



ASSET RESOLUTION LIMITED
ABN 99 159 827 871

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2021

**ASSET RESOLUTION LIMITED
INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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**ASSET RESOLUTION LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**



The Directors present their report together with the interim financial report of Asset Resolution Limited (“Company”), for the half year ended 31 December 2021.

Directors

The names of the Company’s Directors in office during the half-year and until the date of this report are as below.

Director	Position	Appointed	Last elected or re-elected at AGM
Giles Craig	Independent Non-Executive Chair	11 September 2015	21 October 2021
Sarina Roppolo	Independent Non-Executive	28 February 2018	18 November 2020
Therese Cochrane	Non-Executive	20 April 2020	18 November 2020

Therese Cochrane is not deemed independent due to her substantial interest in the Company.

Directors’ Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors, either directly or indirectly, in the shares of Asset Resolution Limited were:

Directors	Opening interest at 1 July 2021	Net changes during the period	Granted as remuneration	Closing interest at 31 December 2021 & date of this report
Giles Craig	102,713	-	17,606	120,319
Therese Cochrane	1,052,198	-	17,606	1,069,804
Sarina Roppolo	35,512	-	17,606	53,118
Total Directors	1,190,423	-	52,818	1,243,241

At 31 December 2021 and at the date of this report:

1. Giles Craig holds 120,319 shares:
 - o 93,424 shares are held in North Shore Custodians ATF The Craig Family Trust, of which he is a beneficiary; and
 - o 26,895 shares are held by Giles and Vicki Craig ATF the Craig Family Superannuation Fund of which Mr Craig has effective control.
2. Therese Cochrane holds 1,069,804 shares;
 - o 14,583 shares are held by Samuel Terry Asset Management Pty Ltd (“STAM”), of which she is an employee and a beneficial owner.
 - o 1,026,893 shares are held by STAM as trustee of the Samuel Terry Absolute Return Fund and she is an employee and a beneficial owner of STAM.
 - o 28,143 shares are held by Therese Nancy Cochrane
 - o 185 shares are held by Woollard Super Fund, of which she is a beneficiary.
3. Sarina Roppolo holds 53,118 shares:
 - o 53,118 shares are held by Abril Holdings Pty Ltd, of which she has effective control.

Interest in Options

There are no options on issue.

**ASSET RESOLUTION LIMITED
DIRECTORS' REPORT CONTINUED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**



Dividends

The directors have resolved not to declare a dividend for the period ended 31 December 2021. No dividends were paid during the previous financial period.

Principal activities

During the period the principal activity of the Company was: holding various assets including some Distressed assets and identifying potential Assets to acquire.

Review of Operations

Review of current period operations

During the period the company's profit amounted to \$684,098 (December 2020: \$5,590,780). Our profit reflects positive contributions from each of our investments in NobleOak Life Limited and in African Lions Fund Limited. The decrease over the previous period is primarily due to the fact that we received no Octaviar distribution during the current period. (December 2020: 5,158,653).

In prior years, the liquidators of Octaviar Ltd (OL) and Octaviar Administration Pty Ltd (OA) had advised the Company that \$205,694,371 and \$137,215,907 respectively of the proof of debt claim had been allowed. To date, the Company has received \$5,046,220 from OL and \$ 3,666,135 from OA. It is impossible to forecast with confidence how much the Company might recover from these assets, nor is it possible to forecast when the Company might receive any money from them.

At the Annual General Meeting held on 21 October 2021, the following resolutions were approved by the shareholders:

- Adoption of Remuneration Report;
- Mr. Giles Craig was re-elected as a director of the Company;
- The on-market buy-back of up to 671,012 fully paid ordinary shares in the Company (representing approximately 20% of the Company's issued shares as at 3 September 2021) in the 12-month period following the date of the AGM, of which none have been bought back to date;
- A special resolution to issue shares to directors in lieu of their Directors' fees for the year ended 30 November 2022 (Board total fees: \$150,000 per annum net of GST) at \$5.32 per share under the Non-Executive Share Plan.

Net Tangible Assets Per Share:

	Half-year ended 31 Dec 2021 \$	Year ended 30 Jun 2021 \$	Year ended 30 Jun 2020 \$
Net Assets			
Cash and receivables	4,539,692	4,798,166	4,089,232
Financial assets	14,149,103	13,093,149	5,250,000
Other Assets	155,514	-	-
Total liabilities - current	(538,268)	(419,372)	(145,209)
Net Assets	18,306,041	17,471,943	9,194,023
Number of Shares on issue	3,337,819	3,285,001	3,233,277
Net tangible assets per share in \$:	5.48	5.32	2.84

Events subsequent to balance date

On 8 March 2022, the Company sold all of its holding in NobleOak Life Limited for \$6,267,989 before brokerage costs.

