett Prebon Australia.</p> <p>Mathew is President of The Scots College Old Boys Union, Director of the Eastern Suburbs Rugby Union and a Director of 265 Pty Ltd his own consultancy company.</p>

Name:	James Cleland
Title:	Non-Executive Director
Qualifications:	Bachelor of Business, Victoria University
Experience and expertise:	<p>James has had over 25 years' experience advising and raising capital for SME businesses across a broad spectrum of industries. James has held senior roles in stockbroker with Merrill Lynch & BNP Paribas in both Sydney and New York. He went on to broaden his skill set with senior capital raising positions with Charter Hall (Property) and Guardian (Quant Strategy) before founding corporate advising firm Maecenas Pty Ltd.</p> <p>James is a AFSL Responsible Manager and Director of DDM Securities Pty Ltd and Director of Maecenas Pty Ltd.</p>

Name:	Charles Sutherland
Title:	Non-Executive Director
Qualifications:	Post Graduate Diploma Management (Marketing), University of Melbourne
Experience and expertise:	<p>Charles 25 years' leadership experience in the information, communications and technology (ICT) industry, which included executive roles in Australian publicly-listed companies SingTel Optus and UeComm; as well as Nextgen Group (now Vocus Group) and positions in London with former NASDAQ 100 company AboveNet UK (now Zayo Group). He has served on the digital economy's lead industry body, the Australian Information Industry Association Victorian Council and chaired the AIIA's Victorian State Government Committee between 2013 and 2015.</p> <p>Charles currently serves on the Advisory Board to Small Business Australia, is a Director of the Geelong Grammar School Foundation and is a Director of Maecenas Pty Ltd, and DDM Securities Pty Ltd.</p>

Review of Operations and financial results

The loss for the Group amounted to \$660,111 (30 June 2020 \$44,243 Loss).

A review of the Group's operations during the financial year and the results of those operations are as follows:

- Considering adverse impact of the Covid pandemic on the Group's operations during the financial year the Group performed as expected in the opinion of the directors; and
- No significant changes in the Group's state of affairs occurred during the financial year.



Principal Activities

During the financial year the principle continuing activities of the Group consisted of:

- Manufacture, wholesale/retail sales of SPF Vitamin D promoting skincare products; and
- Licensing of SPF Vitamin D promoting sunscreen technology to other skincare companies.

Matters subsequent to the end of the financial year

Other than as disclosed below no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the company in future financial years.

Post closure events

Following an Extraordinary Meeting of shareholders, in September 2021 the Group completed a tranche B convertible note drawdown \$1,000,000.

Share placements

In the period between July and December the Group raised \$71,000 from existing shareholders issuing shares at \$0.08 per share.

In December 2021 the Group completed two share placements with prospective distribution partners totaling \$1,370,000 at A\$0.08 per share.

Proceeds of the convertible note issue and issue of shares were used to repay existing secured debt facilities, creditors and provide working capital for operations. In some instances, shares were issued to creditors in lieu of payment for amounts outstanding.

Distribution agreements

In December 2021 coinciding completion of settlement of share placement described above the Group entered into an exclusive territorial license agreement with a Chinese domiciled distribution partner.

Business activity

December 2021 delivered orders to Japanese and Australian distribution partners.

March 2022 delivered significant order to Indian distribution partner.

Intellectual property purchase

In 2022, the Group purchased the Australasian and Asian intellectual property (including Australia, New Zealand, Japan, China & India) from Exposure Scientific (inventor), securing future income in the region for which the Group has existing distribution agreements.

Likely developments and expected results of operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.



Significant changes in the state of affairs

There were no significant changes in the state of affairs of the entities in the Group during the financial year.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no shares of the company issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Environmental Regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or state law.

Indemnity and insurance of officers

The Group has indemnified the directors and executives of the company, Nexdius Limited for the costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001.

During the financial year the Group paid a premium of \$27,286 (2020: \$29,662) to insure the directors, secretaries and management of the consolidated Group. Limited indemnities have been given for officers and directors of Nexdius Limited.

Indemnity and insurance of auditor

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

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

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any person who is or has been an officer or auditor of the Group.

