

Story-i Limited

ABN 56 163 916 989

and its controlled entities

ANNUAL REPORT

30 June 2022



your apple, our story



Authorised
Reseller

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Corporate directory

Current Directors

Djohan Widodo	<i>Chairman</i>
Michael Chan	<i>Executive Director</i>
Michael Pixley	<i>Non-executive Director</i>
Han Peng Lee	<i>Non-executive Director</i>
Stuart Usher	<i>Non-executive Director (appointed on 29 August 2022)</i>

Company Secretary

Stuart Usher

Registered Office

Street: Level 1
247 Oxford Street
LEEDERVILLE WA 6007

Postal: PO Box 52
WEST PERTH WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

Email: investor@story-i.com

Website: www.story-i.com.au

Auditor

Stantons

Street: Level 2, 40 Kings Park Road
WEST PERTH WA 6005

Telephone: +61 (0)8 9481 3188

Share Registry

Advanced Share Registry Limited

Street + Postal: 110 Stirling Highway
NEDLANDS WA 6009

Telephone: 1300 113 258 (within Australia)
+61 (0)8 9389 8033 (International)

Facsimile: +61 (0)8 6370 4203

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Securities Exchange

Australian Securities Exchange

Level 40, Central Park, 152-158 St Georges Terrace
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ASX Code SRY

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Executive Director's Letter

Dear fellow shareholders

In the past few months my fellow directors and I have been working in consultation with the relevant professional advisers on the reinstatement of the Company to trading on the ASX. This process involves the preparation of various documents, and the team has made good progress towards this objective.

Through this prolonged period of suspension from trading on the ASX, the business itself has carried on as usual.

Business activity during FY2022 has been improving as the general easing of COVID restrictions has seen retail traffic returning to the malls. The traffic in the retail malls is noticeably higher and are almost back to pre-pandemic levels. This improvement in retail traffic is reflected in the revenue in the second half of FY2022 of \$26.04 million compared with revenues of \$16.37 million in the first half of FY2022, an increase of 59.1% over the first half year.

Overall revenue in FY2022 was \$42.41 million, 1.2% higher than the revenue of \$41.91 million in FY2021 while Ebitda was \$1.01 million versus \$0.81 million, an increase of 24.7% over the prior corresponding period.

While inflation and higher interest rates are headwinds, we are cautiously optimistic that business activity will be stable in FY2023.

Meanwhile we will continue to work towards the reinstatement, and we look forward to being able to provide good news to the shareholders soon.

Yours sincerely



Michael Chan
Executive Director

Directors' report

Your directors present their report on the Group, consisting of Story-i Limited (**Story-i or the Company**) and its controlled entities PT Inetindo Infocom and Story-I Pte Ltd (collectively **the Group**), for the financial year ended 30 June 2022.

Story-i is listed on the Australian Securities Exchange (ASX:SRY).

1. Directors

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

- | | |
|------------------------|--|
| ■ Djohan Widodo | <i>Chairman</i> |
| ■ Michael Chan | <i>Executive Director</i> |
| ■ Michael Pixley | <i>Non-Executive Director</i> |
| ■ Han Peng Lee | <i>Non-Executive Director</i> |
| ■ Stuart Douglas Usher | <i>Non-Executive Director (appointed 29 August 2022)</i> |
| ■ Kiap Khee Lim | <i>Non-Executive Director (appointed 30 April 2021, resigned 29 August 2022)</i> |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to paragraph 7 Information relating to the directors of this Directors' Report.

2. Company secretary

The following person held the position of Company Secretary at the end of the financial year:

- | | |
|---------------------------|---|
| ■ Mr Stuart Douglas Usher | Refer to information relating to directors below. |
|---------------------------|---|

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2022.

4. Significant Changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year ended 30 June 2022 other than disclosed elsewhere in this Annual Report.

5. Operating and financial review

5.1. Nature of Operations Principal Activities

The principal activities of the Group, through its Indonesian operating subsidiary, is as an Apple Premium Reseller, Apple Authorised Service Provider and IT lifestyle product retailer with 25 stores in 10 cities throughout Indonesia.

5.2. Operations Review

In the second half of FY2022 revenues increased by 59.1% to \$26.04 million compared with revenues of \$16.37 million in the first half of FY2022. Overall revenue in FY2022 was \$42.41 million, 1.2% higher than the revenue of \$41.91 million in FY2021.

The better performance in the second half of FY2022 was mainly due to the sales of new Apple products mainly the new iPhones which was carried over to the second half of FY2022 and to the general relaxing of COVID restrictions in the retail malls. The traffic in the retail malls are noticeably higher and are almost at pre-pandemic levels.

Gross operating margins improved from 14.3% to 14.6% as the contribution from service and maintenance and online sales improved.

5.3. Financial Review

a. Revenues

The Group's revenue for the year ended 30 June 2022 increased by 1.21% to \$42,414,602 as compared with the previous year ended 30 June 2021 which recorded \$41,909,133.

b. Operating Results

The Group incurred a loss for the year of \$2,165,947 (2021: \$2,314,320 loss) attributable to owners of the Group.

c. Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA), and Net Loss Before Taxation

The Group recorded EBITDA of approximately \$1.10 million for 2022 (2021: \$0.81 million) were lower than prior year and loss before tax of \$2.31 million for 2022 (loss before tax in 2021: \$2.42 million) were higher than the prior year.

Directors' report**d. Financial position**

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

The net assets of the Group have decreased from 30 June 2021 by \$1.61 million to \$11.36 million at 30 June 2022 (2021: \$12.97 million).

As at 30 June 2022, the Group's cash and cash equivalents increased from 30 June 2021 by \$0.02 million to \$1.56 million (2021: \$1.54 million) and had working capital of \$5.67 million (2021: \$5.95million working capital). Please refer to the Operations Review above for additional business segment performance.

5.4. Events Subsequent to Reporting Date

On 29 August 2022, Mr Stuart Usher was appointed as a non-executive director of the Company and Mr Kiap KHee Lim has resigned as a non-executive director of the Company.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed in Note 13 Events subsequent to reporting date on page 48.

5.5. Key Business Risks

The Group is subject to various risk factors. Some of these are specific to its business activities while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of the Group.

a. Reputational Risk

Maintaining the strength of Story-I's reputation is an important part of retaining and growing the retailer and consumer base and maintaining Story-I's relationships with partners that will assist in successfully implementing Story-I's strategy. There is a risk that events may occur that may adversely impact Story-I's reputation, which may adversely impact Story-I's retailer and consumer base as well as the willingness of third parties to work with Story-I on additional product offerings. This may have a negative impact on Story-I's future operations, financial performance and/or growth.

b. Competition

Story-I considers that it has a competitive advantage in being the leading marketplace in the industry. However, there is a risk that existing competitors or new entrants in the market may increase the competitive landscape and in turn, erode Story-I's revenue and market share. Existing competitors and new entrants in the market may engage in strategic partnerships or acquisitions, develop superior products and/or technology, increase marketing activity and/or offer competitive pricing. There is a risk that Story-I may be unable to respond to such competitive pressures and this may materially and adversely impact Story-I's operational and financial performance.

c. Regulatory and compliance risk

New or evolving regulations and international standards are outside the company's control and are often complex and difficult to predict. The potential development of international opportunities can be jeopardised by changes to fiscal or regulatory regimes, adverse changes to tax laws, difficulties in interpreting or complying with local laws, material differences in sustainability standards and practices, or changes to existing political, judicial or administrative policies and changing community expectations.

d. Anti-bribery and corruption risk

The Group's business activities and operations are located in jurisdictions with varying degrees of political and judicial stability, including some countries with a relatively high inherent risk with regards to bribery and corruption. This exposes the Group to the risk of unauthorised payments or offers of payments to or by employees, agents or distributors that could be in violation of applicable anti-corruption laws.

The Group has a clear Anti-bribery and Corruption Policy, and internal controls and procedures to protect against such risks, including training and compliance programmes for its employees, agents and distributors. However, there is no assurance that such controls, policies, procedures or programmes will protect the Group from potentially improper or criminal acts.

e. COVID-19

The Group continues to consider the implications of the COVID-19 pandemic on its business. Throughout 2022, the Group has continued to manage the risk that COVID-19 poses to the health and safety of its workforce across all jurisdictions that it operates in. The Group follows government guidelines with respect to managing COVID-19 and the impacts on the Group's employees and contractors.

Directors' report

5.6. Future Developments, Prospects and Business Strategies

A group subsidiary was incorporated in prior year for a possible investment in a new line of business.

The Group expects to maintain the present status and level of operation and there are no other likely unwarranted developments in the entity's operations other than as mentioned above.

5.7. Environmental Regulations

The Group ensures the appropriate standard of environmental care is achieved and, in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year.

The Directors have considered the enacted *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Group for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

6. Risk Management

The Board is responsible for ensuring that risks and opportunities are identified in a timely manner and that activities are aligned with the risks and opportunities identified by the Board.

7. Information relating to the directors

■ Djohan Widodo

☐ Chairman
Non-independent

Qualifications

☐ Master of Science in Industrial Engineering from the University of Southern California.

Experience

☐ Mr Widodo is currently the Chief Executive Officer of PT Senopati and PT Wima Tiga Berlian, part of the Senopati Group, whose activities include logistics, warehousing and distribution of automotive parts for Mitsubishi vehicles in Indonesia. Mr Widodo has over 16 years of working experience with the group.

Interest in Shares and Options

☐ 1,309,090 Ordinary Shares

Directorships held in other listed entities during the three years prior to the current year

☐ None

■ Michael Chan

☐ Executive Director
Non-independent

Qualifications

☐ None

Experience

☐ Mr Chan is the founder of Story-i. Starting with 1 store in mid-2010, he has built up the company to its current network of 28 stores in over 10 cities in Indonesia. His primary responsibility is working with the management team to expand the store network in Indonesia and development of the educational market in Indonesia.

He has over 22 years of business experience and has held various management positions in companies within the telecommunications and IT industry in Malaysia and Indonesia.

Interest in Shares and Options

☐ 47,509,646 Ordinary Shares

Directorships held in other listed entities during the three years prior to the current year

☐ None

Directors' report

■ Michael Pixley

Qualifications

Experience

- ☐ Non-Executive Director
Independent

- ☐ B.Bus

- ☐ Mr Pixley has worked as a merchant banker specialising in strategic corporate development, joint ventures and acquisitions. He has over 20 years' experience in the Asian business sector and has extensive network and relationships with key personnel in government, corporate and private sectors in the Asia pacific region.