There are no other matters or circumstances that have arisen since 31 December 2021 to the date of this report which have significantly affected or may affect:

**ASSET RESOLUTION LIMITED
DIRECTORS' REPORT CONTINUED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**



- a) the Company's operations in future financial periods; or
- b) the results of those operations in future financial periods; or
- c) the Company's state of affairs in future financial periods.

Auditor's Declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* in relation to the review for the half year is provided on the following page of this report.

Signed in accordance with a resolution of the directors:

**Mr Giles Craig
Chairman**

9th March 2022

Auditor's Independence Declaration

To the Directors of Asset Resolution Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Asset Resolution Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Adam-Smith
Partner – Audit & Assurance

Sydney, 9 March 2022



**ASSET RESOLUTION LIMITED
INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards AASB 134 Interim Reporting, the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) There are reasonable grounds to believe that Asset Resolution Limited will be able to pay its debts as and when they become due and payable.

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

**Mr Giles Craig
Chairman**

9th March 2022

ASSET RESOLUTION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



	Note	Half year ended 31 December 2021 \$	Half year ended 31 December 2020 \$
Revenue from continuing operations			
Interest income	2	3,566	28,824
Other Income -Gain on realisation of proof of debt	2	-	5,158,653
Dividends and distribution from Investments		615,428	-
Net fair value gain on equity investments at fair value through profit and loss		494,117	645,161
Total revenue from continuing operations		1,113,111	5,832,638
Expenses			
Administrative expenses		(14,050)	(9,886)
Performance fee	2	(207,226)	-
Other expenses	2	(207,714)	(231,962)
Finance expenses		(23)	(10)
Total expenses		(429,013)	(241,858)
Profit before income tax		684,098	5,590,780
Income tax expense		-	-
Profit for the period		684,098	5,590,780
Other comprehensive income, net of income tax			
Other comprehensive income, net of income tax		-	-
Total comprehensive income, net of income tax		684,098	5,590,780
Profit attributable to members		684,098	5,590,780
Total comprehensive profit attributable to members		684,098	5,590,780
Earnings per share			
Basic profit / (loss) per share (cents)	3	20.6	171.84
Diluted profit / (loss) per share (cents)	3	20.6	171.84

These financial statements should be read in conjunction with the accompanying notes.

ASSET RESOLUTION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021



		As at 31 December 2021	As at 30 June 2021
	Note	\$	\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	5	4,539,692	4,798,166
Trade and other receivables		155,514	-
Total current assets		4,695,206	4,798,166
<i>Non-Current assets</i>			
Financial assets at fair value through profit and loss	6	14,149,103	13,093,149
Total non-current assets		14,149,103	13,093,149
Total assets		18,844,309	17,891,315
Liabilities			
<i>Current liabilities</i>			
Trade and other payables		11,295	61,353
Accrued expenses		526,974	358,019
Total current liabilities		538,268	419,372
Total non-current liabilities		-	-
Net assets		18,306,041	17,471,943
Equity			
Contributed equity	7	32,835,316	32,685,316
Accumulated losses		(14,529,275)	(15,213,373)
Total equity		18,306,041	17,471,943

These financial statements should be read in conjunction with the accompanying notes.

ASSET RESOLUTION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



	Note	Issued Capital \$	Accumulated losses \$	Total \$
Balance as at 1 July 2020		32,535,316	(23,341,294)	9,194,022
Profit for the period		-	5,590,780	5,590,780
Other comprehensive income		-	-	-
Total comprehensive income		-	5,590,780	5,590,780
Transaction with owners:				
Issue of shares	7	150,000	-	150,000
Transaction with owners		150,000	-	150,000
Balance at 31 December 2020		32,685,316	(17,750,514)	14,934,802
Balance as at 1 July 2021		32,685,316	(15,213,373)	17,471,945
Profit for the period		-	684,098	684,096
Other comprehensive income		-	-	-
Total comprehensive income		-	684,098	684,096
Transaction with owners:				
Issue of shares	7	150,000	-	150,000
Transaction with owners		150,000	-	150,000
Balance at 31 December 2021		32,835,316	(14,529,275)	18,306,041

These financial statements should be read in conjunction with the accompanying notes.

