Appendix 4E

Full Year Report
to the Australian Securities Exchange

The following sets out the requirements of Appendix 4E with the stipulated information either provided here or cross referenced to the 2020 Unaudited Financial Report which is attached.

1. Details of the reporting period and the previous corresponding period

Name of Entity :	1414 DEGREES LIMITED
ABN :	57 138 803 620
Financial Year Ended :	30 Jun 2021
Previous Corresponding Reporting Period:	30 Jun 2020

2. Results for announcement to the market

	Key Information	30 Jun 2021 AUD$	30 Jun 2020 AUD$	Change %	Change AUD$
2.1	Revenue from continuing operations	486,553	411,054	18%	75,499
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	(5,974,178)	(2,865,958)	108%	(3,108,220)
2.3	Net Profit/ (Loss) for the period attributable to members	(5,974,178)	(2,865,958)	108%	(3,108,220)

	Dividends	Amount per security	Franked amount per security
2.4	Dividends		
	Interim Dividend	Nil	Nil
	Final Dividend	Nil	Nil

2.5 Record date for determining entitlements to the dividends (if any):
Not Applicable

2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood:
N/A

3. Statement of Comprehensive Income with notes to the statement

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2021, specifically:
- Statement of Profit Or Loss and Other Comprehensive Income
- Notes to the financial statements

4. Balance Sheet with notes to the statement

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2021, specifically:
- Statement of Financial Position
- Notes to the financial statements

5. Statement of Cash Flows with notes to the statement

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2021, specifically:
- Statement of Cash Flows
- Notes to the financial statements

6. Statement of Changes in Equity

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2021, specifically:
- Statement of Changes In Equity
- Notes to the financial statements

7. Details Relating to Dividends

Information	30 Jun 2021	30 Jun 2020
Date the dividend is payable :	n/a	n/a
Record date to determine entitlement to the dividend :	n/a	n/a
Amount per security (AUD Cents) :	n/a	n/a
Total dividend (AUD$) :	n/a	n/a
Amount per security of foreign sourced dividend or distribution :	n/a	n/a

8. Dividend or distribution reinvestment plan details

Information	30 Jun 2021	30 Jun 2020
Details of any dividend reinvestment plans in operation :	n/a	n/a
The last date for receipt of an election notice for participation in any dividend reinvestment plans :	n/a	n/a

9. Net tangible assets per ordinary share

	30 Jun 2021	30 Jun 2020
Security	AUD (Cents)	AUD (Cents)
Ordinary shares	4.07	4.23

10. Control gained or lost over entities during the period, and those having material effect

Not applicable.

11. Details of Associates and Joint Venture Entities

No investments in associates and joint ventures are held by the company.

12. Any other significant information needed by an investor to make an informed assessment of the Group's financial performance and financial position

All significant information has been included elsewhere in this document or in the Unaudited Financial Report for the year ended 30 June 2021

13. For foreign entities, which set of accounting standards is used in compiling the report

Not applicable.

14. Commentary on the results

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2021.

15. Status of Audit and Audit dispute or qualification

Audited financial statements will be released during September 2021.

16. Attachments forming part of Appendix 4E

Attachment Number	Details
1	2021 Unaudited Financial Report

Signed By Company Secretary

Tania Sargent

Date: 31 August 2021

1414 DEGREES LIMITED

ACN 138 803 620

UNAUDITED FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

1414 DEGREES LIMITED
ACN 138 803 620

UNAUDITED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

CONTENTS

1414 DEGREES LIMITED
ACN 138 803 620

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 AUD$	2020 AUD$
Other Income	5	486,553	411,054
Research and Development Expenses		6,553	-
Administration and Professional Expenses		1,319,515	906,889
Occupancy Expenses		73,739	37,042
Marketing Expenses		50,851	76,521
Depreciation and Amortisation		136,772	300,221
Asset Impairment		2,933,040	-
Employee Benefits Expense	6	1,285,226	1,451,631
Share Based Payments (Equity-settled)		252,949	93,932
Directors Fees		83,561	71,935
Other Expenses		214,276	253,098
Finance Costs		104,249	85,743
(Loss) before income tax		(5,974,178)	(2,865,958)
Income tax benefit / (expense)	8	-	-
(Loss) for the year		(5,974,178)	(2,865,958)
Other comprehensive income for the year		-	-
Items that will be reclassified subsequently to profit or loss:		-	-
		-	-
Total comprehensive (loss) for the year		(5,974,178)	(2,865,958)
Basic loss per share	16	(3.11) cents	(1.66) cents
Diluted loss per share	16	(3.11) cents	(1.66) cents

