

**AURORA SOLAR TECHNOLOGIES INC.**  
**FORM 51-102F4**  
**BUSINESS ACQUISITION REPORT**

**Item 1 Identity of Company**

**1.1 Name and Address of Company**

Aurora Solar Technologies Inc.  
100-788 Harbourside Drive  
North Vancouver, British Columbia  
V7P 3R7

**1.2 Executive Officer**

Kevin Dodds, Chief Executive Officer  
(778) 241-5000

**Item 2 Details of Acquisition**

**2.1 Nature of Business Acquired**

Aurora Solar Technologies Inc. (the “**Company**”) completed the acquisition (the “**Acquisition**”) of BT Imaging Pty Ltd. (“**BTi**”) effective August 25, 2022 in Vancouver, Canada and August 26, 2022 in Sydney, Australia.

BTi, a private Australian company, is an established leader in photoluminescence imaging tools for photovoltaic (“**PV**”) material inspection and quality control during production, and for laboratory use during product development. BTi’s products are used in multiple parts of the PV supply chain. They are found in industrial facilities and many major research institutes throughout Asia, Europe and North America.

This business combination is expected to accelerate the Company’s growth by combining BTi’s complimentary quality control tools and instruments with the Company’s Insight™ data science platform. The Acquisition broadens the combined business by product and its process control systems capability along with diversifying sales by customer, product and geographic region. BTi is a business with a strong product brand, synergetic operational execution capability, institutional ownership and strategic relationships including the University of New South Wales School of Photovoltaics and Renewable Energy Engineering, a global center of excellence in photovoltaic industry.

The acquisition allows the Company to address PV silicon raw material quality control with an established product line, extend its market from solar cell and cell manufacturing to also include research and development and quality control market segments, and provides geographical diversification.

Equally important it will allow for new features that increase Insight’s value and extend its importance as the core operational tool for production process optimization and control.

## **2.2 Acquisition Date**

August 25, 2022.

## **2.3 Consideration**

The total consideration issued by the Company to BTi shareholders for this Acquisition was 62,969,351 common shares and \$1,205,310 in cash.

The Company completed a concurrent non-brokered private placement on August 25, 2022 with net proceeds of \$1,146,625 received. The Company issued 11,650,000 units (the “Units”) at the price of \$0.10 per Unit for gross proceeds of \$1,165,000. Each Unit consists of one common share of the Company and one share purchase warrant to acquire a common share of the Company at an exercise price of \$0.20 for a period of one year.

## **2.4 Effect on Financial Position**

The Company has no current plans or proposals for material changes in its business affairs or the affairs of either the Company or BTi, in each case which may have a significant effect on the financial performance and financial position of the Company.

## **2.5 Prior Valuations**

There has been no valuation opinion obtained within the last twelve months by the Company or BTi which was required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company in connection with the Acquisition.

## **2.6 Parties to Transaction**

None of the parties to the Acquisition were informed persons (as such term is defined in Section 1.1 of National Instrument 51-102 – Continuous Disclosure Obligations (“NI 51-102”)) or associates or affiliates of the Company.

## **2.7 Date of Report**

November 8, 2022.

## **Item 3 Financial Statements and Other Information**

### **3.1 Nature of Business Acquired**

Pursuant to Part 8 of NI 51-102, the following financial statements are attached as schedules to this Report and form part of this Report:

Schedule A – Audited Consolidated Financial Statements of BTi as at and for the years ended June 30, 2022 and June 30, 2021, and the notes thereto, together with the independent auditors report thereon.

### **Cautionary Statement Regarding Forward-Looking Statements**

This Business Acquisition Report contains forward-looking information (within the meaning of applicable Canadian securities laws). Forward-looking information is prospective and by its nature requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. There can be no assurance that forward-looking information will prove to be accurate, and readers are cautioned not to place undue reliance on the forward-looking information contained in this Business Acquisition Report. All statements, other than statements of historical fact, constitute forward-looking information. Forward-looking information in this Business Acquisition Report includes, but is not limited to, statements with respect to: Company's strategic plans, future operations, future work programs and the impact of the implementation of the Acquisition on the Company, its operations and financial position. In order to give such forward-looking information, the Company has made certain assumptions about the Company's business, the economy in general and has also assumed that contracted parties provide goods and services on agreed timeframes, and no significant events occur outside of the Company's normal course of business. Although the assumptions were considered reasonable by management of the Company at the time the forward-looking information is given, there can be no assurance that such assumptions will prove to be accurate. In addition, the following are material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information in this Business Acquisition Report: among others, general business, economic, competitive, political and social uncertainties; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development activities, the inability of the Company to meet its current financial obligations, the inability of the Company to obtain additional financing when and as needed, dependence on a small number of key personnel and other related matters. Although the Company has attempted to identify material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information, there may be other factors that could cause results to differ from what is anticipated, estimated or intended. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. All forward looking information contained in this Business Acquisition Report is given as of the hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company undertakes no obligation to update or revise the forward-looking information contained in this Business Acquisition Report, whether as a result of new information, future events or otherwise, except as required by applicable laws.

---

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
CONSOLIDATED FINANCIAL STATEMENTS**

**ABN 69 125 728 707**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022 AND YEAR ENDED 30 JUNE 2021**

**Stated in Australian Dollars**

**INDEX**

**STATUTORY ACCOUNTS**

1. DIRECTOR'S REPORT
5. DIRECTOR'S DECLARATION
6. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
7. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
8. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
9. CONSOLIDATED STATEMENT OF CASH FLOWS
10. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
48. INDEPENDENT AUDIT REPORT AND INDEPENDENCE DECLARATION

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**DIRECTOR'S REPORT**

---

The Director's present their report on the Company (and its controlled entities) for the year ended 30 June 2022.

**DIRECTORS**

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

- Peter Leonard Devine (Resigned 30<sup>th</sup> August 2022)
- Roger Gilbert Buckeridge
- Robert Andrew Bardos (Resigned 26<sup>th</sup> August 2022)
- Pierre Jacques Verlinden (Resigned 26<sup>th</sup> August 2022)
- Paul Pacino (Resigned 26<sup>th</sup> August 2022)
- Johanna Maria Szabo (Resigned 26<sup>th</sup> August 2022)
- Thorsten Trupke (Appointed as alternate for Pierre Verlinden 26/05/2021, resigned 05/07/2021)
- Kevin Dodds (Appointed as Director on 26<sup>th</sup> August 2022)

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

**OPERATING RESULTS**

The Profit of the Company (and its controlled entities) for the year after providing for income tax was \$414,587 (2021: profit \$630,292).

**REVIEW OF OPERATIONS**

During the year, the Company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

**STATE OF AFFAIRS**

No significant change in the Company's state of affairs occurred during the financial year.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company during the year was: -

- Solar Material and Device Solutions

No significant change in the nature of the activity above occurred during the year.

**SIGNIFICANT EVENTS DURING THE YEAR**

The directors have considered the impact of Coronavirus pandemic (COVID-19) on the 2022 financial accounts and determined that the pandemic did not have a material impact on the operations of the company. All of the appropriate measures to assist and to protect the company's employees, and also retain staff (working remotely, etc.) have been implemented. The annual accounts have been prepared on the basis of assumptions and business plans validated on the closing date and the effects of the COVID-19 crisis were taken into consideration.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**DIRECTOR'S REPORT (continued)**

---

**AFTER BALANCE DATE EVENTS**

Subsequent to year end, 100% of the shareholding in BT Imaging Pty Ltd (and its controlled entities) have been wholly acquired by Aurora Solar Technologies Inc (Canadian Entity) on the 26<sup>th</sup> August 2022.