Mr Pixley was part of the management team of a prominent Asian group that over a period of 10 years oversaw the development of industrial properties throughout China, developments in Australia and the expansion of industrial manufacturing plants in Asia.

Interest in Shares and Options

- ☐ 988,750 Ordinary Shares

Directorships held in other listed entities during the three years prior to the current year

- ☐ Current:
Eneco Refresh Ltd (August 2016 to present) (ASX: ERG)
Credit Intelligence Ltd (March 2020 to present) (ASX: CI1)

■ Han Peng Lee

Qualifications

Experience

- ☐ Non-Executive Director
Independent

- ☐ B. Laws

- ☐ Mr Lee is an experienced corporate executive having 15 years' experience in improving processes and cost cutting while efficiently managing office environments. Mr Lee has held the position of General Manager of HH Cement Sdn Bhd and has previously been employed by Chop Hock Huat and Standard Chartered Bank

Interest in Shares and Options

- ☐ 19,309,090 Ordinary Shares

Directorships held in other listed entities during the three years prior to the current year

- ☐ None

■ Stuart Douglas Usher

Qualifications

Experience

- ☐ Non-Executive Director (*appointed 29 August 2022*)
Independent

- ☐ B.Bus, CPA, Grad Dip CSP, MBA, AGIA, ACIS

- ☐ Mr Usher is a CPA and Chartered Company Secretary with 25 years of extensive experience in the management and corporate affairs of public listed companies. He holds an MBA from the University of Western Australia and has extensive experience across many industries focusing on Corporate & Financial Management, Strategy & Planning, Mergers & Acquisitions, and Investor Relations & Corporate Governance.

Interest in Shares and Options

- ☐ Nil Ordinary Shares

Directorships held in other listed entities during the three years prior to the current year

- ☐ None

■ Kiap Khee Lim

Qualifications

Experience

- ☐ Non-Executive Director (*appointed 30 April 2021, resigned 29 August 2022*)
Independent

- ☐ LLM, Dip PM

- ☐ Mr Lim has more than 40 years entrepreneurial and advisory experience covering a varied and broad range of businesses. Advisory work included providing legal advice on corporate, commercial, and international transactions.

Business investments included IT and telecommunications; gold and platinum group metals exploration and mining; travel and tours; property development and hospitality; theme park design and planning; life insurance brokerage, restaurants and food production, trading, and others. These investments were located in Asia, Australia, Africa, the UK and USA, with the majority of them in Asia and Australia. He has held senior management roles and directorships in many of these companies.

Mr Lim is currently a Business Advisor and Australian representative to overseas businesses sourcing Australian resources and commodities (iron ore, coal and dairy products) and to Australian clients sourcing Asian food products for the UK & EU markets.

Directors' report

Interest in Shares and Options ☐ Nil Ordinary Shares

Directorships held in other ☐ None
listed entities during the three
years prior to the current year

8. Meetings of directors and committees

During the financial year, six meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		REMUNERATION AND NOMINATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Djohan Widodo	6	1	<i>At the date of this report, the Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.</i>					
Michael Chan	6	6						
Michael Pixley	6	5						
Han Peng Lee	6	5						
Stuart Usher	0	0						
Kiap Khee Lim	6	0						

9. Indemnifying officers or auditor

9.1. Indemnification

The Group has agreed to indemnify all the directors of Story-i for any liabilities to another person (other than the Group or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

10. Options

10.1. Unissued shares under option

At the date of this report, there are no unissued ordinary shares of the Company under option (listed and unlisted) (2021: Nil).

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

10.2. Shares issued on exercise of options

No ordinary shares have been issued by the Company during the financial year as a result of the exercise of options (2021: Nil).

11. Non-audit services

During the year, Stantons International Audit and Consulting Pty Ltd (**Stantons**), the Company's auditor, provided no other services apart from their statutory audits (2021: \$nil). Details of remuneration paid to the auditors can be found within the financial statements at Note 17 Auditor's Remuneration on page 49.

In the event that non-audit services are provided by Stantons, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth). These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Directors' report

12. Proceedings on behalf of Group

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

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

13. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Story-i Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. For a detailed analysis of the Company's Corporate Governance Policies, visit the corporate governance section of our website at www.story-i.com.au.

14. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2022 has been received and can be found on page 12 of the annual report.

DIRECTORS' REPORT

15. Remuneration report (audited)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Group for the year ended 30 June 2022. The information in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).

15.1. Key management personnel (KMP)

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Group and key executive personnel:

Directors

■ Djohan Widodo	Chairman
■ Michael Chan	Executive Director
■ Michael Pixley	Non-Executive Director
■ Han Peng Lee	Non-Executive Director
■ Stuart Douglas Usher	Non-Executive Director (<i>appointed on 29 August 2022</i>)
■ Kiap Khee Lim	Non-Executive Director (<i>resigned on 29 August 2022</i>)

Other key management

■ Damien Kwok	Chief Executive Officer – PT Inetindo Infocom
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15.2. Principles used to determine the nature and amount of remuneration

a. Remuneration policy

The remuneration policy of Story-I Limited aligns director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and, where the Board believes it appropriate, may also include specific long-term incentives based on key performance areas affecting the Group's ability to attract and retain the best executives and directors to run and manage the Group.

The Board policy is to remunerate directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required.

b. Remuneration committee

Currently the responsibilities of the Remuneration Committee are undertaken by the full Board.

The Remuneration Committee of the Board of Directors of the Group is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality KMP.

c. Remuneration structure

The remuneration policy setting out the terms and conditions for the executive directors and other senior executives was developed by the Board.

(1) Non-executive director remuneration

Non-executive directors remuneration are adjusted from time to time by the Board.

The remuneration of non-executive directors for the year ended 30 June 2022 is detailed in section 15.3 of this remuneration report. The non-executive directors were paid \$36,000 each in FY2022.

(2) Executive remuneration

All executives receive a base salary (which is based on factors such as ability and experience). The Board reviews executive packages annually by reference to the economic entity's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. The performance of any executive directors is measured against the objective of promoting growth in shareholder value.

Details of the nature and amount of each element of each Director, including any related company and each KMP are set out below.

The Executive Director was paid \$38,178 in FY2022.

Directors' report

15. Remuneration report (audited)

d. Performance Based Remuneration – Short-term and long-term incentive structure

The Board may exercise discretion in relation to approving incentives, bonuses, and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives may, where the Board believes it appropriate, participate in employee share and option arrangements.

There was nil performance-based remuneration for the year ended 30 June 2022 (2021: Nil).

e. Service Contracts

Damien Kwok - *Chief Executive Officer – PT Inetindo Infocom*

Term: No Fixed term. The employment will continue until party terminates the contract.

Remuneration : Salary equivalent to \$116,733 pa.

Termination of employment : Either party can terminate the employment by giving the other party one month written notice.

There are no other agreements with key management personnel.

f. Engagement of Remuneration Consultants

During the financial year, the Group did not engage any remuneration consultants.

15.3. Directors and KMP remuneration

Details of the remuneration of the Directors and KMP of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following table.

2022 – Group										
Group KMP	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other		Equity	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Djohan Widodo	36,000	-	-	-	-	-	-	-	-	36,000
Michael Chan	38,178	-	-	-	-	-	-	-	-	38,178
Michael Pixley	36,000	-	-	-	-	-	-	-	-	36,000
Han Peng Lee	36,000	-	-	-	-	-	-	-	-	36,000
Stuart Usher ¹	-	-	-	-	-	-	-	-	-	-
Kiap Khee Lim ²	36,000	-	-	-	-	-	-	-	-	36,000
Damien Kwok	116,733	-	-	-	-	-	-	-	-	116,733
	298,911	-	-	-	-	-	-	-	-	298,911

1. Appointed on 29 August 2022.

2. Resigned on 29 August 2022.

Directors' report

15. Remuneration report (audited)

2021 – Group											
Group KMP	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total	
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other		Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Djohan Widodo ¹	27,000	-	-	-	-	-	-	-	-	27,000	
Michael Chan ²	90,000	-	-	-	-	-	-	-	-	90,000	
Michael Pixley ¹	27,000	-	-	-	-	-	-	-	-	27,000	
Han Peng Lee ¹	27,000	-	-	-	-	-	-	-	-	27,000	
Kiap Khee Lim ³	6,000	-	-	-	-	-	-	-	-	6,000	
Damien Kwok ⁴	75,816	-	-	-	-	-	-	-	-	75,816	
	252,816	-	-	-	-	-	-	-	-	252,816	

1. Djohan Widodo, Michael Pixley and Han Peng Lee were paid \$1,500 per month from 1 July 2020 to 31 December 2020 and \$3,000 per month from 1 January 2021 to 30 June 2021.
2. Michael Chan was paid \$5,000 per month from 1 July 2020 to 31 December 2020 and \$10,000 per month from 1 January 2021 to 30 June 2021.
3. Appointed on 30 April 2021. Kiap Khee Lim was paid \$3,000 per month from 1 May 2021 to 30 June 2021.
4. Damien Kwok was paid \$5,054 per month from 1 July 2020 to 31 March 2021 and \$10,110 per month from 1 April 2021 to 30 June 2021.

15.4. Share-based compensation

The Group believes that encouraging its directors and executives to become shareholders is the best way of aligning their interests with those of its shareholders. At present the Group does not have an employee share option plan.

There was no share issued during the year to settle the directors' fees. (2021: 1,968,750 shares were issued in lieu of directors' fees).

There were no equity instruments issued during the year to Directors as a result of options exercised that had previously been granted as compensation (2021: Nil).

a. Securities received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

b. Options and Rights Granted as Remuneration

No equity instruments were granted in the financial year ended 30 June 2022 (2021: nil).