Proceedings on behalf of the company

In 2019, the Company was named as the third defendant in proceedings commenced in the Federal Court of Australia. The Proceedings are principally against one of the Company's former directors, Titus Day, for matters unrelated to the Company's day to day business operations. The proceedings stem from a contractual dispute between Mr Day and a third party, with a claim principally being made by the third party against Mr Day and his shareholding in the Company and an alternate claim against the Company if the former claim is unsuccessful. Mr Day was granted a stay of proceedings in July 2020. It is unclear when the civil proceedings will resume, however the Company remains confident that if the stay is lifted and proceedings resume, it can defend the action against it and has filed a Defense and Cross Claim in the Federal Court. Mr Day has previously agreed to personally pay all legal costs associated with defending these proceedings.

On 1 April 2021, the Company and Mr Day have formal agreement whereby Mr Day will indemnify the Company for any losses and costs incurred connection with the proceedings.

No person has applied for leave of the Court under Section 237 of the Corporations Act 2001 to bring proceedings on behalf of the company or 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 any part of those proceedings.

The Group was not a party to any such proceedings during the year.



COVID-19 impact to the company

Since the outbreak of COVID-19 in March 2020, the Company has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures of its people (such as social distancing and working from home) and securing the supply of materials that are essential to the production process.

The impact of COVID-19 on our business and results has been negative. The business has witnessed a significant decrease in the demand for the products compared to 2020 year.

The business will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of its people.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, for the year ended 30 June 2021 is set out on the following page.

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

A handwritten signature in blue ink, appearing to read 'A. Demura', positioned above a horizontal line.

Andrew M Demura

Director

A handwritten signature in blue ink, appearing to read 'M. Collett', positioned above a horizontal line.

Mathew G H Collett

Director

29 April 2022

Woollahra, NSW



Consolidated Statement of Comprehensive Income

Nexdius Limited For the year ended 30 June 2021

	NOTES	2021	2020
Income			
Revenue	3	232,749	624,023
Other Income	3	82,368	159,168
Total Income		315,118	783,191
Total Income			
		315,118	783,191
Expenses			
Raw materials and consumables used		114,446	46,580
Employee benefits expense		205,514	74,352
Accountancy expenses		47,879	63,484
Advertising expenses		32,875	99,487
Consultancy expense		187,383	334,523
Research Expenses		10,661	-
Other expenses		351,206	82,342
Finance Expenses		74,041	126,668
Total Expenses		1,024,005	827,434
Loss before Income Tax			
		(708,887)	(44,243)
Income Tax Benefit			
Income Tax Benefit		(48,777)	-
Total Income Tax Benefit		(48,777)	-
Loss from Continuing Operations			
		(660,111)	(44,243)
Loss for the year			
		(660,111)	(44,243)
Total Comprehensive Loss for the year			
		(660,111)	(44,243)
Loss attributable to: members of the parent entity			
		(660,111)	(44,243)
Total Comprehensive Loss attributable to: Members of the parent entity			
		(660,111)	(44,243)

The accompanying notes form part of these financial statements.



Consolidated Statement of Financial Position

Nexdius Limited As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalents	4	(3,464)	14,569
Trade and Other Receivables	5	99,772	24,073
Inventory	8	3,954	7,370
Deferred Tax Asset	6	48,777	-
Other Current Assets	7	60,861	-
Total Current Assets		209,900	46,012
Non-Current Assets			
Intangibles	9	-	6,070
Total Non-Current Assets		-	6,070
Total Assets		209,900	52,082
Liabilities			
Current Liabilities			
Trade and Other Payables	10	928,864	891,182
Borrowings	11	1,009,774	419,590
Employee Benefits	12	-	11,630
Total Current Liabilities		1,938,638	1,322,402
Non-Current Liabilities			
Trade and Other Payables	10	215,736	199,493
Total Non-Current Liabilities		215,736	199,493
Total Liabilities		2,154,374	1,521,895
Net Assets		(1,944,473)	(1,469,813)
Equity			
Share Capital	13	7,818,811	7,633,361
Accumulated Losses		(9,763,284)	(9,103,174)
Total Equity		(1,944,473)	(1,469,813)

The accompanying notes form part of these financial statements.