**ASSET RESOLUTION LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**



	Half year ended	Half year ended
	Note	
	31 December 2021	31 December 2020
Cash flow from operating activities		
Interest received	3,566	28,824
Payments to suppliers and employees	(171,717)	(173,174)
Net cash used in operating activities	(168,151)	(144,350)
Cash flow from investing activities		
Dividend Received	309,677	1,250,000
Purchase of Financial Assets	(400,000)	-
Net cash used in investing activities	(90,323)	1,250,000
Cash flow from financing activities		
Buyback of share capital	-	-
Net cash provided by financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(258,474)	1,105,650
Cash and cash equivalents at beginning of the period	4,798,166	4,089,232
Cash and cash equivalents at end of the period	5 4,539,692	5,194,882

These financial statements should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

The financial report of Asset Resolution Limited (“the Company”) for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 9 March 2022. Asset Resolution Limited is a Company incorporated and domiciled in Australia and limited by shares.

This general-purpose financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all full note disclosure of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and revised standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

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

Classification

The Company classified its financial assets in the following measurement categories: those to be measured subsequently at fair value (through OCI, or through profit and loss); and those to be measured at amortised cost. The classification depends on the Company’s business model for managing the financial asset and the contractual terms of the cashflows.

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

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Measurement

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

Financial Assets with embedded derivatives are considered in their entirety when determining whether their cashflows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cashflow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments: Amortised costs; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

ASSET RESOLUTION LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments, carried at amortised cost and FVOCI. The impairment methodology is applied based on whether there has been a significant credit risk.

NOTE 2: OTHER INCOME AND EXPENSES

	31 December 2021	31 December 2020
	\$	\$
Revenue		
Bank interest	3,566	14,198
Mortgage loan interest	-	14,626
Total Interest Income	3,566	28,824
Other Expenses		
Directors' fees (Note 15)	80,000	80,000
Company secretarial fees (Note 15)	9,174	8,910
Accounting, tax and audit fee	32,975	44,061
Legal fees	-	11,303
Consulting fees	27,500	28,750
Registry fees	17,358	18,460
NOMAD fees	7,458	7,260
NSX annual fees	11,601	14,408
Consultancy fees – My Virtual HQ	21,648	18,810
Total	207,714	231,962
Performance fee		
Performance fee	207,266	-

Investment Manager's performance fees have been accrued at 31 December 2021 amount to \$466,426 (December 2020: \$nil) for the periods:

- 31 December 2021 of \$207,266; and
- 30 June 2021 \$259,160

On 9 December 2020, the Company signed an Investment Management Agreement with Samuel Terry Asset Management Pty Ltd (STAM). STAM is engaged exclusively under the Investment Management Agreement to manage the Company's portfolio of investments (Portfolio) in accordance with an agreed "Investment Strategy" with a view to further improving its net asset value per share.

The Investment Management Agreement is for an initial period of 10 years with an automatic renewal of 5 years, unless notice has been given of non-renewal. STAM may terminate the Investment Management Agreement at any time by at least 6 months' written notice.

STAM is a Substantial Holder in the Company with voting power (as defined in the Corporations Act) of 33.53%. STAM is also associated with Therese Cochrane. Under the Investment Management Agreement, STAM is entitled to a performance fee of 20% (plus GST) of increase in value of each relevant investment over its original cost. There are no management fees.

ASSET RESOLUTION LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



NOTE 3: EARNINGS PER SHARE

The following reflects the income and share data used in the total operation's basic and diluted earnings per share computations:

Earnings used in calculating earnings per share	31 December 2021	31 December 2020
	\$	\$
Continuing Net profit attributable to ordinary equity holders of the parent	684,096	5,590,780
Weighted average number of shares	<i>No.</i>	<i>No.</i>
<i>Weighted average number of ordinary shares for basic earnings per share</i>	3,317,327	3,253,449
Effect of dilution:		
Share options	-	-
<i>Weighted average number of ordinary shares adjusted for the effect of dilution</i>	3,317,327	3,253,449

There are no instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for either of the periods presented.

There have been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

NOTE 4: DIVIDENDS PAID AND PROPOSED

No dividends have been paid during the current period and no dividends have been proposed. No dividends were paid during the prior period.

NOTE 5: CASH

Cash reported comprises both cash and cash equivalents as follows:

	31 December 2021	30 June 2021
	\$	\$
Cash at bank	4,539,692	4,798,166
Total	4,539,692	4,798,166

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value.