Further, the following Directors have resigned at this time contemporaneously with the completion of the Acquisition by Aurora Solar Technologies Inc on the 26<sup>th</sup> August 2022:-

- Robert Andrew Bardos
- Paul Pacino, and
- Pierre Jacques Verlinden

Kevin Dodds was appointed Director on 26<sup>th</sup> August 2022, immediately following the Board Resolution to approve the transfer of all the Company's shareholdings to Aurora on the 26<sup>th</sup> August 2022. Johanna Maria Szabo has subsequently resigned also upon this resolution.

There are no other material events or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**LIKELY DEVELOPMENTS**

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

**ENVIRONMENTAL ISSUES**

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**DIVIDENDS**

No dividends have been paid since the start of the financial year.

**REDEMPTION PAYMENTS**

Over the 12 months the company paid a total of \$339,372 (2021: \$19,825) to Preference Shareholders in compliance with the company's obligations regarding Preference Shareholders' redemption rights and pursuant to the redemption notices issued to the company during FY2020.

On August 26th, 2022, Aurora Solar Technologies ("Aurora") acquired 100% of BT Imaging PTY Ltd.'s capital representing the purchase of 9,962,775 Preference Shares and 8,241,511 Ordinary Shares (the "Acquisition"). Effectively, Aurora became the sole member of the Company and subsequently all other pre-existing Shareholder Deeds terminated, and all existing preference share redemption notices were withdrawn.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**DIRECTOR'S REPORT (continued)**

---

**OPTIONS**

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

**INDEMNIFYING DIRECTORS OR AUDITOR**

The company executed with each director who joined the board during the financial year a deed of access, indemnity, and insurance.

No indemnities have been given during the financial year for any person who is or has been an auditor of the Company.

**COURT PROCEEDINGS**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

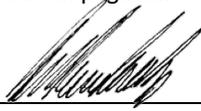
**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**DIRECTOR'S REPORT (continued)**

---

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 48.



Roger G Buckeridge

---

Signed

Director

Signed at Sydney on the 8th day of November 2022

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

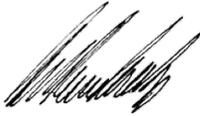
**DIRECTOR'S DECLARATION**

---

In accordance with a resolution of the directors of BT Imaging Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 47, are in accordance with the Corporations Act 2001 and:
  - a) Comply with the Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - b) Give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated group.
  
- (a) In the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Roger G Buckeridge

---

Signed

Director

Signed at Sydney on the 8th day of November 2022

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2022 and for the year ended 30 June 2021**

		<b>Consolidated Group</b>	
	<b>NOTE</b>	<b>2022</b>	<b>Restated 2021</b>
		<b>\$</b>	<b>\$</b>
Sales	3	11,325,893	8,606,836
Cost of Sales		<u>(5,394,735)</u>	<u>(3,406,542)</u>
Gross Profit		5,931,158	5,200,294
Other Revenue and Other Income	3	92,817	225,358
Selling and Administration Expenses		<u>(5,501,483)</u>	<u>(5,242,729)</u>
Finance Costs		<u>(13,088)</u>	<u>(7,646)</u>
<b>Profit (Loss) before income tax</b>		509,404	175,277
Income tax (expense)/benefit	5	<u>(94,718)</u>	<u>455,015</u>
<b>Profit (Loss) for the year</b>		<u>414,587</u>	<u>630,292</u>
Foreign Exchange Gain/(Loss) through OCI		10,131	(469)
<b>Total comprehensive Profit attributable to members of BT Imaging Pty Ltd</b>		<u>424,718</u>	<u>629,823</u>

The accompanying notes from an integral part of these accounts

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2022 and 30 June 2021**

<b>Consolidated Group</b>			
	<b>NOTE</b>	<b>2022</b>	<b>Restated 2021</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	3,459,819	3,904,566
Trade and Other Receivables	7	1,127,157	1,568,856
Inventories	8	4,554,403	3,646,251
Other Current Assets	9	159,762	42,287
<b>TOTAL CURRENT ASSETS</b>		<u>9,301,141</u>	<u>9,161,960</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	10	550,498	452,429
Intangibles	12	551,945	639,357
Deferred Tax Assets	25	116,115	190,780
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,218,558</u>	<u>1,282,566</u>
<b>TOTAL ASSETS</b>		<u>10,519,699</u>	<u>10,444,526</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	1,058,144	994,551
Lease Liabilities	14	206,013	53,293
Provisions	15	497,630	372,126
Other Current Liabilities	16	2,177,194	2,601,922
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,938,981</u>	<u>4,021,892</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	14	53,619	-
Provisions	15	58,883	39,762
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>112,502</u>	<u>39,762</u>
<b>TOTAL LIABILITIES</b>		<u>4,051,483</u>	<u>4,061,654</u>
<b>NET ASSETS</b>		<u>6,468,216</u>	<u>6,382,872</u>
<b>EQUITY</b>			
Issued Capital	17	14,265,975	14,605,347
Retained Earnings		(7,807,421)	(8,222,006)
Reserves		9,662	(469)
<b>TOTAL EQUITY</b>		<u>6,468,216</u>	<u>6,382,872</u>

The accompanying notes from an integral part of these accounts

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2022 and for the year ended 30 June 2021**

	Note 17		Note 22	
	Issued Capital \$	Restated Retained Earnings \$	Foreign Currency Translation Reserve \$	Total \$
<b>Balance at 30 June 2020</b>	14,625,172	(8,852,300)	-	5,772,872
Profit for the year	-	630,292	-	630,292
Sub-total	14,625,172	(8,222,008)	-	6,403,164
Foreign currency translation reserves	-	-	(469)	(469)
Capital redeemed	(19,825)	-	-	(19,825)
<b>Balance at 30 June 2021</b>	<u>14,605,347</u>	<u>(8,222,088)</u>	<u>(469)</u>	<u>6,382,870</u>
Profit for the year	-	414,587	-	414,587
Sub-total	14,605,347	(7,807,421)	(469)	6,797,457
Foreign currency translation reserves	-	-	10,131	10,131
Capital redeemed	(339,372)	-	-	(339,372)
<b>Balance at 30 June 2022</b>	<u>14,265,975</u>	<u>(7,807,421)</u>	<u>9,662</u>	<u>6,468,216</u>

The accompanying notes form an integral part of these accounts

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 30 June 2022 and for the year ended 30 June 2021**

	<b>Consolidated Group</b>	
<b>NOTE</b>	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	11,444,623	8,593,513
Payments to suppliers and employees	(8,012,244)	(5,306,718)
Payments to and on behalf of employees	(2,978,550)	(2,695,426)
Interest received	1,190	4,358
Government grants	-	221,000
Income taxes refunded/(paid)	(20,152)	264,235
<b>Net cash provided by operating activities</b>	<b>24</b>	<b>1,080,962</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(259,091)	(136,533)
Payment for intangibles	(68,228)	(67,614)
<b>Net cash used in investing activities</b>	<b>(327,319)</b>	<b>(204,147)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of capital	(339,372)	(19,825)
Repayment of lease liabilities	(212,923)	(193,897)
<b>Net cash used in financing activities</b>	<b>(552,295)</b>	<b>(213,722)</b>
Net increase in cash held	(444,747)	663,093
Effects of exchange rate changes on cash & cash equivalents	-	-
Cash at beginning of year	3,904,566	3,241,473
<b>Cash at end of year</b>	<b>24</b>	<b>3,904,566</b>

The accompanying notes form an integral part of these accounts

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

BT Imaging Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

**Basis of Preparation**

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for the cash flow information have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Basis of Consolidation**

These Consolidated Financial Statements, completed and presented as General Purpose Financial Statements (Tier 1), incorporate the financial statements of the Company and the entities controlled by the Company. These Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries; BT Jiaying Semiconductor Technology Co Ltd and M1 Solar Pty Ltd.