Directors' report

15. Remuneration report (audited)

15.5. KMP equity holdings

a. Fully paid ordinary shares of Story-i Limited held by each KMP

2022 – Group					
Group KMP	Balance at start of year or date of appointment No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Balance at end of year or date of resignation No.
Djohan Widodo	1,309,090	-	-	-	1,309,090
Michael Chan	47,509,646	-	-	-	47,509,646
Michael Pixley ¹	988,750	-	-	-	988,750
Stuart Usher ²	-	-	-	-	-
Han Peng Lee ³	19,309,090	-	-	-	19,309,090
Kiap Khee Lim	-	-	-	-	-
Damien Kwok	-	-	-	-	-
	69,116,576	-	-	-	69,116,576

1. Michael Pixley received 968,750 fully paid ordinary shares during the year ended 30 June 2021 as settlement of accrued director's fees in prior year. Refer Note 19.2.1a.i.
2. Appointed on 29 August 2022.
3. Resigned on 29 August 2022.

b. Options in Story-i Limited held by each KMP

No option issued to KMP during the year (2021: nil).

15.6. Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

15.7. Other transactions and balances with KMP and or their Related Parties

Related party	Type of transaction	2022	2021
		\$	\$
PT Tri Berkas Artha	Sale of goods	61,075	4,576
PT Inetdata Indonesia - Associate	Sale of goods	5,462	609,641
PT Cipta Handal Eternal - Associate	Sale of goods	5,472	135,454
TB Widodo	Receivable	-	821,428
PT Tri Berkas Gemilang - Associate	Sale of goods	1,268	1,190

There have been no other transactions in addition to those described above or as detailed in Note 16 Related party transactions.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



MICHAEL PIXLEY

Non-executive Director

Dated this Tuesday, 25 October 2022



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Fax: +61 8 9321 1204
ABN: 84 144 581 519
www.stantons.com.au

25 October 2022

Board of Directors
Story-i Limited
Level 1
247 Oxford Street
Leederville, WA 6007

Dear Directors

RE: STORY-I LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Story-i Limited.

As Audit Director for the audit of the financial statements of Story-i Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director



Liability limited by a scheme approved under Professional Standards Legislation

Stantons is a member of the Russell
Bedford International network of firms

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
<i>Continuing operations</i>			
Revenue	1.1	42,414,602	41,909,133
Costs of sales		(36,375,779)	(35,913,309)
Gross Profit		6,038,823	5,995,824
Other income	1.2	531,257	206,916
Administrative and other costs		(6,644,602)	(6,865,795)
Selling and distribution costs		(1,097,706)	(853,631)
Operating loss		(1,172,228)	(1,516,686)
Interest and finance costs		(1,135,041)	(906,143)
Loss before income tax	2	(2,307,269)	(2,422,829)
Income tax (expense) / benefit	4.1	(43,849)	1,457
Net loss for the year		(2,351,118)	(2,421,372)
<i>Other comprehensive income, net of income tax</i>			
■ Items that may be reclassified subsequently to profit or loss			
□ Foreign currency movement		743,636	(1,628,645)
Other comprehensive loss for the year, net of tax		743,636	(1,628,645)
Total comprehensive loss for the year, net of tax		(1,607,482)	(4,050,017)
<i>Loss for the year attributable to:</i>			
■ Non-controlling interest		(185,171)	(107,052)
■ Owners of the parent		(2,165,947)	(2,314,320)
		(2,351,118)	(2,421,372)
<i>Total comprehensive loss attributable to:</i>			
■ Non-controlling interest		(185,171)	(107,052)
■ Owners of the parent		(1,422,311)	(3,942,965)
		(1,607,482)	(4,050,017)
<i>Earnings per share:</i>		¢	¢
Basic loss per share (cents per share)	18	(0.58)	(0.62)
Diluted loss per share (cents per share)	18	(0.58)	(0.62)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 30 June 2022

	Note	2022 \$	2021 \$
<i>Current assets</i>			
Cash and cash equivalents	5.1	1,557,672	1,539,221
Trade and other receivables	5.2.1	5,260,436	5,323,730
Other current assets	5.3.1	1,751,054	1,639,086
Inventories	6.1	12,970,207	10,643,383
Total current assets		21,539,369	19,145,420
<i>Non-current assets</i>			
Plant and equipment	6.2	3,495,877	4,759,242
Right of use assets	6.3.1	1,724,314	1,436,974
Intangible assets	6.4	1,037,086	997,982
Deferred tax asset	4.6	67,969	54,487
Other non-current assets	5.3.2	610,973	566,033
Total non-current assets		6,936,219	7,814,718
Total assets		28,475,588	26,960,138
<i>Current liabilities</i>			
Trade and other payables	5.4.1	3,275,398	3,799,865
Borrowings	5.5.1	12,134,921	8,830,902
Leases	6.3.2	248,448	468,426
Total current liabilities		15,658,767	13,099,193
<i>Non-current liabilities</i>			
Provisions	6.5.1	338,569	277,289
Leases	6.3.2	1,114,922	612,844
Total non-current liabilities		1,453,491	890,133
Total liabilities		17,112,258	13,989,326
Net assets		11,363,330	12,970,812
<i>Equity</i>			
Issued capital	7.1.1	9,631,133	9,631,133
Reserves		(837,480)	(1,581,116)
Retained earnings		2,308,110	4,474,057
Non-controlling interest		261,567	446,738
Total equity		11,363,330	12,970,812

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2022

	Note	Contributed equity \$	Retained earnings \$	Foreign Currency Translation Reserve \$	Sub-total \$	Non-controlling Interest (NCI) \$	Total equity \$
<i>Balance at 1 July 2020</i>		9,527,324	6,788,377	47,529	16,363,230	549,170	16,912,400
Loss for the year		-	(2,314,320)	-	(2,314,320)	(107,052)	(2,421,372)
Other comprehensive income for the year		-	-	(1,628,645)	(1,628,645)	-	(1,628,645)
Total comprehensive income for the year		-	(2,314,320)	(1,628,645)	(3,942,965)	(107,052)	(4,050,017)
<i>Transaction with owners, directly in equity</i>							
Shares issued during the year (net of costs)	7.1	103,809	-	-	103,809	-	103,809
Share of non-controlling interest of PT Menara Gemerlap Kulinari		-	-	-	-	4,620	4,620
Balance at 30 June 2021		9,631,133	4,474,057	(1,581,116)	12,524,074	446,738	12,970,812
<i>Balance at 1 July 2021</i>		9,631,133	4,474,057	(1,581,116)	12,524,074	446,738	12,970,812
Loss for the year		-	(2,165,947)	-	(2,165,947)	(185,171)	(2,351,118)
Other comprehensive income for the year		-	-	743,636	743,636	-	743,636
Total comprehensive income for the year		-	(2,165,947)	743,636	(1,422,311)	(185,171)	(1,607,482)
<i>Transaction with owners, directly in equity</i>		-	-	-	-	-	-
Balance at 30 June 2022		9,631,133	2,308,110	(837,480)	11,101,763	261,567	11,363,330

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		41,095,791	40,790,954
Interest received		23,994	39,721
Interest paid (net of AASB 16 interest)		(1,134,904)	(863,364)
Payments to suppliers and employees		(42,598,263)	(38,163,140)
Income tax refund/(paid)		(32,826)	299
Other receipts		507,263	89,196
Net cash (used in) / generated from operating activities	5.1.3a	(2,138,945)	1,893,666
<i>Cash flows from investing activities</i>			
Purchase of plant and equipment		(253,849)	(708,533)
Payment for security deposits		(44,940)	(63,399)
Net cash used in investing activities		(298,789)	(771,932)
<i>Cash flows from financing activities</i>			
Repayment of bank loans		(21,171)	(119,857)
Proceed from/(repayment) of borrowings		2,734,356	(867,430)
(Repayment) of/proceed from short-term loan		(9,407)	2,806
Repayment of convertible loan		-	(75,000)
Repayment of lease liabilities		(348,663)	(892,076)
Net provided by / (cash used) in financing activities		2,355,115	(1,951,557)
Net increase in cash and cash equivalents held		(82,619)	(829,823)
Cash and cash equivalents at the beginning of the year		1,539,221	2,648,706
Foreign exchange gain/(loss)		101,070	(279,662)
Cash and cash equivalents at the end of the year	5.1	1,557,672	1,539,221

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the year ended 30 June 2022

In preparing the 2022 financial statements, Story-i Limited has grouped notes into sections under five key categories:

■ Section A: How the numbers are calculated.....	18
■ Section B: Risk	41
■ Section C: Group structure	46
■ Section D: Unrecognised items.....	48
■ Section E: Other Information.....	49

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

Change in Presentation

During the financial year the Group changed the presentation of the statement of profit and loss to classify expenses based on their function. This change has not affected reported profit or loss and is a change in presentation only. In accordance with accounting standards, the Group will continue to report expenditure classified by nature in the notes to the consolidated financial statements, as disclosed in 2.1 *Expenses by nature*. Comparative information has been updated to reflect this change.

Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction.*
- (b) analysis and sub-totals.*
- (c) information about estimates and judgements made in relation to particular items.*

Note	1	Revenue and other income	Note	2022 \$	2021 \$
1.1		Revenue			
		Revenue from sale of goods		42,414,602	41,909,133
				42,414,602	41,909,133
1.2		Other Income			
		Interest income		23,994	39,721
		Other income	1.2.1	507,263	167,195
				531,257	206,916

1.2.1 Represent claim rebate from supplier.

1.3 Accounting policy**1.3.1 Revenue from contracts with customers**

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 process outlined in AASB 15 which is as follows:

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations; and

Step 5: Recognise the revenue as the performance obligations are satisfied.