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

1414 DEGREES LIMITED
ACN 138 803 620

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 AUD$	2020 AUD$
ASSETS			
Current assets			
Cash and cash 30/08/2021	9	5,704,957	4,395,479
Trade and other receivables	10	544,370	1,436,805
Other current assets		131,721	142,882
Total current assets		6,381,048	5,975,166
Non-current assets			
Property, plant and equipment		173,434	204,155
Intangible Assets	11	5,661,300	8,359,688
Right-of-use assets	12	1,601,502	1,126,136
Total non-current assets		7,436,236	9,689,979
Total assets		13,817,284	15,665,145
LIABILITIES			
Current liabilities			
Trade and other payables	13	608,819	355,139
Provision for employee benefits		78,825	90,628
Lease liabilities		315,000	129,938
Total current liabilities		1,002,644	575,705
Non-current liabilities			
Provision for employee benefits		31,072	14,906
Lease liabilities (NC)	14	1,255,232	975,485
Convertible notes		-	-
Total non-current liabilities		1,286,304	990,391
Total liabilities		2,288,948	1,566,096
Net assets		11,528,336	14,099,049
EQUITY			
Contributed equity	15	32,486,429	29,197,369
Share Based Payments Reserve	17	196,904	116,968
Accumulated losses		(21,154,997)	(15,215,288)
Total equity		11,528,336	14,099,049

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

1414 DEGREES LIMITED
ACN 138 803 620

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 AUD$	2020 AUD$
Cash flows from operating activities			
Cash received from customers		50,975	24,991
Cash paid to suppliers and employees		(2,912,441)	(2,981,431)
Government grants		492,250	233,636
Interest received		18,398	148,623
Interest paid		-	(9,500)
Interest paid on lease liabilities		(42,637)	(23,533)
Net cash inflow/(outflow) from operating activities	18	(2,393,455)	(2,607,214)
Cash flows from investing activities			
Purchase of property, plant and equipment		(7,548)	(36,263)
Purchase of entities		-	(2,000,000)
Payments for product development activities		(1,376,133)	(3,278,550)
Government grant received and used for intangible asset		16,000	236,000
Research and development tax offset received and used for intangible asset		1,954,840	2,743,782
Net cash inflow/(outflow) from investing activities		587,159	(2,335,031)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Repayment of lease liabilities		-	(398,868)
Transaction costs related to issues of shares or options		(59,492)	-
Proceeds from exercise of share options		-	-
Proceeds from the issue of shares		3,175,540	-
Net cash inflow/(outflow) from financing activities		3,116,048	(398,868)
Net increase/(decrease) in cash and cash equivalents		1,309,752	(5,341,113)
Net foreign exchange differences		(274)	15,400
Cash and cash equivalents at beginning of period		4,395,479	9,721,192
Cash and cash equivalents at end of period	9	5,704,957	4,395,479