Reconciliation to Cash Flow Statement

For the purposes of the Statement of Cash Flows, cash and cash equivalents amount to \$4,539,692 (December 2020: \$5,194,882).

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial assets as FVTPL include the equity investment in NobleOak Life Limited, African Lions Limited and Samuel Terry Absolute Return Group (STAR). The Company accounts for the investment FVTPL and did not make the irrevocable election to account for it at FVOCI.

ASSET RESOLUTION LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



	Note	31 December 2021	30 June 2021
		\$	\$
Balance at start of period		13,093,149	4,000,000
Additions during the period		561,837	6,999,472
Unrealised gains for the period	13	494,117	2,093,677
Balance at the end of the period		14,149,103	13,093,149

NOTE 7: CONTRIBUTED EQUITY

	31 December 2021		30 June 2021	
	No.	\$	No.	\$
Movement in ordinary shares				
Balance at the beginning of the period	3,285,001	32,685,316	3,233,277	32,535,316
Share Based Directors' Fees ⁽¹⁾	52,818	150,000	51,724	150,000
Balance at the end of the period	3,337,819	32,835,316	3,285,001	32,685,316

(1) Since 1 December 2016 the annual Directors' fees amount to \$50,000 each (excluding GST). The GST on director's fee is paid in cash. The shareholders approve the share issue under the Non-Executive Share Plan in lieu of directors' fees at each Annual General Meeting ("AGM"). \$12,500 is accrued for the period that \$12,500 will be paid in shares. (June 2021: \$50,000 in shares to each director). Refer to Note 15 for further details.

NOTE 9: EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 8 March 2022, the Company sold all of its holding in NobleOak Life Limited for \$6,267,989 before brokerage costs.

There are no other matters or circumstances that have arisen since 31 December 2021 to the date of this report which have significantly affected or may affect:

- the Company's operations in future financial periods; or
- the results of those operations in future financial periods; or
- the Company's state of affairs in future financial periods.

NOTE 10: CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities in existence at balance date, nor at the date of signing of the financial report.

NOTE 11: CONTINGENT ASSETS

Octaviar Limited and Octaviar Administration Pty Ltd debt

In December 2017, the Company was owed \$206 million by Octaviar Limited (formerly MFS Limited) (OL) and approximately \$137 million by Octaviar Administration Pty Ltd (formerly MFS Administration Pty Ltd) (OA).

To date, the Company has received \$5,046,220 from OL and \$ 3,666,135 from OA.

It is impossible to forecast with confidence how much the Company might recover from these assets, nor is it possible to forecast when the Company might receive any money from them.

NOTE 12: COMMITMENTS

There are no commitments at 31 December 2021 or 30 June 2021.

ASSET RESOLUTION LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



NOTE 13: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the assets or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

31 December 2021	Level 1	Level 2	Level 3	Total
NobleOak Life Limited ⁽¹⁾	6,267,990	-	-	6,267,990
African Lions Fund Limited	-	3,538,294	-	3,538,294
Samuel Terry Absolute Return Group (STAR)	-	4,342,819	-	4,342,819
Total Assets	6,267,990	7,881,113	-	14,149,103
Net Fair Value	6,267,990	7,881,113	-	14,149,103

30 June 2021	Level 1	Level 2	Level 3	Total
NobleOak Life Limited ⁽¹⁾	-	5,032,258	-	5,032,258
African Lions Fund Limited	-	3,263,010	-	3,263,010
STAR	-	4,797,881	-	4,797,881
Total Assets	-	13,093,149	-	13,093,149
Net Fair Value	-	13,093,149	-	13,093,149

(1) During the period Noble Oak was transferred from Level 2 to Level 1 since the company is trading in ASX since July 2021.

Movement in level 1 and Level 2 assets during the period are set out below:

	Level 1	Level 2		Level 3	Total
	Noble Oak Life Ltd. ⁽¹⁾	STAR units	African Lions Shares	Noble Oak Life Ltd. ⁽¹⁾	
Balance as at 30 June 2021	5,032,258	4,797,881	3,263,010	-	13,093,149
Additions	400,000	161,837	-	-	561,837
Net gain on investment Activities	835,732	(616,899)	275,284	-	494,117
Balance as at 31 December 2021	6,267,990	4,342,819	3,538,294	-	14,149,103
Balance as at 30 June 2020	-	-	-	-	-
Additions	-	-	-	4,000,000	4,000,000
Net gain on investment Activities	-	-	-	645,161	645,161
Balance as at 31 December 2020	-	-	-	4,645,161	4,645,161

(1) As at 31 December 2020, Noble Oak was classified as a Level 3 asset.