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note	1	Revenue and other income (cont.)
		<p>The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:</p> <ul style="list-style-type: none"> i. the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; ii. the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or iii. the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. <p>Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.</p>
1.3.2		<p>Sale of Goods</p> <p>The Group recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is recognised when the goods are shipped to the customer.</p>
1.3.3		<p>Interest income</p> <p>Interest revenue is recognised in accordance with Note 3.2 Finance income and expenses.</p>

Note	2	Loss before income tax	Note	2022 \$	2021 \$
2.1		Expenses by nature			
		<ul style="list-style-type: none"> • Administration expenses • Advertising and marketing expenses • Amortisation and depreciation • Corporate expenses • Employee benefits expense • Manufacturing, purchasing, and distribution costs 	2.2 2.3 2.4	5,261,929 1,097,706 2,271,567 102,147 144,000 36,375,779	5,103,889 853,631 2,322,137 139,292 206,620 35,913,309
		Total expenses by nature		45,253,128	44,538,878
		<i>Reconciliation to net loss before tax</i>			
		Total revenue and other income		42,945,859	42,116,049
		Less: Total expenses by nature		(45,253,128)	(44,538,878)
		Net loss before tax		(2,307,269)	(2,422,829)
2.2		Administration expenses			
		<ul style="list-style-type: none"> • Accounting expenses • External consulting fees • Travel expenses • Interest expenses and finance facility costs • Impairment expense • Foreign exchange loss • Other expenses 		147,826 27,249 - 1,135,041 8,204 387,219 3,556,390	123,662 141,926 1,194 906,143 732,314 349,029 2,849,621
				5,261,929	5,103,889

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note	2	Loss before income tax (cont.)		
2.3	Corporate expenses			
	<ul style="list-style-type: none"> ASX fees 	36,728		20,396
	<ul style="list-style-type: none"> Legal expenses 	63,404		108,953
	<ul style="list-style-type: none"> Share Registry and shareholder communications 	2,015		9,943
		102,147		139,292
2.4	Employee benefits expense			
	<ul style="list-style-type: none"> Directors' fees 	144,000		177,000
	<ul style="list-style-type: none"> Wages and salaries 	-		29,620
		144,000		206,620

Note	3	Other Significant Accounting Policies related to items of profit and loss
3.1	Employee benefit	
3.1.1	Short-term benefits	
		Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.
		Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.
3.1.2	Other long-term benefits	
		The Group's obligation in respect of long-term employee benefits other than defined benefit plans, such as long service leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Group's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 3 Other Significant Accounting Policies related to items of profit and loss (cont.)**3.1.3 Retirement benefit obligations: Defined contribution superannuation funds**

Short-term employee benefits are recognised when they accrue to the employees.

A defined benefit pension plan is a pension plan that defines an amount of pension that will be received by the employee on becoming entitled to a pension, which usually depends on factors such as age, years of service and compensation.

The Group provides post retirement benefits to its employees in accordance with definite Labor Law Indonesia No. 13/2003. No funding has been made for these defined benefit plans.

Group net liabilities on defined benefit plans is calculated from the present value of post employment benefit obligations are defined at the end of the reporting period less the fair value of plan assets, if any. Calculation of post-employment benefit liabilities were calculated using the projected unit credit actuarial calculations performed in the end of each reporting period.

Remeasurement liabilities post-employment benefits, including a) gains and losses, b) return on plan assets do not include interest, and c) limit the impact of any changes in the assets, not including interest, is recognized in other comprehensive income as incurred. Remeasurement is not reclassified to profit or loss in subsequent periods.

When the reward program is changed or there is a curtailment of the program, part of the change in exchange related past service cost or gains or at the beginning of the annual reporting period to measure post employment benefit liabilities during the period.

The Group recognises gains and loss upon completion liabilities post employment benefits at the time of completion of the case, the gain or loss on settlement represents the difference between the present value of liabilities post-employment benefits are defined on the settlement date the settlement price, including any plan assets that was diverted and any payments made by directly by the Group in connection with the settlement.

3.1.4 Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

3.1.5 Equity-settled compensation

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, considering the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

3.2 Finance income and expenses

Finance income comprises interest income on funds invested. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note	4	Income tax	Note	2022 \$	2021 \$
4.1		Income tax expense / (benefit)			
		Current tax		43,849	(1,457)
		Deferred tax		-	-
				43,849	(1,457)
		Deferred income tax expense included in income tax expense comprises:			
		■ Increase / (decrease) in deferred tax assets	4.6	-	-
		■ (Increase) / decrease in deferred tax liabilities		-	-
				-	-
4.2		Reconciliation of income tax expense to prima facie tax payable			
		The prima facie tax payable/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
		Accounting loss before tax		(2,307,269)	(2,422,829)
		Prima facie tax on operating loss at 25% (2021: 26%)		(576,817)	(629,936)
		Add / (Less) tax effect of:			
		<input type="checkbox"/> Amounts which are not assessable in calculating taxable income		(12,945)	16,749
		<input type="checkbox"/> Temporary differences		(59,320)	193,694
		<input type="checkbox"/> Deferred tax assets not recognised		486,649	391,350
		<input type="checkbox"/> Difference in foreign income tax rate		162,488	926
		<input type="checkbox"/> Depreciation adjustment		43,794	25,760
		Income tax expense / (benefit) attributable to operating loss		43,849	(1,457)
				%	%
4.3		The applicable weighted average effective tax rates attributable to operating profit are as follows:		(1.90)	0.06
4.3.1		The tax rates used in the above reconciliations is the corporate tax rate of 25% payable by the Australian corporate entity on taxable profits under Australian tax law. Tax rate in previous reporting year was 26%.			
4.3.2		The foreign tax payable relates to the Indonesian corporate entity, where the current corporate tax rate is 25%. (2021: 25%)			
4.4		Balance of franking account at year end of the parent		nil	nil
4.5		Current tax liabilities			
		Foreign Income tax payable / (benefit) (included under Taxes payable in Note 5.4.1)		43,849	(1,457)

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note	4	Income tax (cont.)	2022 \$	2021 \$
4.6		Deferred tax assets		
		Tax losses	67,969	54,487
			67,969	54,487
		Set-off deferred tax liabilities	-	-
		Net deferred tax assets	67,969	54,487
		Less deferred tax assets not recognised	-	-
		Net deferred tax assets	67,969	54,487
		Deferred tax liabilities	-	-
		Set-off deferred tax assets	-	-
		Net deferred tax liabilities	-	-
4.7		Tax losses and deductible temporary differences		
		Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:		
		■ Revenue tax losses carried forward	1,147,372	687,152
		■ Provision for expenses	162,505	50,198
		■ Capital raising costs	14,433	50,486
		■ Leased assets	-	(97,819)
			1,324,310	690,017

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

The parent company has accumulated tax losses of \$2,457,743 (2021: \$2,202,277) which are expected to be available indefinitely for offset against future taxable profits of the parent company in which the losses arose. The recoupment of these losses is subject to assessment of the Australian Taxation Office. No deferred tax asset has been recorded in relation to these tax losses as it is not probable that taxable profit will be available in the foreseeable future and they may not be used to offset taxable.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 4 Income tax (cont.)**4.8 Accounting policy**

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods 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 by the balance date.

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

Deferred income 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; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income 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; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities**5.1 Cash and cash equivalents**

	2022 \$	2021 \$
Cash at bank	1,557,672	1,497,112
Cash on hand	-	42,109
	1,557,672	1,539,221

5.1.1 The Group's exposure to foreign exchange risk, interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 8 Financial risk management.

5.1.2 Cash and cash equivalent denominated in foreign currency at 30 June 2022 is \$1,541,734 (2021: \$1,537,178).

5.1.3 Cash Flow Information

	2022 \$	2021 \$
a. Reconciliation of cash flow from operations to loss after income tax		
Loss after income tax attributable to owners of the parent company	(2,165,947)	(2,314,320)
Cash flows excluded from loss attributable to operating activities		
<i>Non-cash flows in loss from ordinary activities:</i>		
■ Depreciation and amortisation	2,271,567	2,322,137
■ Interest expense AASB16	32,512	41,888
■ Unrealised foreign exchange losses	387,219	349,029
■ Impairment	338,887	720,592
<i>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:</i>		
■ Decrease in trade and other receivables	444,999	54,861
■ (Decrease) in trade and other payables	(1,057,188)	(921,730)
■ (Increase) / decrease in other current assets	(111,968)	530,378
■ (Increase) / decrease in inventory	(2,326,824)	1,066,909
■ Decrease / (increase) in deferred tax asset	(13,482)	5,140
■ Increase in provisions	61,280	38,782
Cash flow (used in) / generated from operating activities	(2,138,945)	1,893,666

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)**5.1 Cash and cash equivalents (cont.)****5.1.3 Cash Flow Information (cont.)****b. Reconciliation of liabilities arising from financing activities**

	2020 \$	Cash flows \$	Acquisitions \$	Non-cash changes			2021 \$
				Foreign Exchange \$	Other Changes ⁽ⁱ⁾ \$	Changes due to AASB 16 \$	
Borrowings	9,890,383	(1,059,481)	-	-	-	-	8,830,902
Leases	1,391,868	(892,076)	-	581,478	-	-	1,081,270
Total liabilities from financing activities	11,282,251	(1,951,557)	-	581,478	-	-	9,912,172

	2021 \$	Cash flows \$	Additions \$	Non-cash changes			2022 \$
				Foreign Exchange \$	Other Changes \$	Changes due to AASB 16 \$	
Borrowings	8,830,902	2,703,778	-	600,241	-	-	12,134,921
Leases	1,081,270	(348,663)	840,170	(209,407)	-	-	1,363,370
Total liabilities from financing activities	9,912,172	2,355,115	840,170	390,834	-	-	13,498,291

(i) Other changes include non-cash movements including interest expense on AASB 16 adoption which will be presented as operating cash flows in the statement of cash flows when paid

c. Credit and loan standby arrangement with banks

The Group has no credit standby facilities.

d. Non-cash investing and financing activities

During the years ended 30 June 2022 and 30 June 2021, and as detailed in in Note 7.1 :

- No shares (2021: 1,968,750 shares) issued as director's fees.
- No shares (2021: 4,519,318 shares) issued to 3rd party consultants for consulting services.

There were no other non-cash financing or investing activities.

5.1.4 Accounting policy

For Consolidated Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)**5.2 Trade and other receivables**

Note	2022	2021
	\$	\$
5.2.1 Current		
Trade receivables	3,229,236	1,769,684
GST receivable	24,526	25,224
Receivable – related parties	16 73,277	1,572,289
Employee receivable	24,055	22,061
Apple SEA	5.2.5 428,137	430,709
Other receivables	5.2.6 1,820,092	2,224,355
Allowance for credit losses – trade and other receivables	(338,887)	(720,592)
	5,260,436	5,323,730

5.2.2 The Group's exposure to credit rate risk and foreign exchange risk are disclosed in Note 8 Financial risk management.

5.2.3 The average credit period on sales of goods and rendering of services ranges from 30 to 90 days. Interest is not charged. Allowance has been made for estimated irrecoverable trade receivable amounts arising from past sale of goods and rendering of services, determined by reference to past default experience. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction.

