



# **INTERIM FINANCIAL REPORT**

For the Half Year Ended 31.12.2021



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## **DIRECTORS' REPORT**

The directors present their report, together with the financial statements of the consolidated entity (referred hereafter as the “Group”) consisting of Longevity Group Australia Ltd – “Longevity” (referred hereafter as the “Company”) and the entities it controlled for the half year ended 31 December 2021. The following persons were non-executive Directors of the Company during the half year and up until the date of this report, unless otherwise stated:

Mr. Matthew Chun, Chair

Mr. Phillip Altieri

Mr. John Coulson

Dr. Trevor Hansen

### **CHIEF EXECUTIVE OFFICER**

Mr. Brian Sands

### **COMPANY SECRETARY**

Mr. Andrew Metcalfe

Mr. Philip Thomas

### **PRINCIPAL ACTIVITIES**

During the half year the principal activities of the Group consisted of property development and investment.



## DIRECTORS' REPORT (Cont.)

### OPERATING AND FINANCIAL REVIEW

The profit from continuing operations of the Group after providing for income tax, for the half year ended 31 December 2021, amounted to \$2,074,517 (31 December 2020: \$4,752,697 loss).

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

#### *Other Developments*

On 21 December 2021 a group of shareholders served the Company with a requisition for an Extraordinary General Meeting to be held on 21 February 2022 proposing resolutions to replace the majority of the current Board of Directors. The requisitioning shareholders have made statements that propose a fundamental change to the current business strategy that will significantly affect the business operations and impact the results of those operations in future periods.

### SUBSEQUENT EVENTS

There are no matters or circumstances since 31 December 2021 that have significantly affected, or may significantly affect the Group operations, the results of those operations, or the Group's state of affairs in future periods.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration in accordance with section 307C of the *Corporations Act 2001* is set out on page 14.

The Directors' Report is signed in accordance with a resolution of the Board of Directors, made pursuant to S306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors

**Matthew Chun**  
Chair  
02.02.2022



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Half Year Ended 31 December 2021

	Notes	31 DEC 2021	31 DEC 2020
<b>Continuing Operations</b>		\$	\$
<b>Revenue</b>			
Operating Revenue	5	14,988,158	7,649,060
Cost of Goods Sold		(13,509,021)	(6,984,701)
<b>Gross Profit</b>		<b>1,479,138</b>	<b>664,359</b>
Other Income		573,688	203,029
<b>Expenses</b>			
Employee Benefits		168,634	957,009
Consultant and Professional Services		489,200	524,563
Depreciation and amortization		7,500	50,023
Technology Fees		32,498	33,396
Marketing and Selling Expenses		117,566	298,806
Administration		62,212	56,407
Services		58,606	199,233
Other Expenses		130	1,649
Impairment (Reversal) / Expense	3	(1,770,686)	4,971,334
<b>Total Expenses</b>		<b>(834,340)</b>	<b>7,092,420</b>
<b>Profit / (Loss) before Income Tax Expense</b>		<b>2,887,166</b>	<b>(6,225,032)</b>
Income tax (expense)/ benefit		(812,649)	1,472,335
<b>Profit / (loss) for the period</b>		<b>2,074,517</b>	<b>(4,752,697)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be recognized in profit or loss in the future</i>			
Change in fair value of financial instruments		24,873	38,747
<b>Total other comprehensive income for the period</b>		<b>24,873</b>	<b>38,747</b>
<b>Total comprehensive income/ (loss) for the period</b>		<b>2,099,390</b>	<b>(4,713,950)</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	31 DEC 2021	30 JUN 2021
<b>Current Assets</b>			
Cash and Cash Equivalents		2,808,285	6,563,139
Trade and Other Receivables		242,531	78,770
Other Financial Assets	6	20,540,210	3,001,008
Inventories	8	15,054,537	26,479,874
Other		66,129	198,370
<b>Total Current Assets</b>		<b>38,711,692</b>	<b>36,321,161</b>
<b>Non-Current Assets</b>			
Other Financial Assets	6	1,848,162	1,500,000
Plant and Equipment		22,685	29,296
Deferred Tax Assets		1,549,621	2,362,270
<b>Non-Current Tax Assets</b>		<b>3,420,468</b>	<b>3,891,566</b>
<b>Total Assets</b>		<b>42,132,160</b>	<b>40,212,727</b>
<b>Current Liabilities</b>			
Trade and Other Payables		144,000	680,539
Provisions		367,406	10,824
<b>Total Current Liabilities</b>		<b>511,406</b>	<b>691,363</b>
<b>Non-Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>511,406</b>	<b>691,363</b>
<b>Net Assets</b>		<b>41,620,754</b>	<b>39,521,364</b>
<b>Equity</b>			
Issued Capital		31,513,224	31,513,224
Reserves		70,786	45,913
Retained Earnings		10,036,744	7,962,227
<b>Total Equity</b>		<b>41,620,754</b>	<b>39,521,364</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Half Year Ended 31 December 2021