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

1414 DEGREES LIMITED
ACN 138 803 620

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Contributed equity $	Share Based Payments Reserve $	Accumulated Losses $	Total equity $
At 30 June 2019	29,097,294	123,111	(12,314,612)	16,905,793
Adjustment for change in accounting policy (note 1)			(34,718)	(34,718)
Balance at 1 July 2019 - Restated	29,097,294	123,111	(12,349,330)	16,871,075
Loss for the year	-	-	(2,865,958)	(2,865,958)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(2,865,958)	(2,865,958)
Transactions with owners in their capacity as owners				
Employee Share Scheme - Performance Rights Valuation	-	93,932	-	93,932
Employee Share Scheme - Conversion of Performance Rights	100,075	(100,075)	-	-
Contributions of equity net of transaction costs	-	-	-	-
	100,075	(6,143)	-	93,932
At 30 June 2020	29,197,369	116,968	(15,215,288)	14,099,049
Adjustment for prior period restatement of leased asset (note 27)			34,471	34,471
Loss for the year	-	-	(5,974,178)	(5,974,178)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(5,974,178)	(5,974,178)
Transactions with owners in their capacity as owners				
Employee Share Scheme - Performance Rights Valuation	-	252,947	-	252,947
Employee Share Scheme - Conversion of Performance Rights	173,013	(173,013)	-	-
Contributions of equity net of transaction costs	3,116,047	-	-	3,116,047
	3,289,060	79,934	-	3,368,994
At 30 June 2021	32,486,429	196,902	(21,154,995)	11,528,336

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTE 1 CORPORATE INFORMATION

The financial statements of 1414 Degrees Limited for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 30 August 2021 and cover the group as required by Australian Accounting Standards.

The financial statements are presented in the Australian currency.

1414 Degrees Limited is a group limited by shares incorporated and domiciled in Australia.

The address of the group's registered office and principal place of business is 136 Daws Rd, Melrose Park SA 5039

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards, Australian Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The group is a for-profit group for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Amounts have been rounded to whole dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.
The accounting policies have been consistently applied, unless otherwise stated.

(b) Other Income Recognition

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

Grant

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to intangible assets are deducted from the cost of the asset.

Interest

Interest is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(c) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income are also recognised in other comprehensive income.

(e) Impairment of Assets

At the end of each reporting period, the group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of 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. Goodwill on business acquisition and the intangible asset that is not yet ready for use is tested for impairment annually, or more frequently if events or changes in circumstances indicated that they might be impaired.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(g) Property, Plant and Equipment

Plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

The carrying amount of plant and equipment is reviewed annually by the 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 assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over the asset's useful life to the group commencing from the time the asset is held ready for use. The following estimated useful lives will be used in the calculation of depreciation:

- Plant and equipment 2 - 15 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in profit or loss in the year that the item is derecognised.

(h) Intangible Assets

Product Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Expenditure capitalised comprises costs of materials and services. The carrying value of development costs is reviewed annually when the asset is not yet available for use, or when events or circumstances indicate that the carrying value may be impaired. As the asset is not yet available for use, the useful life has not yet been determined.

The R&D refund is recognised on an accrual basis, calculated using actual costs incurred on eligible activities and is subject to potential review by Government for up to 5 years.

Goodwill

Goodwill is calculated as the excess of the:

- consideration transferred,
- amount of any non-controlling interests in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value 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 business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Intangible Assets (Continued)

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(i) Leases

Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

All trade and other payables are non interest bearing.

(k) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the American or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Contributed Equity
Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(m) Financial Assets
Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(n) Principles of Consolidation
Subsidiaries
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(o) Business Combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:
- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Business Combinations (continued)

The excess of the:
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value 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 business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(p) Accounting Standards Issued But Not Yet Effective

There are no accounting standards that have not been early adopted for the year ended 30 June 2021 but will be applicable to the group in future reporting periods which are expected to have a material impact on the financial statements.

(q) Application of new and revised Accounting Standards

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

NOTE 3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates - Impairment

The group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for intangible assets and those with a finite useful life but not yet considered ready for use, relevant inputs have been factored into valuation models on the basis of management's expectations regarding the growth of the market and the group's ability to capture market share. Pre-tax discount rates of 11% have been used in all models.

With respect to cash flow projections for the goodwill on business acquistion, the calculations use cash flow projections based on the most readily available modelling work performed for/by the entity. Relevant inputs have been factored into models on the basis of management's expectations regarding potential revenues and the group's ability to capture market share. Pre-tax discount rates of 11% have been used in all models.

The goodwill on business acquistion and intangible asset is tested for impairment annually at the end of the reporting period.