5.2.4 The amount of trade and other receivables denominated in foreign currency at 30 June 2022 is \$5,235,910 (2021: \$5,298,504).

5.2.5 Apple SEA represents reimbursement for fitouts, renovation and marketing funds. These amounts are non-interest bearing and are usually paid between 6-8 months.

5.2.6 The other receivables are reimbursement for rebates, discounts, reimbursement for warehousing, marketing and promotions costs from principals and suppliers. These amounts are non-interest bearing and repayable upon demand.

5.2.7 Accounting policies**a. Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The Group's trade and other receivables fall into this category of financial instruments.

b. Trade receivables

Trade receivables are generally due for settlement within periods ranging from 30 to 90 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)**5.2.7 Accounting policies (cont.)****b Trade receivables (cont.)**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance. (see also Note 5.6.1).

The amount of the impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

5.3 Other assets

Note

2022

2021

\$

\$

5.3.1 Current

Prepayments

214,659

95,383

Advance payment

5.3.3

1,333,160

1,410,780

Restricted deposits

5.3.4

203,235

132,923

1,751,054

1,639,086

5.3.2 Non-current

Rental deposits

610,973

566,033

610,973

566,033

5.3.3 The advance payments include advance payment for purchases, advance rental payments, down payment for fitouts.

5.3.4 Cash in banks and deposits are restricted with respect to the terms of the loan or other agreement is represented as "Restricted deposits".

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)

5.4	Trade and other payables	Note	2022 \$	2021 \$
5.4.1	Current Unsecured			
	Trade payables		2,749,138	3,417,104
	Taxes payable		43,849	27,375
	Related party payables	16	62,604	59,353
	Other payables		419,807	296,033
			3,275,398	3,799,865
5.4.2	Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.			
5.4.3	The Group's exposure to foreign exchange risk, interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 8 Financial risk management.			
5.4.4	The amount of trade and other payables denominated in foreign currency at 30 June 2022 is \$2,837,112 (2021: \$3,553,934).			
5.4.5	Accounting policy			
	a. Trade and other payables			
	Trade payables and other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.			
5.5	Borrowings	Note	2022 \$	2021 \$
5.5.1	Current			
	Bank loan	5.5.2	2,903,449	2,744,224
	Short-term loan – related party	5.5.4	8,799	18,206
	Other borrowings	5.5.5	9,222,673	6,068,472
			12,134,921	8,830,902
5.5.2	Based on the Credit Facility Renewal letter S.099/WBCB/II/2022 dated 24 February 2022 and Credit Agreement No. 11 (Addendum VI) dated 25 February 2022, the Company obtained Corporate Banking facilities from Bank BTPN. The facility is used for working capital. The term of the facility is up to 21 February 2023.			
	The total facility is IDR 30 billion with an interest rate of 7.5% pa and secured by a restricted deposit of IDR 15 billion and a personal guarantee.			

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)**5.5 Borrowings (cont.)**

5.5.3 The amount of borrowings denominated in foreign currency at 30 June 2022 is \$12,126,122 (2021: \$8,815,902).

5.5.4 The short term loans are ad-hoc funding with no fixed repayment term at 9% p.a.

5.5.5 The Group has the following facilities from non- bank financial institutions:

PT. Lunaria Annua Teknologi

Based on Agreement No. LAT/RM/2022/0517 on 16 May 2022, PT. Inetindo Infocom received a credit facility within a period of 12 months, with a maximum amount of Rp2,000,000,000. The maximum value for disbursement through a Disbursement Instruction Letter is 80%. Interest of 14% per year is effective (1.16% per month). PT. Lunaria Annua Teknologi is an information technology based financial company registered under No. S-1862 / NB.111 / 2017 and supervised by OJK based on POJK No. 77 / POJK.01 / 2016.

Transasia Private Capital Limited

Based on Agreement No. ATTF2-FA-1712- 006/Amendment Deed on 4 July 2022, PT. Inetindo Infocom obtains a credit facility with a maximum value of USD 4,000,000 for the purchase of consumer electronic products from approved distributors for sale to consumers. This facility expires on 31 December 2023.

PT Financial Integrasi Teknologi

Based on Agreement No. 026/FIT/SPFP/IV/2022 on 12 April 2022, PT. Inetindo Infocom gets a credit facility with a maximum value of Rp 20,000,000,000. This facility expires on 1 November 2022.

Koperasi Simpan Pinjam Sejahtera Jaya Annua

Based on Agreement No. KopSJA/RM-LGL/2022/05/01 dated 16 May 2022, PT. Inetindo Infocom obtains a credit facility for a period of 12 months, with a maximum amount of Rp. 13,000,000,000. The maximum disbursement limit through the Disbursement Instruction Letter is Rp. 13,000,000,000. Interest of 14% per annum effective (1.16% per month). The Prosperous Jaya Annua Savings and Loans Cooperative has been ratified based on the Ministerial Decree no. 012597/BH/M.KUKM/III/2019 dated 1 March 2019.

Vehicle leasing

Contract: 50101200651
 Vehicle: Mercedes Benz GLS 450 AMG LINE
 Term: 60 months
 Installation: Rp. 37,183,000
 Period: 1/1/2021 – 1/12/2025

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)**5.5 Borrowings (cont.)****5.5.6 Accounting policy****a. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Differences between the proceeds (net of transaction costs) and the redemption amount are recognised in profit or loss over the term of the borrowings using the effective interest method. Fees paid on the establishment of facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the facility's term.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

b. Convertible notes

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

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

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

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

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)**5.6 Other Significant Accounting Policies related to Financial Assets and Liabilities****5.6.1 Investments and other financial assets****a. Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

b. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

c. Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i. Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

ii. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)**5.6 Other Significant Accounting Policies related to Financial Assets and Liabilities**

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d. Impairment

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

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Note 6 Non-financial assets and financial liabilities**6.1 Inventories**

Apple products

Accessories

Others

2022	2021
\$	\$
9,939,512	6,475,819
2,515,902	3,535,926
514,793	631,638
12,970,207	10,643,383

6.1.1 Accounting policy

Inventories are measured at the lower of cost and net realisable value. Costs are determined by first in first out (FIFO). Costs of purchased inventory are determined after deducting rebates and discounts. 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.

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account recent sales experience, the ageing of inventories, damaged, obsolete, slow moving inventories and other factors that affect inventory obsolescence.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)**6.2 Plant and equipment**

Note

	2022 \$	2021 \$
Equipment	675,136	622,133
Accumulated depreciation	(639,556)	(527,132)
	35,580	95,001
Office assets	4,032,283	3,773,424
Accumulated depreciation	(3,169,343)	(2,306,557)
	862,940	1,466,867
Motor vehicles	249,662	241,583
Accumulated depreciation	(56,350)	(26,184)
	193,312	215,399
Asset in progress	257,362	905,553
Accumulated depreciation	-	-
	257,362	905,553
Other assets	5,721,820	4,480,832
Accumulated depreciation	(3,575,137)	(2,404,410)
	2,146,683	2,076,422
Total plant and equipment	3,495,877	4,759,242

**6.2.1 Movements in
Carrying Amounts**

	Equipment \$	Office assets \$	Motor Vehicles \$	Asset In progress \$	Other assets \$	Total \$
<i>Carrying amount at 1 July 2020</i>	208,333	2,411,820	25,678	1,136,983	2,568,785	6,351,599
Transfers between classes	-	-	-	(111,355)	111,355	-
Additions	11,412	114,854	210,396	-	371,871	708,533
Depreciation	(102,881)	(746,438)	(17,963)	-	(740,304)	(1,607,586)
Impact of foreign exchange rates	(21,863)	(313,369)	(2,712)	(120,075)	(235,285)	(693,304)
<i>Carrying amount at 30 June 2021</i>	95,001	1,466,867	215,399	905,553	2,076,422	4,759,242
<i>Carrying amount at 1 July 2021</i>	95,001	1,466,867	215,399	905,553	2,076,422	4,759,242
Transfers between classes	-	-	-	(707,719)	707,719	-
Additions/(disposal)	12,133	10,806	(7,803)	-	238,713	253,849
Depreciation	(77,772)	(711,160)	(28,444)	-	(854,615)	(1,671,991)
Impact of foreign exchange rates	6,218	96,427	14,160	59,528	(21,556)	154,777
<i>Carrying amount at 30 June 2022</i>	35,580	862,940	193,312	257,362	2,146,683	3,495,877

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)**6.2 Plant and equipment (cont.)****6.2.2 Accounting policy****a. Recognition and measurement**

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 6.6.1 Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Where considered material, the carrying amount of property, plant, and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Asset in progress are store fitouts under construction or renovation and are not depreciated until its completed and transferred to plant and equipment.

b. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

c. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

	2022	2021
■ Equipment	4 years	4 years
■ Office assets	4 years	4 years
■ Motor vehicle	4 years	4 years
■ Other assets	4, 10 years	4, 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

d. Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further 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 profit or loss in the year the asset is derecognised.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)

6.3 Leases		Note	2022 \$	2021 \$
6.3.1	Right of use assets			
	Properties		1,724,314	1,436,974
			1,724,314	1,436,974
	<i>Movement in carrying amount:</i>			
	Beginning balance		1,436,974	1,776,550
	Additions		840,170	620,797
	Depreciation		(599,576)	(714,551)
	Impact of foreign exchange		46,746	(245,822)
	Ending balance		1,724,314	1,436,974
6.3.2	Lease liabilities			
	Current		248,448	468,426
	Non-current		1,114,922	612,844
			1,363,370	1,081,270
6.3.3	Additions to the right-of-use assets during the 2022 financial year were \$840,170 (2021: \$620,797).			
6.3.4	Amounts recognised in the consolidated statement of profit or loss and other comprehensive income		2022 \$	2021 \$
	Depreciation charge of right-of-use assets		599,576	714,551
	Interest expense (included in finance cost)		32,512	41,888
			632,088	756,439

The total cash outflow for leases in 2022 was \$348,663. (2021: \$892,016).

6.3.5 Accounting policy**a. Recognition and measurement**

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

i. Right of Use Asset

The Group recognises a right of use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)**6.3 Leases (cont.)****i Right of Use Asset (cont.)**

Subsequent to initial measurement, the right of use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life as follows:

- Properties 3 – 5 years

Right of use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payment to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The amount of lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

b. Extension and termination options

An extension options is included in a property of the Group. This is used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension option held is exercisable only by the group and not by the respective lessor.