2021	Issued Capital	Retained Earnings	Reserves	Total
<b>Balance at 1 JUL 2021</b>	<b>31,513,224</b>	<b>7,962,227</b>	<b>45,913</b>	<b>39,521,364</b>
<b>Comprehensive Income for the period</b>				
Profit for the period	-	2,074,517	-	2,074,517
Other Comprehensive Income	-	-	24,873	24,873
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>2,074,517</b>	<b>24,873</b>	<b>2,099,390</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends	-	-	-	-
<b>Balance at 31 DEC 2021</b>	<b>31,513,224</b>	<b>10,036,744</b>	<b>70,786</b>	<b>41,620,754</b>

2021	Issued Capital	Retained Earnings	Reserves	Total
<b>Balance at 1 JAN 2021</b>	<b>31,513,224</b>	<b>8,423,901</b>	<b>30,602</b>	<b>39,967,727</b>
<b>Comprehensive Income/(Loss) for the period</b>				
(Loss) for the period	-	(461,674)	-	(461,674)
Other Comprehensive Income	-	-	15,311	15,311
<b>Total Comprehensive Loss for the period</b>	<b>-</b>	<b>(461,674)</b>	<b>15,311</b>	<b>(446,363)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends	-	-	-	-
<b>Balance at 30 JUN 2021</b>	<b>31,513,224</b>	<b>7,962,227</b>	<b>45,913</b>	<b>39,521,364</b>

2020	Issued Capital	Retained Earnings	Reserves	Total
<b>Balance at 1 JUL 2020</b>	<b>31,513,224</b>	<b>14,158,178</b>	<b>(8,145)</b>	<b>45,663,257</b>
<b>Comprehensive Income/(Loss) for the period</b>				
(Loss) for the period	-	(4,752,697)	-	(4,752,697)
Other Comprehensive Income	-	-	38,747	38,747
<b>Total Comprehensive Loss for the period</b>	<b>-</b>	<b>(4,752,697)</b>	<b>38,747</b>	<b>(4,713,950)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends	-	(981,580)	-	(981,580)
<b>Balance at 31 DEC 2020</b>	<b>31,513,224</b>	<b>8,423,901</b>	<b>30,602</b>	<b>39,967,727</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