Control exists when the Company is exposed to or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are all entities over which the Company has control. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

These Financial Statements have been prepared on a consolidated basis, thereby recording Investments in Subsidiaries; BT Jiaying Semiconductor Technology Co Ltd and M1 Solar Pty Ltd. In addition to the consolidation of Financial Accounts, this has impacted the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, with the elimination of:

- Intercompany sales and purchases;
- Unrealised profits on sales of inventory;
- Intercompany debtors and creditors; and
- Cross-company management fees.

The opening comparatives for 2021 have also now been presented on a Consolidated basis, with adoption of this accounting policy. The opening comparatives in the accompanying Notes to the Financial Statements have similarly been re-stated on a Consolidated basis, as also illustrated in Note 1 (w).

**(b) Foreign Currency**

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

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

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

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

- Assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period.
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of Chinese operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position via other comprehensive income.

**(c) Going Concern**

The directors have prepared the financial information contained within this report on a going concern basis for the following reasons:

- The company has continued to operate and is operating profitably, overcoming the difficult circumstances presented by the Covid-19 situation in recent years,
- The company currently has a very solid book of orders, and orders from customers continue to come in at an acceptable rate with projections for continuation of a robust pipeline for new orders,
- Strong operational cashflows, and
- On August 26th, 2022, Aurora acquired 100% of BT Imaging PTY Ltd.'s capital representing the purchase of 9,962,775 Preference Shares and 8,241,511 Ordinary Shares. Effectively, Aurora became the sole member of the Company and subsequently all other pre-existing Shareholder Deeds terminated, and all existing preference share redemption notices were withdrawn.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

- Subsequent to the period ended 30th June 2022, the Company provided a loan facility to Aurora in the amount of \$939,492 (the "Loan"). The Directors of the Company are satisfied it has sufficient working capital to support the Loan.

The global Coronavirus (COVID-19) situation has improved considerably, significantly reducing the potential for adverse impacts on the business. The adverse impact of the Covid situation on global logistics and supply-chains appears to be receding along with the impact on the company and its customers. The situation remains an evolving one, and the Directors will continue to monitor and consider it.

Notwithstanding the uncertainty that remains because of the continuation of the COVID-19 situation globally, the directors are satisfied that the going concern basis of preparation is appropriate and therefore the financial information does not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the company be unable to continue as a going concern.

**(d) Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current tax and deferred tax are charged to the profit or loss. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to the period when the asset is realised or liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 and for the  
year ended 30 June 2021**

---

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The opening comparatives for 2021 have also now been presented with recognition of Deferred Tax Assets, with management confident that the amounts of income taxes are confidently recoverable in future periods in respect of net deductible temporary differences. The opening comparatives in the accompanying Notes to the Financial Statements have also been re-stated on a Consolidated basis, in line with Note 1(a) above and as illustrated in Note 1(w) below.

**(e) Financial instruments**

All financial instruments are measured at initial recognition at fair value plus any transaction costs that are directly attributable to the acquisition of the financial instruments, except for transaction costs related to financial instruments classified as at FVTPL, which are expensed as incurred.

The initial classification of a financial asset depends upon the Company's business model for managing its financial assets and the contractual terms of the cash flows. The below category is relevant for the Company to classify its financial assets:

- i) Amortised cost. Whereby a financial asset is measured at amortised cost if the contractual cash flows to repay the principal and interest are made at specific dates and if the Company's business model is to collect the contractual cashflows. Subsequent measurement uses the effective interest method, less any provision for impairment.

A financial asset is derecognised when the Company no longer has the rights to the contractual cash flows due to expiration of that right or the transfer of the risks and rewards of ownership to another party. The Company recognises a loss allowance for expected credit losses on its financial assets using the simplified approach which permits the use of the lifetime expected loss provision for all amounts receivables. At each reporting date the Company assesses impairment of amounts receivable on a collective basis as its amounts receivable possess shared credit risk characteristics and have been grouped based on days past due. The loss allowance will be based upon the Company's historical credit loss experience over the expected life of trade receivables and contract assets, adjusted for forward looking estimates. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The Company's financial assets include cash, amounts receivable and Investments in Subsidiaries.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

A financial liability is initially classified as measured at amortised cost or FVTPL. A financial liability is classified as measured at FVTPL if it is held for trading, a derivative, contingent consideration of an acquirer in a business combination, or has been designated as FVTPL on initial recognition. Financial liabilities at FVTPL are measured at fair value with changes in fair value, along with any interest expense, recognised in profit or loss. All other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. The Company's financial liabilities consist of trade and other payables, accrued liabilities, and lease liabilities which have been classified as financial liabilities at amortised cost and are measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation is discharged, cancelled, or expired.

**(f) Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

**(g) Property, Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.

Impairment losses are recognised in profit or loss. An assessment of recoverable amount is made when impairment indicators are present.

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

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	25%
Office equipment	33.4%
Computer equipment	33.4%
Office furniture and fittings	20%
Prototypes, prototype parts and materials	33.4% to 50%
Warehouse equipment	6.64%
Tools and laboratory equipment	33.4%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(h) Leased Assets**

**The company as a lessee:**

For any new contracts entered the company needs to consider whether the contract contains a lease. A lease is defined as a contract, or a part of contract, that conveys the right to use an asset (underlying asset) for a period of time in exchange for a consideration.

To apply this definition the Company assesses whether the contracts meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being indemnified at the time the asset is available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the indemnified asset throughout the period of use. The Company assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

**Measurement and recognition of leases as a lessee**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**(i) Intangible Assets**

The costs for the acquisition and maintaining of patents and trademarks are carried at cost. As patents and trademarks have a definite useful life they are amortised over their individually assessed useful lives which in most circumstances is approximately 20 years.

**(j) Impairment of Assets**

At each reporting date, trade and other receivables, plant and equipment, investments and intangibles are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of the reflected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

**(k) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year (short-term employee benefits) have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits that are not expected to be settled wholly within one year (other long-term employee benefits) have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(l) Provisions and Contingent Liabilities**

A provision is recognised if the Company has a present legal or constructive obligation, as a result of a past event; if it can be estimated reliably; and if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for product liability, accrual of product warranties, liabilities for potential litigation claims and settlements.

A contingent liability is either: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

Management must use judgement in determining whether all conditions listed above have been met to recognise a provision or whether a contingent liability is in existence at the reporting date.

Changing circumstances may impact the recognition of a provision or a contingent liability. Changes that materially impact management's initial estimates could affect future Consolidated Financial Statements.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

The company's goods are sold under standard warranty terms. These terms may require the Company to provide a refund for faulty goods or provide full rectification of the faulty goods. The Company's obligation to provide a refund or to rectify these faulty goods is recognised as a provision in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets.

**(m) Cash and Cash Equivalents**

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

**(n) Revenue Recognition**

Revenue is recognised at the fair value of the consideration received for the sale of goods and services in the ordinary course of business. Revenue is recognised net of GST, expected returns, etc.

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally at the point subsequent to delivery to the customer where Factory Acceptance Testing status ('FAT') has been issued (satisfying all conditional requirements of sale). Approximately 90% of Sales invoices raised throughout the year are recognised as revenue, with approximately 10% subsequently recognised after FAT issuance (with all performance obligations met), usually three months subsequent to delivery. An adjustment is accounted for in Income in Advance where this final satisfaction of revenue recognition criteria is applicable.

The Company considers whether there are other considerations in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (for example warranties). If there are separate performance obligations, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring goods to customers. This variable consideration is only recognised when it is highly probable. When contracts contain multiple performance obligations, the Company allocates the transaction price to each performance obligation identified in the contract. Revenue is recognised when each performance obligation is achieved.

The Company does provide after- sale support services to customers for upgrades and maintenance support. These services are recognised as a distinct performance obligation.

When an amount is received as an advance or a deposit from a customer, prior to the recognition of revenue, deferred revenue is recognised. Interest revenue is recognised using the effective interest rate method.

Grant income is recognised when the Company obtains control over the funds, which is generally at the time of receipt.