Consolidated Statement of Changes in Equity

Nexdius Limited

For the year ended 30 June 2021

	NOTES	ISSUED CAPITAL	ACCUMULATED LOSSES	RESERVES	TOTAL EQUITY
Change in Equity					
Balance at 1 July 2019					
Balance		7,513,401	(9,058,931)	-	(1,545,530)
Total Balance at 1 July 2019		7,513,401	(9,058,931)	-	(1,545,530)
Comprehensive income					
Profit/(loss) for the period		-	(44,243)	-	(44,243)
Total Comprehensive income		-	(44,243)	-	(44,243)
Transactions with owners					
Dividends Paid		-	-	-	-
Total Transactions with owners		-	-	-	-
Issue of Shares					
Issue of Shares		119,960	-	-	119,960
Total Issue of Shares		119,960	-	-	119,960
Balance at 30 June 2020		7,633,361	(9,103,174)	-	(1,469,813)

	NOTES	ISSUED CAPITAL	ACCUMULATED LOSSES	RESERVES	TOTAL EQUITY
Change in Equity					
Balance at 1 July 2020					
Balance		7,633,361	(9,103,174)	-	(1,469,813)
Total Balance at 1 July 2020		7,633,361	(9,103,174)	-	(1,469,813)
Comprehensive income					
Profit/(loss) for the period		-	(660,110)	-	(660,110)
Total Comprehensive income		-	(660,110)	-	(660,110)
Transactions with owners					
Dividends Paid		-	-	-	-
Total Transactions with owners		-	-	-	-
Issue of shares					
Shares issued during the year		185,450	-	-	185,450
Total Issue of shares		185,450	-	-	185,450
Balance at 30 June 2021		7,818,811	(9,763,284)	-	(1,944,473)



Consolidated Statement of Cash Flows

Nexdius Limited

For the year ended 30 June 2021

	NOTES	2021	2020
Operating Activities			
Receipts From Customers		74,895	818,699
Payments to Suppliers and Employees		(865,763)	(696,899)
Receipts From Grants		55,003	42,827
Finance Costs		(74,044)	(126,668)
Net Cash Flows from Operating Activities		(809,909)	37,958
Investing Activities			
Purchase of Intangibles		-	(6,070)
Net Cash Flows from Investing Activities		-	(6,070)
Financing Activities			
Proceeds from Borrowing		606,427	(161,285)
Proceeds from Issue of Shares		185,450	119,961
Net Cash Flows from Financing Activities		791,877	(41,324)
Net Cash Flows		(18,031)	(9,436)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		14,569	24,004
Cash and cash equivalents at end of period		(3,464)	14,568
Net change in cash for period		(18,032)	(9,436)



Notes to the Financial Statements

Nexdius Limited

For the year ended 30 June 2021

The financial report covers Nexdius Limited and its controlled entities ('the Group'). Nexdius Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. Basis of Preparation and Consolidation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Going concern

Notwithstanding the Group's deficiency in net current assets of \$1,944,473, the Director's believe the going concern basis of preparation remains appropriate and have prepared the financial statements on this basis. The Group's ability to continue its normal operations into the foreseeable future is dependent on:

- Forecasted revenue targets and cash flow generation being achieved – an agreement has been secured in relation to a significant new supply contract, and preliminary distribution agreements are well progressed;
- The successful raising of additional funds and capital as and when it is required. The Group raised additional capital of \$2,441,000 (\$1,000,000 Tranche B convertible notes and \$1,441,000 share placements) since the end of the reporting period;
- Adherence to agreed payment plans in place with creditors - the Group has been able to pay down a significant creditor dating back as far as 2017 as a result of additional funds and capital. The group was also able to repay a secured facility that was accruing default interest; and
- The continuation of support from shareholders and related parties. If the Group is not successful in the achieving the above, the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business, with amounts realised being different from those disclosed in the financial report.

These conditions therefore indicate the existence of a material uncertainty which casts doubt on the Group's ability to continue as a going concern. Therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

No allowance for such circumstance has been made in the financial report.



Borrowing Costs

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

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within the short-term borrowings in current liabilities in the statement of financial position.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at the reporting date.

