Cogent Development

Cogent Development Group Limited

(Formerly Northern Mining Limited)

ABN 30 113 654 229

Consolidated Financial Statements

For the Year Ended 30 June 2022

Cogent Development Group Limited

ABN 30 113 654 229

Contents

For the Year Ended 30 June 2022

The directors present their report, together with the consolidated financial statements of the Group, being Cogent Development Group Limited (the Company) and its controlled entities, for the financial year ended 30 June 2022.

1. General information

(a) Information on directors

Tony Ong	
Qualifications	B.Com, M.Ec.
Experience	Mr Tony Ong is currently the Chairman of Cogent Development Group Ltd. He is also the Chairman of Cogent Financial Group (HK) Limited, an investment company with controlling interest in property development, hotel ownership and management, media, publishing and commodities trading businesses in Australia, New Zealand, Japan and Singapore. Mr Ong is also Chairman of Renga Pte Ltd, a fintech company that originated from Japan, with its own proprietary technology. Mr Ong graduated with a Bachelor of Commerce Degree (Banking and Finance), a Master of Economics Degree and attended a Leadership Program at London School of Economics and Political Science. In his spare time, Tony is passionately engaged in the practice of Karate-Do.
Interest in shares and options	224,589,762 ordinary shares
Other directorships in listed entities held in the previous three years	None.

Gerald Woon	
Qualifications	B.A.(Hons), M.Sc. (Marketing)
Experience	Mr Gerald Woon has more than 29 years of communications experience. As a co-founder and director of Cogent Communications Pte Ltd, he has been involved in consulting for IPOs, Investor Relations, Public Relations and Crisis Communications. Mr Woon has also worked at Provenance Capital Pte. Ltd., a boutique Corporate Finance firm, where he was involved in deal origination and fund raising. Mr Woon was formerly Head, Marketing Communications at the Singapore Economic Development Board (EDB). At EDB, Mr Woon was also sole media liaison for several ministerial overseas trips and has worked on several multi-government agency initiatives. Mr Woon holds a Master of Science (Marketing) degree from National University of Singapore and a Bachelor of Arts (Hons) degree from Monash University. In addition, he has also completed the Capital Markets & Financial Advisory Services (CMFAS) Module 4A – Rules and Regulations for Advising On Corporate Finance, and is a member of the EDB Society.
Interest in shares and options	25,473,982 ordinary shares
Other directorships in listed entities held in the previous three years	None.

Directors' Report
30 June 2022

Stuart Cameron	
Qualifications	B.Ec, LLM(Syd), FCA
Experience	Mr Stuart Cameron is a Partner of KS Black & Co Chartered Accountants and has previously worked for KPMG, Nexia and BDO. Mr Cameron is also a non-practicing Barrister admitted to the Supreme Court of NSW. Mr Cameron has over 36 years in the accounting profession. In that time, he has had comprehensive experience with many public companies, in varied fields. This has included assisting capital raising, authoring both investigating accountants and independent expert reports, as well as providing compliance services including company secretarial and governance services. Mr Cameron is a Fellow of Chartered Accountants Australia and New Zealand and a Certified Internal Auditor.
Interest in shares and options	Nil.
Other directorships in listed entities held in the previous three years	None.

Christopher Wong	
Qualifications	B.Com, MBA, CPA
Experience	Mr Christopher Wong has more than 25 years of experience in senior finance, operations and administration in the retail, distribution, and services sector. He is currently the General Manager of Finance and Operations at A-dec Trading Company Inc. Mr Wong started his career in Price Waterhouse where he worked in audit and business advisory services. He served as Director for PADI Asia Pacific (Shenzhen) Office from 2006 to 2008 while he was the Finance and Operations Manager at PADI Asia Pacific Pty Ltd. During his tenure, he was responsible in strategizing the growth and financial compliance of the regional office in the Asia Pacific realm. Mr Wong is a member of CPA Australia and holds a Master of Business Administration from Deakin University and a Bachelor of Commerce (Accounting and Finance) from Griffith University. In his leisure time, Christopher is a passionate cyclist and an avid cook.
Interest in shares and options	Nil.
Other directorships in listed entities held in the previous three years	None.