All revenue is stated net of the amount of Goods and Services Tax (GST).

**(o) Trade and Other Receivables**

**Trade and Other Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**(p) Trade and Other Payables**

**Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**(q) Borrowing Costs**

All borrowing costs are expensed in the period in which they are incurred.

**(r) Goods and Services Tax (GST)**

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

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**(s) New and Amended Accounting Policies Adopted by the Group**

*Control and Consolidation of Investments in Subsidiaries*

With the adoption of General Purpose Financial Statements (Tier 1) standards, the Group is now required to and has changed its accounting policy to consolidate the accounts of the Company and its wholly owned subsidiaries; BT Jiaxing Semiconductor Technology Co Ltd and M1 Solar Pty Ltd. The Financial Statements have been prepared on a consolidated basis, with all intercompany transactions and balances being eliminated. In addition to the consolidation of Financial Accounts, this has impacted the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, with the elimination of:

- Intercompany sales and purchases;
- Unrealised profits on sales of inventory;
- Intercompany debtors and creditors; and
- Cross-company management fees.

Control exists when the Company is exposed to or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are all entities over which the Company has control. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The opening comparatives for 2021 have also now been presented on a Consolidated basis, to reflect the adoption of this accounting policy. The opening comparatives in the accompanying Notes to the Financial Statements have also been re-stated on a Consolidated basis.

**(t) New and Amended Accounting Policies Not Yet Adopted by the Group**

*AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The amendment is not expected to have a material impact on the financial statements once adopted.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

*AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

*AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies

(Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

*AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

**(u) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report 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 company.

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives. Technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

*Warranty Provision*

In determining the level of provision required for warranties the company has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

*Revenue from contracts with customers involving sale of goods*

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access. This is generally on dispatch or delivery to the customer.

*Uncertain Research and Development Tax Offset*

The company has in the current and prior years exercised judgement in recognising and measuring the tax benefit of Research and Development (“R&D”) tax offsets available under Australian tax legislation relating to eligible R&D expenditure incurred.

R&D claims are self-assessed and remain subject to Australian Tax Office (“ATO”) review for up to 4 years following lodgement. Claw-back provisions including penalties and interest may apply if R&D claims are found to be ineligible. Additionally, R&D activity requires a high degree of documentary evidence to be maintained at all times. Successful claims of the past are not a guarantee of future claims being similarly approved.

The FY22 R&D receivable (refer to note 7) has been recognised on the basis of previous successful assessments. The company has exercised judgement in assessing that it will be probable that the ATO will accept the treatment of the R&D projects.

The R&D incentive received by the company in the last four years are as follows:

- 2019 \$611,824 (\$500,000 accrued in FY 2019, \$111,824 additional refund in FY 2020.)
- 2020 \$418,975 (\$400,000 accrued in FY 2020, \$18,975 additional refund in FY 2021.)
- 2021 \$270,762 (\$250,000 accrued in FY 2021, \$20,762 additional refund in FY 2022.)
- 2022 \$121,800 (Estimate)

If the R&D activities are deemed ineligible by the ATO, these amounts would be derecognised.

**(v) Share Capital**

Ordinary and Preference Shares are classified as equity.

*Ordinary Shares*

All ordinary shareholders are entitled to the Company's residual assets and rank after preference shareholders.

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

*Preference Shares*

All preference shareholders are entitled to the Company's residual assets and rank ahead of ordinary shareholders to the extent of the face value of their shares.

If the Company pays a dividend to holders of ordinary shares, it must likewise pay the same dividend to the holders of the preference shares.

No dividend may be paid to the holder of any other class of shares while any amounts are due to be paid to the holders of preference shares.

Holders of these shares are entitled to one vote for each ordinary share into which the preference shares held are convertible into.

Any redemptions are to be serviced with cash, which cannot be avoided by the issuer. The quantum of cash redeemed is subject to an assessment of free cash flow by the Board to satisfy lawful Corporations Act obligations.

Any conversions of the instrument are fixed at a ratio of 1 to 1.

Characteristics similar to ordinary shares exist; holders of the instrument are entitled to dividends and voting rights equal to ordinary shareholders. Additionally, with a 60% vote of approval, instrument holders are able to declare dividends, wind up the company, change the size of the Board or authorise a Change of Control Transaction.

Considering the conditions above, the directors consider the instrument to be classified as equity.

**(w) Restatement of Comparatives**

This note summarises the impact of the following changes in Accounting Policies:

- i) *Change in Accounting Policy - Consolidation*  
The special purpose reporting framework, previously applied, did not require the consolidation of immaterial subsidiaries. Upon the application of the general purpose reporting framework as outlined in Note 1: Basis of Preparation, the effect of the consolidation has been restated as of the earliest reporting period. The Chinese subsidiary was incorporated in January 2019 and in this time up to 30 June 2021 generated retained earnings of \$167,634. All products sold were materially internally sourced from the Australian parent, funded via internal loans. The consolidation of the Chinese subsidiary resulted in the elimination of inter-company margin of approximately \$38,996 previously reported in the Australian parent entity as at 30 June 2021.
- ii) *Change in Accounting Policy - Deferred Revenue*  
The special purpose reporting framework, previously applied, resulted in all revenue being recognised at the date of shipping the product to its end user. Upon the application of the general purpose reporting framework as outlined in Note 1: Basis of Preparation, the Group reviewed its revenue recognition criteria and identified a short-term (3 month) post delivery period in which additional training activities are provided to the customer as part of the sale. The additional performance obligation and related revenue deferral resulted a deferred revenue provision of \$228,221 being recognised as at 30 June 2021. The deferred revenue position for previous periods was also assessed with the combined net cumulative revenue impact for the year ended 30 June 2021 amounting to \$29,649.
- iii) *Change in Accounting Policy - Work in Progress Costing*  
The special purpose reporting framework, previously applied, required no labour or overhead charges to form part of any work-in-progress inventory. Upon the application of the general purpose reporting framework as outlined in Note 1: Basis of Preparation, the Group reviewed its manufacturing processes and identified specific direct and indirect labour costs and applicable overhead charges to be recognised as part of work-in-progress inventory on hand. The effect of this accounting policy change has been restated as of the earliest reporting period. The cumulative impact as at 30 June 2021 represents an increase in WIP inventory of \$544,227 and a reclassification of direct & indirect labour and overhead charges to cost of sales of \$754,783.
- iv) *Change in Accounting Policy – Deferred Taxation*  
The special purpose reporting framework, previously applied, did not require the recognition of any deferred taxation position. Upon the application of the general purpose reporting framework, the deferred taxation effect arising on changes outlined above was determined and recognised, resulting in a net deferred tax asset of \$190,780 being reflected on 30 June 2021, with a cumulated impact relating to the year ended 30 June 2021 amounting to \$186,040.

The overall impact is illustrated in the following table:

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

	Year ended 30 June 2021 Previous Amount \$	Adjustment \$	Year ended 30 June 2021 Restated Amount \$
<b>Statement of Financial Position</b>			
Current Assets	8,558,488	603,472	9,161,960
Non-Current Assets	999,860	282,706	1,282,566
Current Liabilities	(3,784,813)	(237,079)	(4,021,892)
Non-Current Liabilities	(39,762)	-	(39,762)
<b>Net Assets Impact</b>	<b>5,733,773</b>	<b>649,099</b>	<b>6,382,872</b>
Capital	(14,605,347)	-	(14,605,347)
Retained Earnings	9,210,946	(358,648)	8,852,298
Current Year Earnings	(339,372)	(290,920)	(630,292)
Reserves	-	469	469
<b>Equity Impact</b>	<b>(5,733,773)</b>	<b>(649,099)</b>	<b>(6,382,872)</b>
<b>Statement of Comprehensive Income</b>			
Sales	(8,675,482)	68,486	(8,606,636)
Cost of Sales	2,805,651	600,891	3,406,542
Other Revenue	(225,163)	(195)	(225,358)
Other Expenses	6,024,597	(774,222)	5,250,375
Income Tax Benefit/(Expense)	(268,975)	(186,040)	(455,015)
<b>Net Profit After Tax Impact</b>	<b>(339,372)</b>	<b>(290,920)</b>	<b>(630,292)</b>
FX Gain/(Loss) Through OCI	-	469	469
<b>Total Comprehensive Income Impact</b>	<b>(339,372)</b>	<b>(290,451)</b>	<b>(629,823)</b>

---

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

**2. PARENT INFORMATION**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the Australian Accounting Standards for the Parent Entity, BT Imaging Pty Ltd.