Key Judgements - Product Development

Included within intangible assets at the end of the reporting period is Product Development with a net carrying value of $3,789,832 (2020: $6,488,220) being the carrying value of the Product Development intangible asset of $9,801,097 (2020: $16,296,263) less the associated Government Grant funding of $1,000,000 (2020: $2,568,000) and the R&D refundable tax offsets applied of $5,011,265 (2020: $7,240,043). The directors believe that while the development and commercialisation of the technology remains in-progress and the asset is not yet generating economic benefits (beyond customer trials), it is not considered ready for use. A reliable estimate for the useful life of the asset will only be capable of being determined once the asset is assessed as ready for use, after which point, amortisation will commence. The directors are satisfied that it is probable that the intangible asset will generate future economic benefits based on internal financial models and potential project scenario analysis, excluding the GASS TESS asset at the SA Water (Glenelg) site, for which an impairment was recorded this financial year ($2,933,040).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4 SEGMENT REPORTING

There is only one segment which is the entire business, which operates entirely within Australia.

	2021 AUD$	2020 AUD$
NOTE 5 OTHER INCOME		
Interest Received	18,828	79,198
Rent & Office Recoveries	4,257	22,720
Claim Settlement	46,718	
Provision of services	-	-
Government grants	416,750	309,136
	486,553	411,054
NOTE 6 EXPENSES		
Profit(loss) before income tax includes the following specific expenses:		
Superannuation expense		
Defined contribution superannuation expense	107,841	123,987
	107,841	123,987
NOTE 7 AUDITORS' REMUNERATION		
Audit services		
Amounts paid/payable to BDO for audit/review of the financial statements of the group	31,225	37,000
Amounts paid/payable to a related practice of the auditor for corporate finance services	-	-
	31,225	37,000
NOTE 8 INCOME TAX EXPENSE		
Income Tax expense/(benefit) comprises:		
Current tax expense		
Current tax expense/(benefit)	-	-
Adjustments for previous years	-	-
Total current income tax expense	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
	-	-
Total income tax expense/(benefit) in profit or loss	-	-
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense/(benefit) in the financial statements as follows:		
Profit/(Loss) from operations before tax	(5,974,178)	(2,865,958)
Income tax calculated at 26.0%	(1,553,286)	(788,138)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	1,553,286	788,138
Non-deductible expenses	81,795	29,862
Assessable income not included in profit/loss	4,160	64,900
Other reconciling items	(49,319)	(48,893)
Timing differences on deferred tax assets not recognised	503	(34,226)
Tax losses not recognised	1,516,147	776,495
Tax expense	-	-

The amount of gross tax losses relating to Australian operations that are carried forward is $8,197,403 (2019: $5,388,118).

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NOTE 9 CASH AND CASH EQUIVALENTS

Cash at bank	5,704,957	4,395,479
Cash term deposits	-	-
	5,704,957	4,395,479

An amount of $295,113 included as cash has been set aside to support a bank guarantee issued to the landlord of the rented premises.

NOTE 10 TRADE AND OTHER RECEIVABLES

Trade receivables	696	63,000
R&D refundable tax offset	538,577	1,367,937
Other receivables	5,097	5,868
	544,370	1,436,805

	2021	2020
	AUD$	AUD$

NOTE 11 INTANGIBLE ASSETS

Product Development

Product Development - Intellectual Property		
Intangible assets under development - at cost	9,801,097	16,296,263
Government Grants applied	(1,000,000)	(2,568,000)
R&D Refundable Tax Offset applied	(5,011,265)	(7,240,043)
	3,789,832	6,488,220
Reconciliation of Product Development - Intellectual Property		
Balance at the beginning of the year	6,488,220	5,109,045
Additions	1,376,133	3,278,550
Government Grants applied	(16,000)	(236,000)
R&D Refundable Tax Offset applied	(1,125,481)	(1,663,375)
GAS TESS Impairment	(2,933,040)	-
Closing carrying value	3,789,832	6,488,220

Intellectual property consists of TESS (thermal energy storage system) development of bulk energy storage solutions.

No amortisation has been recognised as the intellectual property is not available for use as at 30 June 2021. The intangible asset is tested for impairment annually. The government grant relates to accelerating the commercialisation of the group's intellectual property.