Employee Benefits

Wages and salaries, annual leave and sick leave

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

Long Service Leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. A liability for long service leave is provided for all employees with five years or more service. The liability is measured at the nominal value including associated salary on-costs at reporting date.

Equity-Settled Compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.



Classification and subsequent measurement

Financial Instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

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

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management and investment strategy.

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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at the amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from the ATO is included with other receivables in the statement of financial position.

Cash Flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities are recoverable, or payable to, the ATO are presented as operating cash flows included in receipts from or payments to suppliers.



Impairment of assets

Financial Assets

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

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

Deferred tax is not provided for the following:

- 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 accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future,

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



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

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

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on average cost basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate portion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Intangibles

Patents and Royalties

Patents and royalties are recognised at cost of acquisition. Patents and royalties have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 2 to 5 years.

Amortisation

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

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

Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Revenue and Other Income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations



5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods. The risk and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised when received.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

2. Critical Accounting Estimates and Judgements

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

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.



Coronavirus (COVID-19) pandemic

Judgment has been exercised in considering the impacts that the Coronavirus (Covid-19) pandemic has had, or may have, on the Company based on known information. The consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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

There were no significant estimates and judgements applied in this period.

	2021	2020
3. Revenue and Other Income		
Sales Revenue	232,749	624,023
Other Revenue	27,366	116,330
Government grants	55,003	42,838
Total Revenue and Other Income	315,118	783,191
	2021	2020

4. Cash and Cash Equivalents

Current Assets		
Cash on hand	100	-
Cash at bank	(3,563)	14,569
Total Current Assets	(3,463)	14,569
Total Cash and Cash Equivalents	(3,463)	14,569
	2021	2020

5. Trade & Other Receivables

Current		
Accounts Receivable	88,028	4,384
Government grant receivable	-	16,838
GST receivable	11,744	2,851
Total Current	99,772	24,073
Total Trade & Other Receivables	99,772	24,073
	2021	2020

6. Deferred Tax Asset

Current		
Deferred Tax Asset	48,777	-
Total Current	48,777	-
Total Deferred Tax Asset	48,777	-



	2021	2020
7. Other Assets		
Current		
Prepayments	60,861	-
Total Current	60,861	-
Total Other Assets	60,861	-
	2021	2020

8. Inventory

	2021	2020
Inventories		
At cost: Finished Goods	3,954	7,370
Total Inventories	3,954	7,370
Total Inventory	3,954	7,370
	2021	2020

9. Intangibles

	2021	2020
Intangible Assets		
Patents and royalties	512,228	518,298
Less Accumulated Amortisation and Impairment	(512,228)	(512,228)
Total Intangible Assets	-	6,070
Total Intangibles	-	6,070
	2021	2020

10. Payables

	2021	2020
Current		
GST Payable	9,668	-
Trade and Other Payable	879,607	852,143
Accrued Expenses	39,589	39,039
Total Current	928,864	891,182
Non Current		
Loan - Related Party - refer note 15	215,736	199,493
Total Non Current	215,736	199,493
Total Payables	1,144,600	1,090,675
	2021	2020

11. Borrowings

	2021	2020
Current		
Secured	1,009,774	419,590
Total Current	1,009,774	419,590
Total Borrowings	1,009,774	419,590



2021 2020

Borrowings are secured by the underlying stock in relation to the sales contract which the debt finance agreement is based upon. Cash and cash equivalents are pledged against bank overdraft on an ongoing floating basis for the term of the bank overdraft's maturity.

2021 2020

12. Employee Benefits

Current

Employee benefits	-	11,630
Total Current	-	11,630
<hr/>		
Total Employee Benefits	-	11,630



2021 2020

13. Issued Capital

Ordinary Shares	7,818,811	7,633,361
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Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Number of Ordinary Shares	2021	2020
At the beginning of the reporting period	103,702,038	100,237,368
Shares issued during the year	2,108,336	3,464,670
At the end of the reporting period	105,810,374	103,702,038

14. Key management personnel disclosures

Compensation

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

2021 2020

Compensation

Aggregate Compensation	205,514	64,465
------------------------	---------	--------

Performance rights are in place in relation to key management personnel. At the reporting date \$nil expense has been recognised in relation to these performance rights based on an assessment of performance to date against the relevant criteria.