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current Assets	9,124,524	9,086,837
Non-Current Assets	1,198,453	1,206,517
<b>TOTAL ASSETS</b>	<u>10,322,977</u>	<u>10,293,354</u>
<b>LIABILITIES</b>		
Current Liabilities	3,922,446	3,940,795
Non-Current Liabilities	112,502	112,700
<b>TOTAL LIABILITIES</b>	<u>4,034,948</u>	<u>4,052,795</u>
<b>NET ASSETS</b>	<u>6,288,029</u>	<u>6,240,599</u>
<b>EQUITY</b>		
Issued Capital	14,265,975	14,605,347
Retained Earnings	(7,977,946)	(8,364,788)
<b>TOTAL EQUITY</b>	<u>6,288,029</u>	<u>6,240,599</u>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Sales	11,427,447	8,645,833
Cost of sales	(5,552,500)	(3,408,519)
Gross Profit	5,904,947	5,237,314
Other Revenue and Other Income	92,587	225,163
Selling and Administration Expenses	(5,503,960)	(5,262,168)
Finance Costs	(13,088)	(7,646)
<b>Profit (Loss) before Income Tax</b>	<u>480,486</u>	<u>192,663</u>
Income Tax Benefit	(93,643)	459,755
<b>Profit and Loss for the year</b>	<u>386,843</u>	<u>652,418</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year  
ended 30 June 2022 and for the year ended 30 June 2021**

---

**3. OTHER REVENUE AND OTHER INCOME**

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	11,325,893	8,606,836
Other sources of revenue	-	-
Other Income	92,817	225,358
	<u>11,418,710</u>	<u>8,832,194</u>

**The Group has disaggregated revenue into various categories in the following table:**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
The revenue is disaggregated by products service lines:		
- Sales of Solar Material and Device Solutions	10,999,232	8,368,646
- After-sale maintenance support	326,660	238,190
	<u>11,325,893</u>	<u>8,606,836</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**Consolidated Group**

The Group has disaggregated revenue into various categories in the following table:

	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
The revenue is disaggregated by geography lines:		
- China	9,791,161	7,597,224
- Australia	143,534	322,821
- Belgium	133,827	2,851
- Malaysia	939,915	46,478
- Peru	133,827	-
- United States of America	113,271	626,709
- Finland	11,439	-
- Japan	57,034	-
- Singapore	1,885	-
- Saudi Arabia	-	10,753
	<u>11,325,893</u>	<u>8,606,836</u>

**Other Income**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
- Cash Flow Boost	-	50,000
- Interest Received	1,189	4,358
- Other Income	-	171,000
- Net Foreign Exchange Gain	91,628	-
	<u>92,817</u>	<u>225,358</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**4. PROFIT (LOSS) FOR THE YEAR**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
<b>(a) OTHER REVENUE AND OTHER INCOME</b>		
Interest Received:		
- Commonwealth Bank of Australia	1,189	4,358
Net Foreign Exchange Gain	91,628	-
Cash Flow Boost	-	50,000
Other Income	-	171,000
<b>(b) EXPENSES</b>		
Auditors Remuneration		
Audit or Review	31,588	46,442
Accounting and Taxation Services	33,089	21,664
Bad Debts written off/(recovered)	(10,617)	10,109
Depreciation — Property, Plant and Equipment	365,995	251,323
Depreciation – Leases	199,912	184,436
Amortisation – Intangibles	106,096	110,652
Impairment	-	28,288
Interest Paid:		
- Lease	13,086	7,646
Net Foreign Exchange Loss	108	128,818
Net Loss on Disposal of Property, Plant, and Equipment and Intangibles	50,833	136,940
Employee Benefits Expense	3,078,588	2,727,426

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**5. INCOME TAX BENEFIT**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
The prima facie tax payable on profit (loss) before income tax is reconciled to the income tax benefit as follows:		
Current Tax Expense/(Benefit)	20,152	(264,235)
Deferred Tax Expense/(Benefit)	74,665	(190,780)
	<b><u>94,817</u></b>	<b><u>(455,015)</u></b>
Prima facie tax payable on profit (loss) profit before income tax at 25% (2021: 26%)	127,629	(34,084)
Add (Less):		
Tax effect of:		
- Accounting expenses subject to R & D tax incentive	70,000	149,425
- other items	32,944	(196,893)
- Adjustment for Foreign Tax not at 25%	10,566	190
Available tax losses previously not recognised now recognised	(3,811)	(184,286)
Refundable R & D tax offset	(121,800)	(250,000)
Under provision of Refundable R & D tax offset in prior years	(20,762)	(18,975)
Income tax benefit	<b><u>94,817</u></b>	<b><u>(455,015)</u></b>
Weighted Average Effective Tax Rates	19%	0%

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

**6. CASH AND CASH EQUIVALENTS**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
Cash at Bank	3,459,819	3,904,566
	<u>3,459,819</u>	<u>3,904,566</u>

**7. TRADE AND OTHER RECEIVABLES**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
<b>CURRENT</b>		
Trade Debtors	955,179	1,171,245
Refundable R & D Tax Offset (refer to note 1v)	-	250,000
Income Tax Refundable	-	4,684
GST Refundable	104,273	83,691
Rental Bonds	50,151	45,950
Deposits	15,858	10,797
Other Debtors	1,696	2,490
	<u>1,127,157</u>	<u>1,568,856</u>

**8. INVENTORIES**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
Raw Materials	2,338,662	2,032,377
Work in Progress – Materials	1,495,750	666,406
Work in Progress - Labour	468,618	462,813
Finished Goods	251,373	484,655
	<u>4,554,403</u>	<u>3,646,251</u>

**9. OTHER CURRENT ASSETS**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
Prepaid Expenses	141,233	42,287
Other	18,529	-
	<u>159,762</u>	<u>42,287</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Leasehold Improvements, at cost	70,446	44,847
<u>Less</u> Accumulated Depreciation	(46,193)	(39,409)
	24,253	5,438
Office Equipment, at cost	39,985	34,345
<u>Less</u> Accumulated Depreciation	(34,401)	(32,520)
	5,584	1,825
Computer Equipment, at cost	266,693	248,900
<u>Less</u> Accumulated Depreciation	(237,520)	(219,639)
	29,173	29,261
Office Furniture and Fittings, at cost	60,807	58,942
<u>Less</u> Accumulated Depreciation	(55,583)	(53,206)
	5,224	5,736
Prototypes, Prototype Parts and Materials, at cost	1,146,136	1,296,193
<u>Less</u> Accumulated Depreciation	(1,107,261)	(1,026,658)
<u>Less</u> Accumulated Impairment	-	(140,912)
	38,875	128,623
Warehouse Equipment, at cost	14,250	11,000
<u>Less</u> Accumulated Depreciation	(234)	(2,797)
	14,016	8,203
Tools and Laboratory Equipment, at cost	39,853	39,853
<u>Less</u> Accumulated Depreciation	(37,588)	(35,146)
	2,265	4,707
R & D Demo Tools, at cost	315,735	128,158
<u>Less</u> Accumulated Depreciation	(172,878)	-
	142,857	128,158
Right of Use Asset, at cost	403,629	410,814
<u>Less</u> Accumulated Depreciation	(151,361)	(362,262)
	252,268	48,552

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

Displayed Tools, at cost	175,651	162,028
<u>Less</u> Accumulated Depreciation	<u>(143,693)</u>	<u>(81,239)</u>
	<u>31,958</u>	<u>80,789</u>
Refurbishment, at cost	16,100	11,137
<u>Less</u> Accumulated Depreciation	<u>(12,075)</u>	<u>-</u>
	<u>4,025</u>	<u>11,137</u>
	<u>550,498</u>	<u>452,429</u>

10. PROPERTY, PLANT AND EQUIPMENT (continued)

*Reconciliations*

Reconciliation of the written down value at the beginning and at the end of current and previous financial year are set out below.