The recoverable amount of the group's Product Development intangible asset has been determined by a value-in-use calculation using a discounted cash flow model, based on an 8 year projection period approved by management.

The following key assumptions were used in the discounted cash flow model:
- 11% pre-tax discount rate;
- No revenue earned until 2022;
- Consistent sales from 2022 to 2023; and from 2024 to 2025;
- Increasing sales from 2026 to 2028;

The discount rate of 11% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

Management believes the revenue presented in the model is justified, based on the potential indicated in the market.

Goodwill on business acquisition

Goodwill on business acquisition	(Note 19)	1,871,468	1,871,468
		1,871,468	1,871,468
Reconciliation of goodwill on business acquisition			
Balance at the beginning of the year		1,871,468	-
Purchase of SiliconAurora Pty Ltd		-	1,871,468
Closing carrying value		1,871,468	1,871,468

Goodwill is tested for impairment annually.

The recoverable amount of the group's goodwill intangible asset has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period approved by management.

The following key assumptions were used in the discounted cash flow model:

- 11% pre-tax discount rate;
- Consistent revenue beginning in FY2023
- Revenue and CAPEX based on modelling recently performed for the Group;
- Financing mix unknown, however model based on 100% debt in order to consider impacts of interest and debt repayments

The discount rate of 11% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

Management believes the revenue presented in the model is justified, based on modelling work referred to above.

There were no other key assumptions.

NOTE 12 NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS

Land and buildings - right-of-use	1,766,174	2,256,668
Less: Accumulated depreciation	(164,672)	(1,130,532)
	1,601,502	1,126,136

Additions to the right-of-use assets during the year were $2,728,842.

NOTE 13 TRADE AND OTHER PAYABLES

Trade and other payables	395,133	297,339
Other payables and accruals	213,686	57,800
	608,819	355,139

	2021 AUD$	2020 AUD$
NOTE 14 NON-CURRENT LIABILITIES - LEASE LIABILITIES		
Lease liabilities	1,255,232	975,485

NOTE 15 CONTRIBUTED EQUITY

	2021 No. of Shares	2021 AUD$	2020 No. of Shares	2020 AUD$
Share capital				
Ordinary shares - authorised, issued and fully paid opening balance	172,904,923	29,197,369	172,389,923	29,097,294
Employee Share Scheme - Conversion of Performance Rights	942,500	173,013	515,000	100,075
Share Purchase Plan	26,463,035	3,175,540	-	-
Costs of issue	-	(59,493)	-	-
Ordinary shares - authorised, issued and fully paid closing balance	200,310,458	32,486,429	172,904,923	29,197,369

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the group in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

Ordinary shares have no par value.

Capital Management

Management controls the capital of the group in order to ensure that the group can fund its operations and continue as a going concern.

The group's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management to control the capital of the group since the prior year and the objectives for managing capital have been met.

NOTE 16 EARNINGS PER SHARE

	2021 AUD$	2020 AUD$
Earnings per share for profit (loss)		
Profit (loss) after income tax	(5,974,178)	(2,865,958)
Profit (loss) after income tax attributable to the owners of 1414 Degrees Ltd	(5,974,178)	(2,865,958)
Profit (loss) after income tax attributable to the owners of 1414 Degrees Ltd used in calculating diluted earnings per share	(5,974,178)	(2,865,958)
	Cents	**Cents**
Basic earnings per share	(3.11)	(1.66)
Diluted earnings per share	(3.11)	(1.66)
	Number	**Number**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	191,947,438	172,612,635
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares if dilutive	-	-
Convertible notes	-	-
	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	191,947,438	172,612,635

The 4,625,000 performance rights have not been taken into account when calculating diluted earnings per share as they are anti dilutive.

NOTE 17 SHARE BASED PAYMENTS

350,000 shares were issued to key management personnel in this financial year as part of the group's Performance Rights plan. In the year ended 30 June 2020 150,000 shares were issued to key management personnel during the financial year.