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Mr Christopher Wong was appointed as a director with effect from 9 June 2022.

1. General information continued

(b) Principal activities and significant changes in nature of activities

The Group has been engaged in business of property investment and development activities.

2. Operating results and review of operations for the year

(a) Operating results

The consolidated profit/(loss) of the Group amounted to $595,425 loss (2021: $143,133 loss) after providing for income tax. The consolidated total comprehensive income / (loss) attributable to the members of the parent entity amounted to $323,938 loss (2021: $320,950 loss).

(b) Review of operations

The Group is a property investment and development business.

Even as the COVID-19 pandemic becomes more manageable with higher vaccination rates, and business activities have somewhat normalised with a resumption of global travel and reopening of country borders, the overall macroeconomic environment continues to be volatile and uncertain. Rising geo-political tensions between US and China, the ongoing Russia-Ukraine war, inflationary pressures, and rising interest rates amongst other factors, have further contributed to this uncertainty, with talk of a possible global recession.

Despite the challenging operating environment, the Company has continued to explore various property-related investment opportunities in the Asia-Pacific region where it can play a role. Once there is any material development, the Company will inform shareholders accordingly.

With each investment, the Company aims to generate sustainable yields or good investment returns for shareholders. On 14 September 2021, the Company sold the land located at 3-34-6 Asakusabashi, Taito-ku, Tokyo, Japan (“Asakusabashi Land”), generating a net return in a period of 10 months since its acquisition.

In October 2021, the Company invested in a Japanese property-backed debenture to secure a fixed and higher interest rate for a portion of its unutilised cash. This investment was subsequently affected by exchange rate fluctuations in the second half of the financial year ended 30 June 2022, between the Japanese Yen and other major currencies like the Australian Dollar. The exchange rate fluctuations were mainly caused by rising global geopolitical tensions and the hiking of interest rates by the United States of America. This unforeseen situation has led to an unrealised foreign exchange loss as at the balance date. The Company believes that the macro-environment will gradually improve and has no plans to sell its debenture in the near future.

To conserve its financial resources, the Company has adopted cost management measures including a reduction in directors’ fees. On 9 June 2022, the Company also appointed Mr Christopher Wong as an Independent Director to advise and assist in its financial and operational matters, and we look forward to Mr Wong’s contribution to the Board.

3. Other items

(a)Significant changes in state of affairs

Apart from the matters disclosed in the ‘’Review of Operations’’, there have been no other significant changes in the state of affairs of entities within the Group during the year.

(b) Dividends paid or recommended

No dividends were declared or paid during the year ended 30 June 2022. No recommendation for payment of dividends has been made.

(c) Events after the reporting date

There have been no events subsequent to balance date impacting the Group's financial position that require disclosure, or results in subsequent financial years.

(d) Future developments and results

Other than likely developments contained in the "Review of Operations", further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

(e) Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

4. Company secretary

Anthony Kearney was appointed Company Secretary of the company on 6 June 2022 in place of Stuart Cameron who resigned as secretary but remained as director of the company. Anthony is supported by Patricia Holdings Pty Ltd who administer the share registers and other corporate records.

5. Meetings of directors

During the financial year, 3 meetings of directors (including committees of directors) were held. Attendance by each director during the year was as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Tony Ong	3	3
Gerald Woon	3	3
Stuart Cameron	3	3

6. Proceedings on behalf of company

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

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

7. Non-audit services

During the year there were no non-audit services provided by the Group's auditor, PKF. Audit fees for year amounted to $15,000 (2021: $15,000).

8. Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2022 has been received and can be found on page 9 of the consolidated financial report.