	Leasehold Improvements	Office Equipment	Computer Equipment	Office Furniture & Fittings	Prototypes, Prototype Parts and Materials
<b>Restated Balance at 30 June 2021</b>	<b>5,438</b>	<b>1,825</b>	<b>29,261</b>	<b>5,736</b>	<b>128,623</b>
Additions/(Disposals)	25,599	5,641	17,793	1,865	(9,146)
Impairment expense	-	-	-	-	-
Depreciation expense	(6,784)	(1,882)	(17,881)	(2,377)	(80,602)
<b>Balance at 30 June 2022</b>	<b>24,253</b>	<b>5,584</b>	<b>29,173</b>	<b>5,224</b>	<b>38,875</b>

	Warehouse Equipment	Tools and Laboratory Equipment	R & D Demo Tools	Right of Use Asset	Displayed Tools
<b>Restated Balance at 30 June 2021</b>	<b>8,203</b>	<b>4,707</b>	<b>128,158</b>	<b>48,552</b>	<b>80,789</b>
Additions/(Disposals)	3,250	-	187,577	403,628	13,624
Impairment expense	-	-	-	-	-
Depreciation expense	2,563	(2,442)	(172,878)	(199,912)	(62,455)
<b>Balance at 30 June 2022</b>	<b>14,016</b>	<b>2,265</b>	<b>142,857</b>	<b>252,268</b>	<b>31,958</b>

	Refurbishment	Total
<b>Restated Balance at 30 June 2021</b>	<b>11,137</b>	<b>452,429</b>
Additions/(Disposals)	4,963	654,794
Impairment expense	-	-
Depreciation expense	(12,075)	(556,725)
<b>Balance at 30 June 2022</b>	<b>4,025</b>	<b>550,498</b>



**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

**12. INTANGIBLE ASSETS**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
<b>Intellectual Property (Patents and Trademarks)</b>		
At cost	1,163,867	1,224,549
Less Accumulated Amortisation	<u>(611,922)</u>	<u>(585,192)</u>
	<u>551,945</u>	<u>639,357</u>

**Reconciliation Summary of Intangible Assets**

Opening Book Value at 01 July	639,357	819,336
Additions during the year	68,228	67,614
Disposals during the year	(49,544)	(136,940)
Amortisation during the year	<u>(106,096)</u>	<u>(110,635)</u>
Closing Book Value at 30 June	<u>551,945</u>	<u>639,357</u>

**13. TRADE AND OTHER PAYABLES**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
Trade Payables	468,268	176,655
Income Tax Payable – Note 25	40,932	-
Accrued Expenses	458,802	743,196
FBT Payable	2,034	-
Insurance Payable	237	-
PAYG Withholding Payable	48,960	41,708
Superannuation Payable	23,035	18,128
Payroll Tax Payable	<u>15,876</u>	<u>14,864</u>
	<u>1,058,144</u>	<u>994,551</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**14. LEASE LIABILITIES**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>Restated</b>
	<b>\$</b>	<b>2021</b>
		<b>\$</b>
<b>CURRENT</b>		
Rental of Property (BT Imaging Pty Ltd)	206,013	53,293
	<u>206,013</u>	<u>53,293</u>
<b>NON-CURRENT</b>		
Rental of Property (BT Imaging Pty Ltd)	53,619	-
	<u>53,619</u>	<u>-</u>
	<u>259,632</u>	<u>53,293</u>

Lease Liabilities have been recognised only for the Parent Entity (BT Imaging Pty Ltd), relating to Units 26 and 27, 198-222 Young Street Waterloo, NSW 2017. M1 Solar Pty Ltd occupies this premises also as its principal place of business.

There was no present obligation at any time during the Financial Year Ended 30 June 2022 (Or Comparative Period), for the subsidiary; BT Jiaying Semiconductor Technology Co Ltd. This is because the Republic of China Authorities have provided concessional rent-free use of these premises. As such, no amounts have been recognised in the Consolidated Financial Statements.

**15. PROVISIONS**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Warranty	185,475	140,888
Annual Leave	229,038	159,000
Long Service Leave	83,117	72,238
	<u>497,630</u>	<u>372,126</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

NON-CURRENT		
Long Service Leave	58,883	39,762
	<u>58,883</u>	<u>39,762</u>
	<u>556,513</u>	<u>411,888</u>

**Warranties**

The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

**16. OTHER CURRENT LIABILITIES**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
Income in Advance	<u>2,177,194</u>	<u>2,601,922</u>

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally at the point subsequent to delivery to the customer where Factory Acceptance Testing status ("FAT") has been issued (satisfying all conditional requirements of sale). Approximately 90% of Sales invoices raised throughout the year are recognised as revenue, with approximately 10% subsequently recognised after FAT issuance (with all performance obligations met), usually three months subsequent to delivery. An adjustment is accounted for in Income in Advance where this final satisfaction of revenue recognition criteria is applicable.

**17. ISSUED CAPITAL**

**Consolidated Group**

	<b>2022</b>	<b>Restated 2021</b>
	\$	\$
<b>Issued Capital</b>		
8,241,511 (2021, 8,241,511) Ordinary Class shares issued and fully paid	1,003,890	1,003,890
9,962,775 (2021, 10,215,862) Preference Class shares issued and fully paid	13,359,361	13,698,733
Warrants issued and fully paid	5,327	5,327
Fundraising Equity Costs	<u>(102,603)</u>	<u>(102,603)</u>
	<u>14,265,975</u>	<u>14,605,347</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

A Preference share redemption of \$339,372 (2021: \$19,825) was paid during the year.

Redemption notices previously received from all preference note holders were outstanding at 30 June 2022, but were subject to amendment as outlined in Note 20. On August 26th, 2022, Aurora acquired 100% of BT Imaging PTY Ltd.'s capital representing the purchase of 9,962,775 Preference Shares and 8,241,511 Ordinary Shares. Effectively, Aurora became the sole member of the Company and subsequently all pre-existing Shareholder Deeds terminated, and all existing preference share redemption notices were withdrawn.

## **18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **a) Classification of fair values of financial assets and liabilities**

Financial instruments of the Company carried on the Consolidated Statements of Financial Position are carried at amortised cost or FVTPL.

The Company's financial assets classified as amortised cost include cash, amounts receivable and investments in subsidiaries. Amounts payable and accrued liabilities are classified as financial liabilities at amortised cost. The carrying value of these financial assets and liabilities approximate the fair value because of their short-term nature.

Lease liabilities are also classified as other financial liabilities at amortised cost and are subsequently measured using the effective interest method.

### **b) Other risk**

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. The company manages and controls its operations for this risk by monitoring and evaluating changes in key economic indicators and market information on an on-going basis and adjusting operations and budgets accordingly.