A Performance Rights plan was established by the group in the 2019 financial year, whereby the group may, at the discretion of the board, grant Performance Rights (PR) over ordinary shares in the group to certain employees of the group. The PR are issued for nil consideration and are granted in accordance with performance guidelines established by the board.

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Set out below are summaries of PR's outstanding at the end of the financial year:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
2/04/2019	1/07/2020	$0.00	250,000	-	(75,000)	(175,000)	-
2/04/2019	15/01/2021	$0.00	775,000	-	(125,000)	(650,000)	-
2/04/2019	15/01/2022	$0.00	875,000	-	-	(875,000)	-
2/04/2019	15/01/2023	$0.00	750,000	-	-	(250,000)	500,000
23/07/2020	31/07/2020	$0.00		742,500	(542,500)	(200,000)	-
23/07/2020	1/07/2021	$0.00		250,000	-		250,000
23/07/2020	15/01/2021	$0.00		600,000	(200,000)	(400,000)	-
23/07/2020	15/01/2022	$0.00	-	400,000	-	(400,000)	
23/07/2020	1/07/2022	$0.00	-	100,000	-		100,000
23/07/2020	15/01/2023	$0.00	-	1,000,000	-		1,000,000
30/11/2020	30/11/2021	$0.00	-	700,000	-	(200,000)	500,000
30/11/2020	30/11/2022	$0.00	-	600,000	-	(200,000)	400,000
9/04/2021	15/07/2021	$0.00	-	250,000	-		250,000
9/04/2021	31/07/2021	$0.00	-	100,000	-		100,000
9/04/2021	1/09/2021	$0.00	-	100,000	-		100,000
9/04/2021	15/01/2022	$0.00	-	425,000	-		425,000
9/04/2021	15/01/2023	$0.00	-	500,000	-		500,000
9/04/2021	15/01/2024	$0.00	-	500,000	-		500,000
			2,650,000	6,267,500	(942,500)	(3,350,000)	4,625,000
Weighted average exercise price			$0.00	$0.00	$0.00	$0.00	$0.00

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
2/04/2019	1/07/2019	$0.00	75,000	-	(70,000)	(5,000)	-
2/04/2019	14/01/2020	$0.00	200,000	-	(150,000)	(50,000)	-
2/04/2019	15/01/2020	$0.00	725,000	-	(295,000)	(430,000)	-
2/04/2019	1/07/2020	$0.00	350,000	-	-	(100,000)	250,000
2/04/2019	15/01/2021	$0.00	925,000	-	-	(150,000)	775,000
2/04/2019	15/01/2022	$0.00	975,000	-	-	(100,000)	875,000
2/04/2019	15/01/2023	$0.00	1,100,000	-	-	(350,000)	750,000
			4,350,000	-	(515,000)	(1,185,000)	2,650,000
Weighted average exercise price			$0.00	$0.00	$0.00	$0.00	$0.00

There are no Performance Rights exercisable at the end of the financial year.

The weighted average remaining contractual life of Performance Rights outstanding at the end of the financial year was 0.94 years (2020: 1.12).

During the year the expense recognised in relation to the valuation of these Performance Rights was $253k.

NOTE 18 CASH FLOW INFORMATION

Reconciliation of profit after income tax to net cash flow from operating activities

	2021 AUD$	2020 AUD$
Loss for the year	(5,974,178)	(2,865,958)
Non-cash flows in profit/(loss):		
- Depreciation and Amortisation	136,772	300,221
- Share Based Payments	252,949	93,932
- Foreign exchange differences	274	(15,400)
- Asset Impairment	2,933,040	
Change in operating assets and liabilities		
- (increase)/decrease in trade and other receivables	771	(5,851)
- (increase)/decrease in other current assets	11,161	73,333
- increase/(decrease) in trade and other payables	241,393	(73,990)
- increase/(decrease) in employee benefits	4,363	(113,502)
Net cash flow from operating activities	(2,393,455)	(2,607,215)