6.3.6 Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)**6.4 Intangible assets**

Note

2022

2021

\$

\$

Intangible – fair value of licenses from acquisition of eStore

1,037,086

997,982

6.4.1 Movements in Carrying Amounts*Carrying amount at 1 July*

997,982

1,068,223

Impact of foreign exchange rates

39,104

(70,241)

Carrying amount at 30 June

1,037,086

997,982

The recoverable amount of the Group's fair value of licenses from acquisition of eStore has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by Directors utilising the following key assumptions:

- Discount rate is based on a weighted average cost of capital of 10%;
- Cashflow for FY2022 was approximately 10% higher than FY2021. In FY2023 the cash flow is projected to be similar to FY2022 and in subsequent years a 10% growth rate is applied.

As a result of the analysis, management has not recognised an impairment loss. The Directors believe that any reasonably possible further change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

6.4.2 Accounting policy

Intangible assets are identifiable non-monetary assets without physical substance. They are recognised only if it is probable the asset will generate future benefits for the Group. Those assets with an indefinite useful life are treated for impairment annually. All intangible assets must be tested for impairment when there is an indication that its carrying amount may be greater than its recoverable amount.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)**6.5 Provisions**

Note

2022

2021

\$

\$

6.5.1 Non-current

Post employment benefits

6.5.2

338,569

277,289

338,569

277,289

6.5.2 Description of provisions

The Group records allowance for employee benefits based on actuarial calculations by an independent party applying the "Projected Unit Credit" method based on a 7.8% discount rate, 8% salary increment and a 56 years retirement age.

6.5.3 Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

6.6 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities**6.6.1 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy at note 4.8) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 7 Equity

7.1	Issued capital	Note	2022 No.	2021 No.	2022 \$	2021 \$
	Fully paid ordinary shares at no par value		376,404,857	376,404,857	9,631,133	9,631,133
7.1.1	Ordinary shares					
	At the beginning of the year		376,404,857	369,916,789	9,631,133	9,527,324
	Shares issued during the year:					
	■ Shares issued @\$0.016 per share in lieu of cash payment for consulting fees	19.2.1a.i	-	4,519,318	-	72,309
	■ Shares issued @\$0.016 per share in lieu of cash payment for director's fees	19.2.1a.i	-	1,968,750	-	31,500
	Transaction costs relating to share issues		-	-	-	-
	At reporting date		376,404,857	376,404,857	9,631,133	9,631,133

7.1.2 Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of 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.

7.1.3 Accounting policy

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

Note 8 Financial risk management**8.1 Financial Risk Management Policies**

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

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

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's financial assets and liabilities is shown below:

	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest Bearing \$	2022 Total \$	Floating Interest Rate \$	Fixed Interest Rate \$	Non- interest Bearing \$	2021 Total \$
Financial Assets								
<input type="checkbox"/> Cash and cash equivalents	1,557,672	-	-	1,557,672	1,539,221	-	-	1,539,221
<input type="checkbox"/> Trade and other receivables	-	-	5,260,436	5,260,436	-	-	5,323,730	5,323,730
<input type="checkbox"/> Restricted deposits	-	-	203,235	203,235	-	-	132,923	132,923
Total Financial Assets	1,557,672	-	5,463,671	7,021,343	1,539,221	-	5,456,653	6,995,874
Financial Liabilities								
Financial liabilities at amortised cost								
<input type="checkbox"/> Trade and other payables	-	-	3,275,398	3,275,398	-	-	3,799,865	3,799,865
<input type="checkbox"/> Borrowings	-	12,134,921	-	12,134,921	-	8,830,902	-	8,830,902
<input type="checkbox"/> Leases	-	1,363,370	-	1,363,370	-	1,081,270	-	1,081,270
Total Financial Liabilities	-	13,498,291	3,275,398	16,773,689	-	9,912,172	3,799,865	13,712,037
Net Financial Assets / (Liabilities)	1,557,672	(13,498,291)	2,188,273	(9,752,346)	1,539,221	(9,912,172)	1,656,788	(6,716,163)

8.2 Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 8 Financial risk management (cont.)**8.2.1 Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

■ **Credit risk exposures**

The maximum exposure to credit risk is that to its alliance partners and that is limited to 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.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

■ **Impairment losses**

The ageing of the Group's trade and other receivables at reporting date are as follows:

	Gross 2022 \$	Impaired 2022 \$	Net 2022 \$	Past due but not impaired 2022 \$
Trade and other receivables				
0 to 30 days	3,070,219	-	3,070,219	-
31 days to 60 days	690,102	-	690,102	-
61 days to 90 days	872,397	-	872,397	-
over 90 days	966,605	(338,887)	627,718	627,718
	5,599,323	(338,887)	5,260,436	627,718
	Gross 2021 \$	Impaired 2021 \$	Net 2021 \$	Past due but not impaired 2021 \$
Trade and other receivables				
0 to 30 days	2,142,685	-	2,142,685	-
31 days to 60 days	828,143	-	828,143	-
61 days to 90 days	314,738	-	314,738	-
over 90 days	2,758,756	(720,592)	2,038,164	2,038,164
	6,044,322	(720,592)	5,323,730	2,038,164

The Board has assessed that there is no further impairment to the carrying value of these receivables.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 8 Financial risk management (cont.)**8.2.2 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, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Group include trade and other payables, borrowings and leases as disclosed in the consolidated statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

■ **Contractual Maturities**

The following are the undiscounted contractual maturities of financial assets and liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	3,275,398	3,799,865	-	-	3,275,398	3,799,865
Borrowings	12,619,768	9,662,764	-	-	12,619,768	9,662,764
Leases	260,870	497,881	1,170,668	635,508	1,431,538	1,133,389
Total contractual outflows	16,156,036	13,960,510	1,170,668	635,508	17,326,704	14,596,018
Financial assets						
Cash and cash equivalents	1,557,672	1,539,221	-	-	1,557,672	1,539,221
Trade and other receivables	5,260,436	5,323,730	-	-	5,260,436	5,323,730
Restricted deposits	203,235	132,923	-	-	203,235	132,923
Total anticipated inflows	7,021,343	6,995,874	-	-	7,021,343	6,995,874
Net (outflow) on financial instruments	(9,134,693)	(6,964,636)	(1,170,668)	(635,508)	(10,305,361)	(7,600,144)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

8.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's activities minimally expose it to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates. The Group does not enter into derivative financial instruments including foreign exchange forward contracts to hedge against financial risk. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 8 Financial risk management (cont.)**a. Interest rate risk**

The company and the Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company and the Group's exposures to interest rate in financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

b. Foreign exchange risk

The Group is exposed to foreign exchange risk as certain transactions are denominated in United States Dollars, Singapore Dollars and Indonesian Rupiah as a result of operating in Singapore and Indonesia.

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the US dollar, Indonesian Rupiah and Singapore Dollar may impact on the Group's financial results unless those exposures are appropriately hedged.

c. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Group.

8.2.4 Sensitivity Analyses

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
a. Interest rates		
Year ended 30 June 2022		
±50 basis points change in interest rates	± 7,788	± 7,788
Year ended 30 June 2021		
±50 basis points change in interest rates	± 7,696	± 7,696
b. Foreign exchange	Profit \$	Equity \$
Year ended 30 June 2022		
±10% of Australian dollar strengthening/weakening against the Indonesia Rupiah	± 949,208	± 661,542
Year ended 30 June 2021		
±10% of Australian dollar strengthening/weakening against the Indonesia Rupiah	± 661,542	± 661,542

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 8 Financial risk management (cont.)**8.2.5 Net Fair Values****a. Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the table in Note 8.1 and can be compared to their carrying values as presented in the consolidated statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Note 9 Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

The working capital position of the Group was as follows:

	Note	2022 \$	2021 \$
Cash and cash equivalents	5.1	1,557,672	1,539,221
Trade and other receivables	5.2.1	5,260,436	5,323,730
Inventories	6.1	12,970,207	10,643,383
Other current assets (excl. prepayments)	5.3.1	1,536,395	1,543,703
Trade and other payables	5.4	(3,275,398)	(3,799,865)
Borrowings	5.5	(12,134,921)	(8,830,902)
Leases - current	6.3.2	(248,448)	(468,426)
Working capital position		5,665,943	5,950,844

Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- (a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation*
- (b) transactions with non-controlling interests, and*
- (c) interests in joint operations.*

A list of significant subsidiaries is provided in note 10. This note also discloses details about the Group's equity accounted investments, if any.

Note 10 Interest in subsidiaries**10.1 Information about principal subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. Investments in subsidiaries are accounted for at cost. Each subsidiaries country of incorporation is also its principal place of business:

	Country of Incorporation	Class of Shares	Percentage Owned	
			2022	2021
■ Story-i Pte Ltd	Singapore	Ordinary	100%	100%
■ PT Inetindo Infocom	Indonesia	Ordinary	95%	95%
■ PT Menara Gemerlap Kuliner	Indonesia	Ordinary	99%	99%

Note 11 Other Significant Accounting Policies related to Group Structure**11.1 Basis of consolidation**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

11.1.1 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

- the net recognised amount of the identifiable assets acquired and liabilities assumed.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 11 Other Significant Accounting Policies related to Group Structure (cont.)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

11.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of comprehensive income.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 10 Interest In Subsidiaries of the financial statements.

11.1.3 Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interests are measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

11.1.4 Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION D. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

In addition to the items and transactions disclosed below, there are also unrecognised tax amounts – see note 4 Income tax.

Note 12 Commitments

There are no commitments for the Group and the Company as at 30 June 2022 (30 June 2021: Nil).

Note 13 Events subsequent to reporting date

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 14 Contingent liabilities

There are no other contingent liabilities of the Group and the Company as at 30 June 2022 (30 June 2021: Nil).

Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 15 Key Management Personnel compensation (KMP)

The names and positions of KMP are as follows:

■ Djohan Widodo	Chairman
■ Michael Chan	Executive Director
■ Michael Pixley	Non-Executive Director
■ Han Peng Lee	Non-Executive Director
■ Kiap Khee Lim	Non-Executive Director
■ Damien Kwok	Chief Executive Officer – PT Inetindo Infocom

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by the Corporations Regulations 2M.3.03 is provided in the Remuneration report table on page 9.