15. Related party transactions

Key management personnel

Disclosure relating to key management personnel are out in note 14.

Loans to/(from) related parties

The following balances are outstanding at the reporting date in relation to loans to/from related parties:

2021 2020

Loans to/(from) related parties

Loan - Courtney Day	-	199,493
Loan - TCAAS Day Pty Ltd	215,736	-



2021 2020

16. Interests in Subsidiaries

Subsidiaries - Percentage Owned (%)

	2021	2020
Solar D Skincare Pty Ltd	100	100

The principal place of business and country of incorporation is Australia.

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

17. Share Option Reserve

The share option reserve records the cumulative value share options issued by the Group. When the share options are exercised the amount in the share option reserve is transferred to share capital.

The Group has various share options and performance shares under issue however \$nil expense has been booked in this year or prior years as all share options and performance shares issued to date have been deemed to be out of the money.

18. Financial Risk Management

The main risks Nexdius Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.



19. Parent Entity

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

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

Statement of Financial Position	2021 (\$)	2020 (\$)
Assets		
Current Assets	8,593	14,993
Non - Current Assets	48,777	-
Total Assets	57,370	14,993
Liabilities		
Current Liabilities	609,949	93,331
Non - Current Liabilities	215,736	-
Total Liabilities	825,685	93,331
Equity		
Issued Capital	7,818,711	7,633,361
Accumulated Losses	(8,587,026)	(7,555,023)
Total Equity	(768,315)	78,338
Statement of Profit or Loss and Other Comprehensive Income		
Total Profit (Loss) for the year	10,013	(83,985)
Total Comprehensive Profit (Loss)	10,013	(83,985)

20. Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

21. Events after the reporting period

As discussed in Note 2, the Group successfully carried out capital raising since the end of the reporting period. In addition, the Group settled long outstanding debtors and term loans with proceeds from Convertible Notes and debts for equity swaps. No other matter or circumstances has arisen since 30 June 2021 that has significantly affected or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.



22. Cash Flow Information

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

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

	2021 (\$)	2020 (\$)
Net loss for the year	(660,111)	(44,243)
Cashflow excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- other revenue	6,070	-
Changes in assets and liabilities:		
- (increase)/decrease in deferred tax assets	(48,777)	-
- (increase)/decrease in prepayments	(60,861)	-
- (increase)/decrease in trade and other receivables	(75,699)	3,908
- (increase)/decrease in inventories	3,416	37,503
- increase/(decrease) in trade and other payables	37,682	40,791
- increase/(decrease) in employee Benefits	(11,630)	-
Cash flows from operations	(809,909)	37,958

23. Company Details

The registered office of and principal place of business of the company is:

Nexdius Limited
 4, 162 Queen St
 Woollahra
 NSW 2025



Directors' Declaration

Nexdius Limited

For the year ended 30 June 2021

In the directors' opinion

1. the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended to that date; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew M Demura

Director

Mathew G H Collett

Director

Sign date: 29 April 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEXDIUS LIMITED
Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Nexdius Limited (the company), which comprises the consolidated statement of financial position as at 30th June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

- (a) Giving a true and fair view of the company's financial position as at 30 June 2021, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Reduced Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 2 in the financial report which indicates that the Company has incurred significant losses and operating cash outflows during the period. The Company's ability to continue as a going concern is contingent upon achieving successful capital and fund raisings and continued improvements in revenue growth and operational cash flows. These conditions therefore indicate the existence of a material uncertainty which casts doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. No allowance for such circumstance has been made in the financial report. Our opinion has not been modified in this respect.

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

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PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit www.pkf.com.au

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company'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 for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company'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 Company 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.

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

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



PKF



SCOTT TOBUTT
PARTNER

29 APRIL 2022
SYDNEY, NSW

Nexdius Limited
ABN: 95 165 149 968

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, 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.



PKF



SCOTT TOBUTT
PARTNER

29 APRIL 2022
SYDNEY, NSW

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