NOTE 19 BUSINESS COMBINATION

On 13 December 2019 1414 Degrees Ltd acquired 100% of the issued shares in SolarReserve II Pty Ltd (Renamed to SiliconAurora Pty Ltd). SiliconAurora owns the advanced Aurora Solar Energy Project ("Aurora Project") near Port Augusta in South Australia. The group proposes to develop the Aurora Project, which has approval for 70MW of solar photovoltaic (PV) and 150MW of concentrated solar thermal plant (CSP) systems, and intends to demonstrate its world leading TESS-GRID technology.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	AUD$
Cash paid	2,000,000
Total purchase consideration	2,000,000

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value AUD$
Cash	1,000
GST Receivable	8,809
Property, plant and equipment	85,601
Right-of-use assets	1,052,115
Lease liabilities - Current	(110,000)
Lease liabilities - Non-Current	(908,993)
Net identifiable assets acquired	128,532
Add: Goodwill (Note 11)	1,871,468
	2,000,000

The goodwill is attributable to SiliconAurora's approval of 70MW of PV and 150MW of CSP systems, access to land resources and development activity to progress an expanded renewable energy project and demonstrate the Group's TESS-GRID technology. Documentation and contracts were obtained as part of the purchase, however these do not qualify for separate recognition.

NOTE 20 CONTINGENCIES

Contingent Liabilities

At 30 June 2021 those charged with governance of the group note that there are no known contingent liabilities (2020: nil).

NOTE 21 RELATED PARTY

(a) 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.

There were no transactions with related parties during the year ending 30 June 2021

NOTE 21 RELATED PARTY (continued)

(b) Director and Director-related Interests in the group

Disclosures relating to director and director-related interests, as well as key management personnel are set out in Note 22 below and the remuneration report included in the director's report.

NOTE 22 KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to KMP of the group during the year are as follows:

	2021 AUD$	2020 AUD$
Short-term employee benefits	777,041	831,690
Post-employment benefits	67,339	70,641
Other long term benefits	13,112	8,911
Share-based payments	63,250	19,817
Total KMP compensation	920,742	931,060

These amounts represent the group's employee benefits and shared-based-payments expense for the year.

NOTE 23 FINANCIAL RISK MANAGEMENT

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 AUD$	2020 AUD$
Financial Assets			
Financial Assets at amortised cost:			
Cash and cash equivalents	9	5,704,957	4,395,479
Trade and other receivables - R&D tax refund	10	538,577	1,367,937
Total financial assets		6,243,534	5,763,416
Financial Liabilities			
Financial Liabilities at amortised cost:			
Trade and other payables	13	608,819	355,139
Total financial liabilities		608,819	355,139

General objectives, policies and processes

In common with all other businesses, the group is exposed to risks that arise from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Market Risk

The group's activities have no material exposure to financial risks of changes in interest rates. The group analyses it's risk by considering sensitivity on its interest rate exposures and determining the potential impact on it's effected expenses and revenue of movements in these rates. If the potential variance is material then management may seek to minimise this exposure but it does not consider this to be the case at this time.

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Credit Risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the group, except for the Australian Taxation Office which is the counterparty to the R&D refundable tax offset shown in note 10. Trade receivables represent the maximum exposure to credit risk, credit quality is considered good.

NOTE 23 FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The directors manage liquidity risk by monitoring forecast cash flows and ensuring that the group's operations are adequate to meet liabilities due.

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	AUD$ 2021	AU$ 2020	AU$ 2021	AU$ 2020	AUD$ 2021	AUD$ 2020	AUD$ 2021	AUD$ 2020
Financial liabilities due for settlement								
Trade and other payables	608,819	355,139	-	-	-	-	608,819	355,139
Lease Liabilities	315,000	129,938	347,027	326,227	908,205	2,163,416	1,570,232	2,619,581
	923,819	485,077	347,027	326,227	908,205	2,163,416	2,179,051	2,974,720
Financial assets - cash flows realisable								
Cash at bank	5,704,957	4,395,479	-	-	-	-	5,704,957	4,395,479
Trade and other receivables	538,577	1,367,937	-	-	-	-	538,577	1,367,937
Cash term deposits	-	-	-	-	-	-	-	-
	6,243,534	5,763,416	-	-	-	-	6,243,534	5,763,416

Sensitivity Analysis

Interest rate risk

At 30th June 2021 investment in Cash, Fixed Interest and Floating Interest rate deposits amounted to $5,704,957. A +/-1% change in interest rates during the year ended 30th June 2021 will result in a +/- change in net interest income of $57,050.