### **c) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk arises from its bank accounts and from credit sales. The Company is exposed to credit risk by holding cash, which are all held in financial institutions in Australia and China. Management believes the exposure to credit risk with respect to these institutions is not significant. The Company's other exposure to credit risk at any time stems from the funds receivable from customers in the ordinary course of business. Management manages this risk by assessing the credit risk of new customers as well as monitoring the payment performance of customers on an ongoing basis, including through regular aging analysis of trade receivables.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

The Company also utilises its trading terms and the provision of ongoing services and support for customers to encourage very good paying behaviour from customers. Over-due balances are reviewed for collectability and doubtful amounts are provided for, where appropriate. At 30 June 2022 the Company has \$955,179 (2021 - \$1,171,245) in trade receivables.

**d) Interest rate risk**

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company maintains cash in accounts at the Commonwealth Bank of Australia (“CBA”) and the Industrial Commercial Bank of China (“ICBC”) that pay interest at nominal rates. The Company’s lease liabilities are based on fixed interest rates of (4.7%). The company does not hold any other long-term debt and its exposure to interest rate risk is, therefore, minimal.

**e) Currency risk**

Currency risk is the risk that the fair value of cash held in foreign currencies and future cash flows will fluctuate because of changes in exchange rates. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 5% change in exchange would impact the Consolidated Financial Statements by \$151,000 (30 June 2021- \$189,000). As at 30 June 2022 the Company held currency totalling the following:

<b>Rounded (000's)</b>		<b>Impact</b>		<b>30 June 2022</b>		<b>30 June 2021</b>
Cash in United States dollars	5%	\$ (108,000)	USD	1,488,000	USD	2,215,000
Cash in Euros	5%	-	EURO	2,000	EURO	12,000
Cash in Chinese RMB	5%	\$ (5,000)	RMB	437,000	RMB	36,000
Amounts receivable in United States dollars	5%	\$ (47,000)	USD	643,000	USD	750,000
Amounts payable in United States dollars	5%	\$ 7,000	USD	(91,000)	USD	(70,000)
Amounts payable in Singapore dollars	5%	-	SGD	-	SGD	11,000
Amounts payable in Chinese RMB	5%	\$ 1,000	RMB	(51,000)	RMB	-
Amounts payable in Euros	5%	\$ 1,000	EURO	(15,000)	EURO	2,000

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**f) Liquidity risk**

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages this risk by maintaining readily available reserves to meet its liquidity requirements at any point in time as well as managing its capital structure and resources to ensure that it has sufficient liquidity to settle obligations and liabilities as and when they become due and payable. The Company's ability to fund its operating requirements depends on its ongoing operating performance and cash flows, which are subject to economic, financial, competitive, and regulatory conditions, and other factors, some of which are beyond its control. The Company has been profitable and generated positive net cash from its operations since the end of FY2019.

The Board of Directors reviews the company's financial position regularly and on the basis of the reviews determined that the company has not needed nor does it now need to raise debt or equity capital to meet its near and medium-term liquidity needs. The Company is currently able to self-fund its ongoing operations and to generate free cash that can be distributed to shareholders. \$632,227 has been distributed to Preference Shareholders from FY2020 and FY2021 profits, by way of Redemption payments and pursuant to provisions in the Company's corporate documents. \$414,587 of funds from FY2022 profits may become available for payments to shareholders during FY2023.

The Company's longer-term need for financing, if any is required, primarily relate to strategic initiatives that are currently in the planning phase and, therefore, not specified.

The table below presents the contractual maturity of the Company's financial liabilities, including both principal and interest payments as at 30 June 2022:

	<b>Less than 1 year</b>	<b>1 to 3 years</b>	<b>Total</b>
<b>Accounts payable and accrued liabilities</b>	\$ 3,783,869	\$ 58,883	\$ 3,842,752
<b>Financial leases</b>	\$ 206,013	\$ 53,619	\$ 259,632
	<b>\$ 3,989,882</b>	<b>\$ 112,502</b>	<b>\$ 4,102,384</b>

It is management's opinion that the Company is not exposed to significant credit, interest rate, liquidity, or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the period.

The United States Dollars (USD) held at the Commonwealth Bank of Australia are readily convertible to Australian dollars and therefore represent a modest but manageable risk due to day-to-day exchange rate fluctuations. The Chinese Yuan (CNY) held at the Industrial Commercial Bank of China are not freely convertible into other currencies, and the exchange risk is, therefore, less easily managed. However, under China's Foreign Exchange Control Regulations and the Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange CNY for other currencies through banks authorised to conduct foreign exchange business. Further, the cash balances held in Industrial Commercial Bank of China accounts represent only a small portion of the company's total cash resources and the exchange risk is, therefore, proportionally small.

## **19. CONTINGENT LIABILITIES**

### **(a) Preference Share Redemption Notices Received and Subsequent Cessation of Payout**

As at 30 June 2022 the Company had outstanding redemption notices for its entire pool of Preference Shares.

In accordance with Clause 8 of Schedule 1 of the Shareholders Deed (dated 15 April 2015) relating to Preference Share redemptions, the Company is required, subject to the provisions of the Corporation Act 2001, to redeem those Preference Shares attached to a redemption notice (the 'notice') within 90 days of a notice being received.

Historically, the Company's Board had considered the following:

1. the Company must redeem as many Preference Shares, as soon as lawfully possible, and in the case of multiple notices being received, redeem those in proportion of the total preference shares held;
2. the Company must not pay a dividend or make a distribution or return any capital to the holders of any other class of shares until all such Preference Shares have been redeemed;
3. that any redemption payments are to be made from after-tax profits available to the Company and that in determining the amount of funds available for redemption payouts, the Board of Directors must assess the impact that such payout(s) on the minimum ongoing working capital requirements to ensure the Company to remain a going concern; and that
4. the holders of the Preference Share may require the Company to undertake a selective buyback of the relevant Preference Share that the Company is not able to redeem.

On August 26th, 2022, Aurora acquired 100% of BT Imaging PTY Ltd.'s capital representing the purchase of 9,962,775 Preference Shares and 8,241,511 Ordinary Shares. Effectively, Aurora became the sole member of the Company and subsequently all pre-existing Shareholder Deeds terminated, and all existing preference share redemption notices were withdraw.

### **(b) Discretion in relation to Future Obligation – Registered Capital Injection in Subsidiary**

During the year ended 30th June 2019, the Company established a Wholly Foreign-Owned Enterprise ("WFOE"), BT (Jiaying) Semiconductor Technology Co. Ltd, as its wholly owned subsidiary (the "Subsidiary") in the People's Republic of China. The business license for BT (Jiaying) Semiconductor Technology Co. Ltd was granted on the 24th of January 2019 by the Xiuzhou District Administration (The Licensing Authority).

The Subsidiary was established with an undertaking by the Company to the licensing authorities that it would inject \$1.3 million United States Dollars (the "Registered Capital") into the Subsidiary within five (5) years of the license grant date. The Company can seek to renegotiate the terms for the injection of funds at any time prior to the 23rd of January 2023. If the Subsidiary were to be dissolved prior to the final date for the injection of the Registered Capital, the Company would have no obligation to provide the funds. The decision on whether to continue operating the Subsidiary will be made during the upcoming fiscal period and will be based on the Company's unique business needs and its operating strategies. Given this situation, no provision has been recorded in the year ended 30th June 2022.

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**20. RELATED PARTY TRANSACTIONS AND BALANCES**

**(c) Key Management Personnel**

Any person (s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The total remuneration recognised for key management personnel (“KMP”) of the Company during the fiscal year ended 30th June 2022 was \$1,192,294 (2021 - \$1,128,477). Included in Accounts Payable is \$66,186 (2021- \$212,724) which consists of employee benefits that are expected to be settled within twelve months of the fiscal year ended 30th June 2022. There were no other balances payable or accrued for the KMP as of 30th June 2022.