	2022 \$	2021 \$
Short-term employee benefits	298,911	252,816
Post-employment benefits	-	-
Share-based payments	-	-
Total	298,911	252,816

Note 16 Related party transactions

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

Related party	Type of transaction	Note	2022 \$	2021 \$
PT Tri Berkas Artha	Sale of goods		61,075	4,576
PT Inetdata Indonesia - Associate	Sale of goods		5,462	609,641
PT Cipta Handal Eternal - Associate	Sale of goods		5,472	135,454
TB Widodo	Receivable		-	821,428
PT Tri Berkas Gemilang - Associate	Sale of goods		1,268	1,190
		5.2.1	73,277	1,572,289
K. Tang	Loan payable	5.4.1	(62,604)	(59,353)
Susan Yap	Loan payable	5.5.1	(8,798)	(18,206)

Note 17 Auditor's remuneration

Remuneration of the auditor for:

	2022 \$	2021 \$
■ Auditing or reviewing the financial reports:		
□ Stantons International Audit and Consulting Pty Ltd – current year	53,000	47,500
– prior year under-provision	36,405	32,853
□ Bentleys NSW Audit Pty Ltd (Australia)	-	2,000
□ Drs. Ferdinand & Rekan Registered Public Accountant (Indonesia)	6,225	6,045
	95,630	88,398

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note	18	Earnings per share (EPS)	Note	2022 \$	2021 \$
18.1	Reconciliation of earnings to profit or loss				
		Loss for the year		(2,351,118)	(2,421,372)
		Less: loss attributable to non-controlling equity interest		(185,171)	(107,052)
		Loss used in the calculation of basic and diluted EPS		(2,165,947)	(2,314,320)
				2022 No.	2021 No.
18.2	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS			376,404,857	372,494,241
		Weighted average number of dilutive equity instruments outstanding	18.5	N/A	N/A
18.3	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS			376,404,857	372,494,241
				2022 ¢	2021 ¢
18.4	Earnings per share			(0.58)	(0.62)
		Basic EPS (cents per share)		(0.58)	(0.62)
		Diluted EPS (cents per share)	18.5	(0.58)	(0.62)
18.5	As at 30 June 2022 the Group has no unissued shares under options (2021: Nil).				
18.6	Accounting policy				
	Basic EPS is calculated as net (loss) / profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.				
	Diluted EPS is calculated as net profit attributable to the Group, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.				

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note	19	Share-based payments	Note	2022 \$	2021 \$
19.1	Share-based payments:				
	■	Recognised in net assets (accrual)	19.2.1a.i	-	103,809
		Gross share-based payments		-	103,809

19.2 Share-based payment arrangements in effect during the year**19.2.1 Share-based payments****a. Equity-settled Payments**

During the year the following transactions were settled by way of equity, in lieu of cash:

i. Recognised in net assets (accrual):

- No shares (2021: 1,968,750 shares with total fair value of \$31,500), were issued to directors to settle accrued directors' fees.
- No shares (2021: 4,519,318 shares with total fair value of \$72,309), were issued to 3rd party consultants for consulting services.

19.3 Fair value of options granted during the year

No options were granted during the year (2021: Nil).

19.3.1 Accounting policy

The grant-date fair value of equity-settled share-based payment arrangements granted to holders of equity-based instruments (including employees) are generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. In determining the fair value of share-based payments granted, a key estimate and judgement is the volatility input assumed within the pricing model.

The Company uses historical volatility of the Company to determine an appropriate level of volatility expected, commensurate with the expected instrument's life

19.3.2 Key estimate

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

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 20 Operating segments**20.1 Identification of reportable segments**

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

The Group operates in the segments of corporate activity within Australia and Singapore, and operational activity, the and sale of retail goods, in the Republic of Indonesia. In the current financial year, the Group operated in the same segments.

The Company is domiciled in Australia. All revenue from external parties is generated from Indonesia only. Segment revenues are allocated based on the country in which the party is located.

20.2 Basis of accounting for purposes of reporting by operating segments**20.2.1 Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

20.2.2 Inter-segment transactions

All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

20.2.3 Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

20.2.4 Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 20 Operating segments (cont.)**20.3 Segment Financial Performance****30 June 2022**

Revenue

- External revenues
- Other income

Total segment revenue

Reconciliation of segment revenue to group revenue:

- Eliminations

Total group revenue and other income

Segment earnings before interest, tax, depreciation and amortisation (EBITDA)

- Elimination

EBITDA

Reconciliation of segment loss to group loss:

(i) Unallocated items:

- Depreciation and amortisation
- Net finance costs

Profit before income tax

30 June 2021

Revenue

- External revenues
- Other income

Total segment revenue

Reconciliation of segment revenue to group revenue:

- Eliminations

Total group revenue and other income

Segment earnings before interest, tax, depreciation and amortisation (EBITDA)

- Unallocated corporate costs

EBITDA

Reconciliation of segment loss to group loss:

(ii) Unallocated items:

- Depreciation and amortisation
- Net finance costs

Profit before income tax

Australia \$	Singapore \$	Republic of Indonesia \$	Total \$
-	-	42,414,602	42,414,602
-	-	531,257	531,257
-	-	42,945,859	42,945,859
			-
			42,945,859
(429,790)	-	1,529,129	1,099,339
-	-	-	-
			1,099,339
-	-	(2,271,567)	(2,271,567)
-	-	(1,135,041)	(1,135,041)
			(2,307,269)

Australia \$	Singapore \$	Republic of Indonesia \$	Total \$
-	-	41,909,133	41,909,133
78,000	-	128,916	206,916
78,000	-	42,038,049	42,116,049
			-
			42,116,049
(2,821,052)	-	1,226,503	(1,594,549)
2,400,000	-	-	2,400,000
			805,451
-	-	(2,322,137)	(2,322,137)
-	-	(906,143)	(906,143)
			(2,422,829)

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 20 Operating segments (cont.)**20.4 Segment Financial Position****At as 30 June 2022**

Segment Assets

Reconciliation of segment assets to group assets:

■ Intra-segment eliminations

Total assets

Segment Liabilities

Reconciliation of segment liabilities to group liabilities

■ Intra-segment eliminations

Total liabilities

As at 30 June 2021

Segment Assets

Reconciliation of segment assets to group assets:

■ Intra-segment eliminations

Total assets

Segment Liabilities

Reconciliation of segment liabilities to group liabilities

■ Intra-segment eliminations

Total liabilities

	Australia \$	Singapore \$	Republic of Indonesia \$	Total \$
Segment Assets	8,273,866	7,907,563	25,286,111	41,467,540
<i>Reconciliation of segment assets to group assets:</i>				
■ Intra-segment eliminations				(12,991,952)
Total assets				28,475,588
Segment Liabilities	(447,085)	(62,604)	(16,575,537)	(17,085,226)
<i>Reconciliation of segment liabilities to group liabilities</i>				
■ Intra-segment eliminations				(27,032)
Total liabilities				(17,112,258)

20.5 Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

Australia

Singapore

Indonesia

Total revenue

	2022 \$	2021 \$
Australia	-	-
Singapore	-	-
Indonesia	42,414,602	41,909,133
Total revenue	42,414,602	41,909,133

20.6 Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

Australia

Singapore

Indonesia

Total assets

	2022 \$	2021 \$
Australia	40,068	40,224
Singapore	3,049	2,890
Indonesia	28,432,471	27,523,369
Total assets	28,475,588	27,566,483

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 21 Parent entity disclosures

Story-i Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Story-i Limited did not enter into any trading transactions with any related party during the year.

21.1 Financial Position of Story-i Limited

Current assets

Non-current assets

Total assets

Current liabilities

Non-current liabilities

Total liabilities**Net assets***Equity*

Issued capital

Accumulated losses

Total equity

2022 \$	2021 \$
40,068	26,892
8,233,798	9,920,393
8,273,866	9,947,285
447,085	317,302
-	-
447,085	317,302
7,826,781	9,629,983
30,274,913	30,274,913
(22,448,132)	(20,644,930)
7,826,781	9,629,983

21.2 Financial performance of Story-i Limited

Loss for the year

Other comprehensive income

Total comprehensive income

2022 \$	2021 \$
(1,803,202)	(2,821,943)
-	-
(1,803,202)	(2,821,943)

21.3 Guarantees

There are no guarantees entered into by Story-i Limited for the debts of its subsidiaries as at 30 June 2022 (2021: none).

21.4 Contractual commitments and contingencies

The parent company has no capital commitments and contingencies at 30 June 2022 (2021: \$nil).

21.5 Contingent liabilities

There are no guarantees entered into by Story-i Limited for the debts of its subsidiaries as at 30 June 2022 (2021: none).

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 22 Statement of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

22.1 Basis of preparation**22.1.1 Reporting Entity**

Story-i Limited (**Story-i** or the **Company**) is a listed public company limited by shares, domiciled and incorporated in Australia. These are the consolidated financial statements and notes of Story-i and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily, through its Indonesian operating subsidiary (PT Inetindo Infocom), an Apple Authorised Reseller and IT life style product retailer. The separate financial statements of Story-i, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

22.1.2 Basis of accounting

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 25 October 2022 by the directors of the Company.

22.1.3 Going concern

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

The Group incurred a loss for the year of \$2,351,118 (2021: \$2,421,372 loss) and a net cash out-flow from operating activities of \$2,138,945 (2021: \$1,893,666 in-flow). As at 30 June 2022, the Company working capital of \$5,665,943 (2021: \$5,950,844 working capital), as disclosed in Note 9 of the Capital Management note.

The ability of the Group to continue as a going concern is dependent on executing its near and medium term plans for expansion of its product portfolio; or on securing additional debt and/or equity funding in the event that sufficient revenue is not generated in the normal course of business.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Group has cash and cash equivalent of \$1.56 million and working capital of \$5.67 million as at 30 June 2022.
- The Group has the ability to raise funds from equity sources and has a success record for past raisings that gives the board confidence that it can complete further capital raisings if required.