For The Half Year Ended 31 December 2021

	31 DEC 2021	31 DEC 2020
	Inflows/(Outflows)	Inflows/(Outflows)
<b>Cashflows from Operating Activities</b>		
Receipts from sales of properties	16,108,377	7,469,833
Payments to suppliers (GST inclusive) and employees	(1,657,215)	(1,436,421)
Payments for purchase of inventories (GST inclusive)	(1,296,029)	(4,726,301)
Interest Payments	-	(228,361)
Government Grants Received	-	94,500
Other receipts	523,437	-
Interest and dividends Received	374,503	153,179
<b>Net Cash provided by / (used in) operating activities</b>	<b>14,063,066</b>	<b>1,326,429</b>
<b>Cashflows from Investing Activities</b>		
Payments for Plant and Equipment and Intangibles	(978)	(24,366)
Redemption and Sale of other Financial Assets	8,508,000	3,806,000
Investments in other Financial Assets	(26,324,942)	(59,443)
<b>Net Cash provided by / (used in) investing activities</b>	<b>(17,817,920)</b>	<b>3,722,191</b>
<b>Cashflow from Financing Activities</b>		
Borrowing Repayments	-	(2,057,126)
Dividends Paid	-	(981,580)
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>(3,038,706)</b>
<b>Net (decrease) / increase in cash &amp; cash equivalents held</b>	<b>(3,754,854)</b>	<b>2,009,914</b>
<b>Cash &amp; cash equivalents at beginning of the period</b>	<b>6,563,139</b>	<b>4,471,288</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,808,285</b>	<b>6,481,202</b>

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





## NOTES TO FINANCIAL STATEMENTS

### Note 1. Reporting Entity

Longevity Group Australia Ltd - Longevity (the “Company”) is an unlisted public company domiciled in Australia.

The financial statements include the consolidated financial statements and notes of Longevity Group Australia Ltd (the “Company”) and controlled entities (the “Group”).

### Note 2. Significant Accounting Policies

#### (a) *Statement of compliance*

The consolidated financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB134 *Interim Financial Reporting*.

#### (b) *Basis of preparation*

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of certain assets at fair value.

The accounting policies and methods of computation adopted in the preparation of the year-end financial report are consistent with those adopted and disclosed in the Group’s 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### (c) *New and amended standards and interpretations adopted*

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half year.

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

#### (d) *New Accounting Standards issued not yet mandatory*

Management has assessed that at adoption, the new standards issued not yet mandatory will have an insignificant impact in the financial position and performance of the Group.

#### (e) *Comparatives*

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosure.



### Note 3. Significant developments and changes in the current period

The financial position of the company and performance of the Group improved particularly by:

- a significant increase in property sales achieved during the period; and
- the reversal of an impairment in inventory amounting to \$1,770,686 recognised in prior periods. The carrying value of Inventory is at the lower of cost and net realisable value, which is based on independent external valuation advice and reflects current market values to align with what the property inventory would be sold for in current market conditions.

### Note 4. Critical Accounting Estimates & Judgements

The preparation of the consolidated interim financial report required the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

All significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty in preparing the consolidated interim financial report were those that applied to the most recent annual financial report as at and for the year ended 30 June 2021.

### Note 5. Revenue

	31 DEC 2021	31 DEC 2020
<b>Revenue</b>		
Property Sales	14,988,158	7,649,060
<b>Total Revenue</b>	<b>14,988,158</b>	<b>7,649,060</b>

The Group develops and sells properties comprising apartments, units and townhouses and parcels of land held as inventory. All sale transactions related to properties located in Victoria, Australia and all sales transactions are recognised at a point in time when settlement occurs.

### Note 6. Other Financial Assets

	31 DEC 2021	30 JUN 2021
<b>Other Financial Assets – Current</b>		
Investment in unit trusts	19,256,008	3,001,008
Funds held in trust	1,284,202	-
<b>Total Other Financial Assets – Current</b>	<b>20,540,210</b>	<b>3,001,008</b>
<b>Other Financial Assets – Non-Current</b>		
Investment in unit trusts	-	1,500,000
Investment in ASX listed shares	1,848,162	-
<b>Total Other Financial Assets – Non- Current</b>	<b>1,848,162</b>	<b>1,500,000</b>
<b>Total Other Financial Assets</b>	<b>22,388,372</b>	<b>4,501,008</b>







## DIRECTORS' DECLARATION

The Directors declare that:

1. The financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001* and:
  - i. Give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
  - ii. Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.
2. In the Directors' opinion there are reasonable grounds to believe that Longevity Group Australia Ltd 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 made pursuant to S303(5)(a) of the *Corporations Act 2001*.

**Matthew Chun**  
Chair  
02.02.2022











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## CORPORATE DIRECTORY

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