**21. AUDITOR’S REMUNERATION**

**Consolidated Group**

<b>2022</b>	<b>Restated</b>
<b>\$</b>	<b>2021</b>
	<b>\$</b>

Remuneration of the auditor of the parent entity for:

- Auditing or reviewing the financial statements	31,588	46,442
	<u>31,588</u>	<u>46,442</u>

**22. FOREIGN CURRENCY TRANSLATION RESERVE**

**Consolidated Group**

<b>2022</b>	<b>Restated</b>
<b>\$</b>	<b>2021</b>
	<b>\$</b>

Foreign Currency Translation Reserve

The foreign currency translation reserve exchange differences arising on transactions of foreign controlled subsidiaries

Gain/(Loss) on Foreign Currency Translation

- Opening Balance	(469)	-
- Exchange differences on translation of foreign controlled entities	10,131	(469)
Ending Foreign Currency Translation Reserve	<u>9,662</u>	<u>(469)</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

---

**23. EVENTS SUBSEQUENT TO BALANCE DATE**

On August 26th, 2022, Aurora acquired 100% of BT Imaging PTY Ltd.'s capital representing the purchase of 9,962,775 Preference Shares and 8,241,511 Ordinary Shares. Effectively, Aurora became the sole member of the Company and subsequently all other pre-existing Shareholder Deeds terminated, and all existing preference share redemption notices were withdrawn.

For M1 Solar Pty Ltd, this subsidiary has never operated and therefore has had no business activity, with the exception of fully paid ordinary shares contributed at inception. Management has initiated voluntary deregistration of this entity subsequent to the year ended 30 June 2022.

There are no material events or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**24. CASH FLOW INFORMATION**

**(a) Reconciliation of Cash**

**Consolidated Group**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

	<b>2022</b>	<b>Restated 2021</b>
Cash on hand and at bank	<u>3,459,819</u>	<u>3,904,566</u>

**(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax**

Profit (Loss) after income tax	414,587	630,292
Non-cash flows in profit		
Non-Cash adjustments	10,131	(469)
Depreciation and Amortisation	672,003	546,411
Disposal of Assets	50,833	136,940
Lease interest charged	13,086	7,646
Changes in assets and liabilities		
(Increase)/Decrease in receivables	441,699	(512,072)
(Increase)/Decrease in inventories	(908,152)	(105,346)
(Increase)/Decrease in other current assets	(117,475)	37,035
(Increase)/Decrease deferred taxes	74,655	(190,780)
Increase/(Decrease) in payables	63,593	(45,944)
Increase/(Decrease) in provisions	144,625	78,033
Increase/(Decrease) in other current liabilities	<u>(424,728)</u>	<u>499,216</u>
Cash flows from operations	<u>434,867</u>	<u>1,080,962</u>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES**  
**(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021**

**25 CURRENT AND DEFERRED TAX**

**Consolidated Group**

<b>CURRENT</b>	<b>2022</b>	<b>Restated</b>
	<b>\$</b>	<b>2021</b>
		<b>\$</b>
Income Tax Payable/(Receivable)	40,932	(254,684)
	<u>40,932</u>	<u>(254,684)</u>

**NON-CURRENT**

<b>Consolidated Group</b>	<b>Opening</b>	<b>Credited/</b>	<b>Changes in</b>	<b>Exchange</b>	<b>Closing</b>
	<b>Balance</b>	<b>(Charged/</b>	<b>Tax Rate</b>	<b>Differences</b>	<b>Balance</b>
		<b>to Profit</b>			
		<b>or Loss</b>			
<b>Restated Deferred Tax Assets for the year ended 30 June 2021</b>					
Other	=	<u>167,690</u>	=	=	<u>167,690</u>
<b>Restated Balance at 30 June 2021</b>	=	<u><b>167,690</b></u>	=	=	<u><b>167,690</b></u>
<b>Deferred Tax Assets for the year ended 30 June 2022</b>					
Other	<u>167,690</u>	<u>30,548</u>	=	=	<u><b>198,238</b></u>
<b>Balance at 30 June 2022</b>	<u><b>167,689</b></u>	<u><b>30,548</b></u>	=	=	<u><b>198,238</b></u>
	<b>Opening</b>	<b>Charged/</b>	<b>Changes in</b>	<b>Exchange</b>	<b>Closing</b>
	<b>Balance</b>	<b>(Credited)</b>	<b>Tax Rate</b>	<b>Differences</b>	<b>Balance</b>
		<b>to Profit</b>			
		<b>or Loss</b>			
<b>Restated Deferred Tax Liabilities for the year ended 30 June 2021</b>					
Other	=	<u>(23,090)</u>	=	=	<u>(23,090)</u>
<b>Restated Balance at 30 June 2021</b>	=	<u><b>(23,090)</b></u>	=	=	<u><b>(23,090)</b></u>
<b>Deferred Tax Liabilities for the year ended 30 June 2021</b>					
Other	<u>(23,090)</u>	<u>105,213</u>	=	=	<u><b>82,123</b></u>
<b>Balance at 30 June 2022</b>	<u><b>(23,090)</b></u>	<u><b>105,213</b></u>	=	=	<u><b>82,123</b></u>

BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022 and for the year ended 30 June 2021

Consolidated Group	Opening Balance	Credited/ (Charged) to Profit or Loss	Changes in Tax Rate	Exchange Differences	Closing Balance
Restated Net Deferred Tax Assets for the year ended 30 June 2021	-	<u>190,780</u>	-	-	<u>190,780</u>
	-	<u>190,780</u>	-	-	<u>190,780</u>
Net Deferred Tax Assets for the year ended 30 June 2022	<u>190,780</u>	<u>(74,665)</u>	-	-	<u>116,115</u>
	<u>190,780</u>	<u>(74,665)</u>	-	-	<u>116,115</u>

26. Non-current Assets – deferred tax

Consolidated Group	
2022	Restated 2021
\$	\$

*Deferred tax asset comprises temporary differences attributable to:*

Amounts recognised in profit or loss:

Accrued Expenses	14,874	16,913
Prepayments	(26,246)	-
Provision for Annual Leave	57,074	39,750
Provision for Long Service Leave	35,500	28,000
Provision for Warranty	46,369	35,222
Lease Liability	64,908	13,323
Superannuation payable	5,759	4,532
Unrealised Foreign Exchange Loss	-	26,139
Carried-Forward Tax Losses		3,811
<b>Deferred Tax Asset</b>	<b><u>198,238</u></b>	<b><u>167,690</u></b>

**BT IMAGING PTY LTD AND CONTROLLED ENTITIES  
(ABN 69 125 728 707)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the  
year ended 30 June 2022 and for the year ended 30 June 2021**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
Movements:		
Opening Balance		
	167,690	-
Credited to profit or loss (Note 5)	30,548	167,690
Closing Balance	<b><u>198,238</u></b>	<b><u>167,690</u></b>

**27. Non-current Liabilities – deferred tax**

	<b>Consolidated Group</b>	
	<b>2022</b>	<b>Restated 2021</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Property, Plant & Equipment	(23,079)	(35,228)
Intangibles	-	-
Right of Use Asset	63,067	12,138
Unrealised Foreign Exchange Gain	42,135	-
	<b><u>82,123</u></b>	<b><u>(23,090)</u></b>

**Deferred Tax Liability**

Movements:		
Opening Balance	(23,090)	-
Charged/(Credited) to profit or loss (Note 5)	105,213	(23,090)
Closing Balance	<b><u>82,123</u></b>	<b><u>(23,090)</u></b>

**28. COMPANY DETAILS**

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

Unit 26, 198-222 Young Street  
WATERLOO NSW 2017

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BT IMAGING PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



**William Buck**  
Accountants & Advisors  
ABN 16 021 300 521



**Rainer Ahrens**  
Partner  
Sydney, 08 November 2022

## BT Imaging Pty Ltd

### Independent auditor's report to members

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of BT Imaging Pty Limited (the Company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

## Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

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

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our independent auditor's report.



**William Buck**

Accountants & Advisors

ABN 16 021 300 521



**Rainer Ahrens**

Partner

Sydney, 08 November 2022