NOTE 14: OPERATING SEGMENTS

The Company has operations in equity and distressed asset management.

The company invests in equity and distressed assets for the purpose of providing shareholders with an attractive risk adjusted investment returns.

Identification of reportable segments

The company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

The company had two reportable segments during the period being investments in Australia and investments in Africa. The company's management and administration office are located in Australia.

Segment Performance

	Investments		Other	Total
	Australia	Africa	Corporate	
	\$	\$	\$	\$
31 December 2021				
Revenue from external sources	-	-	3,566	3,566
Unrealized Gain/Loss	218,833	275,284	-	494,117
Dividends and distributions	615,428	-	-	615,428
Reportable segment (expenses)	(144,755)	(62,511)	(221,747)	(429,013)
Reportable segment assets	10,754,722	3,538,294	4,551,293	18,844,309
Reportable segment liabilities	(144,755)	(62,511)	(331,002)	(538,268)
30 June 2021				
Reportable segment assets	9,830,139	3,263,010	4,798,166	17,891,315
Reportable segment liabilities	(206,452)	(52,708)	(160,212)	(419,372)
30 December 2020				
Revenue from external sources	-	-	5,187,477	5,187,477
Unrealized Gain/Loss	645,161	-	-	645,161
Reportable segment (expenses)	-	-	(241,858)	(241,858)

Operating segment results and balances are determined in accordance with the accounting policies applied in the annual financial statements of the Company. Intercompany loan balances are eliminated for the purposes of segment reporting.

Allocated and Unallocated Items

- In most instances, segment assets are clearly identifiable and allocable on the basis of their nature and physical location.
- Liabilities are allocated to segments where there is direct nexus between the incurrance of the liability and the operations of the segment.
- The following items of revenue, expense, assets and liabilities are not allocated to operating segments and instead are reported as 'Other Corporate Activities' as they are not considered part of the core operations of any segment:
 - Interest and other income
 - Corporate administration and related payables
 - Share based payments
 - Gains/losses on disposal of assets

NOTE 15: KEY MANAGEMENT PERSONNEL

The names of the persons who were key management personnel of the Company at any time during the current or prior financial year are as follows:

- Giles Craig (Chair) appointed 11 September 2015
- Sarina Roppolo (Director) appointed 28 February 2018
- Therese Cochrane (Director) appointed 20 April 2020
- Victoria Allinson (Company Secretary) appointed 1 October 2015

There were no other key management personnel of the Company during the period.

Remuneration of key management personnel

Name	Short-term Remuneration & Fees	
	31 December 2021	31 December 2020
	\$	\$
Giles Craig (Chair) ⁽ⁱ⁾	27,500	27,500
Sarina Roppolo (Director) ⁽ⁱ⁾	27,500	27,500
Therese Cochrane (Director)	25,000	25,000
Total Directors fees	80,000	80,000
Victoria Allinson (Company Secretary) ⁽ⁱⁱ⁾	9,174	8,910
Victoria Allinson (NOMAD) ⁽ⁱⁱ⁾	7,458	7,260
Total Key Management Personnel remuneration	96,632	96,170
Includes: Share based payment paid or accrued ⁽ⁱⁱⁱ⁾	75,000	75,000

- (i) Directors' fee is inclusive of unrecoverable GST. GST portion is paid in cash.
- (ii) Ms Allinson provides professional accounting, administration, nominated advisor services ('NOMAD') and Company secretarial services. In addition to the Company Secretarial and NOMAD fees, the fees for accounting services for the period amounted to \$21,648 (December 2020: \$18,810). The fees are invoiced by Allinson Accounting Solutions Pty Ltd, of which Victoria Allinson is Managing Director and shareholder. The services are provided by Ms Allinson and her employees.
- (iii) At the 2020 Annual General Meeting ("AGM") the shareholders approved that, for the year ended 30 November 2021, directors' fees are to be paid in shares in lieu of cash at a share price of \$2.84 (30 November 2020: \$2.90) under the Non-Executive Share Plan. At the 2021 AGM the shareholders approved that, for the year ended 30 November 2022, directors' fees are to be paid in shares in lieu of cash at a share price of \$5.32.

Independent Auditor's Review Report

To the Members of Asset Resolution Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Asset Resolution Limited (the Company), which comprises the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

(a) giving a true and fair view of the Asset Resolution Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Adam-Smith
Partner – Audit & Assurance

Sydney, 9 March 2022