The directors plan to continue the Group's operations on the basis disclosed above and believe that there will be sufficient funds for the Group to meet its obligations and liabilities for at least 12 months from the date of this report. In the event that the Group is unable to generate sufficient revenue in the normal course of business or secure additional funds through new share issues or borrowings, the Group may need to reduce costs or negotiate extended terms with key creditors in order to meet working capital requirements. Should the Group be unable to successfully execute one or more of the aforementioned matters, there exists a material uncertainty that may cause significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern and meet its debts as and when they become due and payable.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 22 Statement of significant accounting policies**22.1.4 Comparative figures**

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

22.1.5 New and Amended Standards Adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2021:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

22.2 Goods and Services Tax (GST)

Goods and Services Tax (GST) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (**Goods and Services Tax or GST**), in Singapore (**Goods and Services Tax or GST**) and in Indonesia (**Value-added tax or VAT**), hereafter collectively referred to as GST.

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (or jurisdictional equivalent) is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

22.3 Foreign currency transactions and balances**22.3.1 Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the legal parent entity's functional and presentation currency.

22.3.2 Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 22 Statement of significant accounting policies**22.3.3 Group companies and foreign operations**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

22.4 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 22.4.1.

22.4.1 Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- a. Key estimate – Taxation
Refer Note 4 Income Tax.
- b. Key judgement – determining the lease term
Refer Note 6.3 Leases.
- c. Key estimate – Impairment of Intangible assets
Refer Note 6.4 Intangible assets.
- d. Estimate useful life – plant and equipment
Refer Note 6.2 Plant and equipment.
- e. Key estimate - inventories
Refer Note 6.1 Inventories.

22.4.2 Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the consolidated entity 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 consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

22.5 Fair Value**22.5.1 Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 22 Statement of significant accounting policies

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

22.5.2 Fair value hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

22.5.3 Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 22 Statement of significant accounting policies**22.6 New Accounting Standards and Interpretations not yet mandatory or early adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 23 Company details**The registered office of the Company is:**

Street : Level 1, 247 Oxford Street
LEEDERVILLE WA 6007

Postal : PO Box 52
WEST PERTH WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

Directors' declaration

The Directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 13 to 60, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 22.1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group.
 - (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



MICHAEL PIXLEY

Non-executive Director

Dated this Tuesday, 25 October 2022



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORY-I LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Story-i Limited (the "Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined the matters described below to be Key Audit Matters to be communicated in our report.



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Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>The Group's sales revenue amounted to \$42,414,602 during the year (2021: 41,909,133). Note 1.1 to the consolidated financial statements describes the accounting policies applicable to the revenue from contracts with customers, noting that the revenue from the sales of goods is recognised when or as a performance obligation in the contract with customers is satisfied.</p> <p>On the basis of the significance of the amount to the consolidated financial statements and the processes used to determine the recognition point, we have considered revenue recognition as a key audit matter.</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> Reviewed the audit working papers of the component auditor with great care; Evaluated a sample of contracts, identifying performance obligations and agreeing revenue amounts to the records, including supporting billing system and bank records. Performed cut-off procedures to ensure that the revenue is recognised in the correct period; Tested accounts receivable by requesting confirmations from Group customers and by reconciling cash payments received after year-end against the accounts receivable at year-end; and Assessed the consistency of the Group's accounting policies in respect of revenue recognition with the criteria prescribed by the applicable standard, AASB 15 <i>Revenue from contracts with customers</i>.
<p>Carrying value of trade and other receivables</p> <p>As disclosed in Note 5.2.1 to the consolidated financial statements, the Group has trade and other receivables which amounted to \$5,260,436 (2021: \$5,323,730)</p> <p>Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.</p> <p>The allowance for expected credit losses represents management's best estimate of the impairment losses incurred at the balance sheet date. The Group assessed impairment on a forward-looking basis and applied the simplified approach permitted by AASB 9. As at 30 June 2022, the Group recognised allowance for credit losses of \$338,887 (2021: \$720,592) for its trade and other receivables.</p> <p>Calculation of allowance for credit losses is a complex area and requires management to make significant assumptions on the customer payment behaviour and other relevant risk characteristics such as historical information and estimating the level and timing of expected future</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> Reviewed the methodology applied in the allowance for credit loss calculation by comparing it to the requirements of AASB 9 <i>Financial Instruments</i> and tested key underlying assumptions used by management to calculate the impairment provision; Held discussions with management and challenged the judgments and estimates used to determine if provision is required with reference to supporting documentation and external evidence where applicable; Checked subsequent receipts until the date of our audit report and reviewed management's assessment of the amount they considered to be not recoverable; Reviewed the working papers of component auditor with great care; and



Key audit matters	How our audit addressed the key audit matters
cashflows. On this basis, we identified provisioning allowance for expected credit losses as a key audit matter.	<ul style="list-style-type: none"> Assessed the adequacy of the related disclosures within the consolidated financial statements.
<p>Existence and completeness of inventories</p> <p>As disclosed in Note 6.1 to the consolidated financial statements, the Group has inventories of \$12,970,207 (2021: \$10,643,383) which are mainly Apple products and accessories.</p> <p>A key element of assurance as to the existence and completeness of the Group's inventories is the completion of annual stocktake procedures. The Group has a variety and number of inventory items which are managed across 25 stores in 10 cities throughout Indonesia.</p> <p>Based on the above and the significance of the amount to the consolidated financial statements, we have considered the existence and completeness of inventories as a key audit matter.</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> Reviewed the audit working papers of the component auditor with great care; Assessed whether the Group's stocktake procedures remained appropriate given the changes to the planned approach; The component auditor performed stocktake observation visits at random locations. The component auditor performed test counts of selected items, agreed to the final inventory listing and obtained explanations for any variances noted; Performed roll-backwards procedures to ensure the accuracy of the movement from the date of count back to the value of the inventory at year-end; and Reviewed the final stock listing for any slow-moving and obsolete stock.
<p>Carrying value of intangible assets</p> <p>As disclosed in Note 6.4 to the consolidated financial statements, the Group has recognised intangible assets of \$1,037,086 (2021: \$997,982).</p> <p>Management has to assess these intangible assets for impairment every year using a discounted cash flow model to determine its value in use. Determination of value in use requires the use of several key assumptions and judgments, including estimated future cash flows, long term growth rates, profitability levels and discounts rates applied.</p> <p>Based on the amount involved and the level of judgment and estimation required, we have considered the carrying value of intangible assets as a key audit matter.</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> Gained an understanding and assessing the reasonableness of the cash flow budget prepared by management and comparing it to assumptions from the prior year; Recalculated the value in use calculations; Challenged the robustness of the key assumptions used to determine the value in use, cash flow forecasts, long-term growth rates and the discount rates; Performed sensitivity analysis, taking into account the Group's historical forecasting accuracy; and Assessed the consistency of the Group's disclosures of both the qualitative and quantitative considerations concerning the value of the intangible assets.



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 2022 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 opinion thereon.

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

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

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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 key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

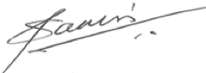
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Story-i Limited for the year ended 30 June 2022 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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar**Director**

West Perth, Western Australia

25 October 2022

Additional Information for Listed Public Companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital as at 11 October 2022.

a. Ordinary share capital

376,404,857 ordinary fully paid shares held by 812 shareholders.

b. Unlisted Options over Unissued Shares

There are no unlisted options over unissued shares.

c. Performance Rights over Unissued Shares

There are no performance rights over unissued shares.

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. Substantial Shareholders as at 11 October 2022

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
CITICORP NOMINEES PTY LIMITED	45,995,378	12.22
HIGH SUCCESS FINANCIAL INC	25,220,218	6.70
MR CHAN HAI EN	24,199,646	6.43
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,310,000	6.19
LEE HAN PENG	19,309,090	5.13
MR HARRY VUI KHIUN LEE	18,973,229	5.04

f. Distribution of Shareholders as at 11 October 2022

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	11	2,982	0.00
1,001 – 5,000	123	368,962	0.10
5,001 – 10,000	305	3,033,779	0.80
10,001 – 100,000	174	7,511,824	2.00
100,001 – and over	199	365,487,310	97.10
	812	376,404,857	100.00

g. Unmarketable Parcels as at 11 October 2022

As at 11 October 2022 there were 487 fully paid ordinary shareholders holding less than a marketable.

h. On-Market Buy-Back

There is no current on-market buy-back.

i. Restricted Securities

The Company has no restricted securities

Additional Information for Listed Public Companies

j. 20 Largest Shareholders — Ordinary Shares as at 11 October 2022

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	CITICORP NOMINEES PTY LIMITED	45,995,378	12.22
2.	HIGH SUCCESS FINANCIAL INC	25,220,218	6.70
3.	MR CHAN HAI EN	24,199,646	6.43
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,310,000	6.19
5.	LEE HAN PENG	19,309,090	5.13
6.	MR HARRY VUI KHIUN LEE	18,973,229	5.04
7.	MU KWEK FEI	18,750,000	4.98
8.	MARTHA TAN MEE HOON	18,062,500	4.80
9.	MS TRI BERLIANTY WIDODO	16,700,000	4.44
10.	MS HARTATY WIDODO	16,700,000	4.44
11.	ONG BOON TIONG DANIEL	14,062,500	3.74
12.	RIMOYNE PTY LTD	10,041,357	2.67
13.	TRI BERLIANTY WIDODO	7,737,146	2.06
14.	SAMUEL WU	6,000,000	1.59
15.	MR MARK JAMES STEMMER	4,944,683	1.31
16.	MR RAVINDRAN GOVINDAN	4,090,909	1.09
17.	PATAGONIA FUNDS PTY LTD <CRITCHLEY FAMILY A/C>	4,000,000	1.06
18.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>, BNP PARIBAS NOMS PTY LTD <DRP>	3,599,131	0.96
19.	NGO YU PENG	2,590,000	0.69
20.	MR AMIT SHARMA	2,425,000	0.64
TOTAL		286,710,787	76.18

2 The Company Secretary is Stuart Usher.

3 **Principal registered office**

As disclosed in Note 23 Company details on page 60 of this Annual Report.

4 **Registers of securities**

As disclosed in the Corporate directory on page i of this Annual Report.

5 **Stock exchange listing**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, As disclosed in the Corporate directory on page i of this Annual Report.

6 **Use of funds**

The Company has used its funds in accordance with its initial business objectives.