At 30th June 2020 investment in Cash, Fixed Interest and Floating Interest rate deposits amounted to $4,395,479. A +/-1% change in interest rates during the year ended 30th June 2020 will result in a +/- change in net interest income of $43,955.

Management has considered that both a positive and negative 1% variance is sufficient to illustrate the potential variations in interest income.

Foreign currency risk

	Assets		Liabilities	
Cash at bank held in or trade payables denominated in	2021 AUD$	2020 AUD$	2021 AUD$	2020 AUD$
US dollars	772	1,493	-	-
Euros	510	4,303	-	14,661
	1,282	5,796	-	14,661

The group had net assets denominated in foreign currencies of $1,282 as at 30 June 2021 (2020: net assets $5,796).

Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% (2020: weakened by 10%/strengthened by 5%) against these foreign currencies with all other variables held constant, the group's profit before tax for the year would have been $128 lower/$64 higher (2020: $887 higher/$443 lower) and equity would have been $128 lower/$64 higher (2020: $887 higher/$443 lower).

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date.

The actual foreign exchange loss for the year ended 30 June 2021 was $497 (2020: loss of $21,472).

NOTE 24 COMMITMENTS FOR EXPENDITURE

There are no capital commitments as at 30 June 2021 (2020: nil)

NOTE 25 SUBSEQUENT EVENTS

The company has new leadership at Management and Board level, with the appointment of Matthew Squire as Chief Executive Officer and Tony Sacre as Chair of the Board. These appointments significantly enhance the commercial, strategic and governance capabilities of the Company.

NOTE 26 PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of Profit or Loss and Other Comprehensive Income

	2021 AUD$
Loss after income tax	(4,835,687)
Total comprehensive income	(4,835,687)

Statement of Financial Position	2021 AUD$
Total Current Assets	6,380,048
Total Assets	12,655,784
Total Current Liabilities	(528,977)
Total Liabilities	(207,763)
Equity	
Contributed equity	32,486,429
Share Based Payments Reserve	196,904
Accumulated losses	(19,691,254)
Total Equity/(Deficiency)	12,992,079

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021.

Contingent Liabilities

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

Capital Commitments - Property, Plant and Equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021.

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 2.

NOTE 27 RESTATEMENT OF PRIOR PERIOD

The group determined that an error was made in the initial accounting for the right of use asset and lease liability on acquisition of SiliconAurora Pty Ltd on 13 December 2019. A formula calculation error had resulted in an overstatement of the right of use asset and lease liability which has been corrected in the comparative figures to this financial report. The impact on each of the affected financial statement line items for the prior period is shown below.

	As previously reported	Adjustment	As restated
30 June 2020			
Right of use asset	2,674,765	(1,548,629)	1,126,136
Total assets	17,213,774	(1,548,629)	15,665,145
Lease liability	2,619,581	(1,514,158)	1,105,423
Total liabilities	3,080,254	(1,514,158)	1,566,096
Accumulated losses	(15,180,817)	(34,471)	(15,215,288)
Other equity	29,314,337	-	29,314,337
Total equity	14,133,520	(34,471)	14,099,049
Depreciation and amortisation expense	342,076	(41,855)	300,221
Finance costs	29,555	56,188	85,743
(Loss) before tax for the year	(2,851,625)	14,333	(2,865,958)

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of 1414 Degrees Limited, the directors of the group declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are prepared in accordance with Australian Accounting Standards and present fairly the group's financial position as at 30 June 2021 and its performance for the year ended on that date.

2. The group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. In the directors' opinion there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

4. The directors have been given the declarations as required by s295A of the Corporations Act.

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:

Tony Sacre
Chair and Non-Executive Director

Dated this 30th day of August 2021