9. Remuneration report (audited)

(a) Remuneration policy

The Group's policy for determining the nature and amount of remuneration and emoluments for Board members of the Group is as follows:

The Group's remuneration policy for Executive Directors is designed to promote superior performance and long-term commitment to the Group. Executives received a base remuneration which is market related.

The remuneration policy, setting the terms and conditions for the Executive Directors and other Senior Executives, was developed by the Board after seeking professional advice from independent external consultants.

The Board's policy reflects its obligation to align Executives' remuneration with shareholders' interests and to retain appropriately qualified Executive talent for the benefit of the Group. The main principles of the policy are that:

- the reward reflects the competitive market in which the Group operates;
- the individual reward should be linked to performance criteria; and
- executives should be rewarded for both financial and nonfinancial performance.

Executives are also entitled to participate in the employee share and option arrangements.

Key management personnel receive a superannuation guarantee contribution required by the law and do not receive any other retirement benefits.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement. Key management personnel are paid a percentage of between 5-10% of their salary in the event of redundancy. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed.

(b) Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. There have been two methods applied in achieving this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholders' interests.

The following table shows the gross revenue, profits and dividends for the last five years for the Group, as well as the share prices at the end of the respective financial years

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	2022	2021	2020	2019	2018
	$	$	$	$	$
Revenue	107,592	47,671	115,562	196,608	99,841
Net (loss)/profit	(595,425)	(143,133)	(261,456)	(135,729)	(305,555)
Share Price at Year-end	0.01	0.01	0.01	0.01	0.01

9. Remuneration report (audited) continued

Performance conditions linked to remuneration

(c) Employment details of members of key management personnel

Fees to non-executives directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' remuneration consists of set fee amounts and statutory superannuation. Directors' base fees have historically been set at $35,000 per annum but have been reduced to a nominal amount for the 2022/23 year (see below). Mr Tony Ong has elected not to be paid the director fee during the year.

Non-executives directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total compensation for all non-executive directors, last voted upon by shareholders at the 2016 AGM, is not to exceed $105,000 per annum. There is no provision for retirement allowances for non-executive directors apart from statutory superannuation. Non-executive directors are eligible to be granted options to provide a material additional incentive for their ongoing commitment and dedication to the continued growth of the Group.

Remuneration and other terms of employment are formalised in employment agreements.

Tony Ong – Non-executive Chairman
- No employment agreement with Mr Ong.

Gerald Woon – Non-executive Director
- Term of agreement – commenced 19 August 2015.
- Directors fee of $35,000 per annum.
- The Company may immediately terminate the agreement by giving notice upon occurrence of certain non-performance criteria.
- There is no specific remuneration entitlement on resignation or if retirement occurs.

Stuart Cameron – Non-executive Director
- Term of agreement – commenced 17 May 2018.
- Directors fee of $35,000 per annum plus superannuation.
- The Company may immediately terminate the agreement by giving notice upon occurrence of certain non-performance criteria.
- There is no specific remuneration entitlement on resignation or if retirement occurs.

Christopher Wong – Non-executive Director
- Term of agreement – commenced 9 June 2022.
- Directors fee of $5,000 per annum plus superannuation.
- The Company may immediately terminate the agreement by giving notice upon occurrence of certain non-performance criteria.
- There is no specific remuneration entitlement on resignation or if retirement occurs.

Mr Gerald Woon and Mr Stuart Cameron have agreed to revise their directors fee to $5,000 per annum respectively for the financial year ending 30 June 2023.

9. Remuneration report (audited) continued

(d) Remuneration details for the year ended 30 June 2022

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of benefits and payments

	Short term		Post-employment	
	Salary and fees	Non-monetary benefits	Superannuation contribution	Total
2022	$	$	$	$
Directors				
Tony Ong	-	-	-	-
Gerald Woon	35,000	-	-	35,000
Christopher Wong	-	-		-
Stuart Cameron	35,000	-	3,500	38,500
	70,000	-	3,500	73,500

	Short term		Post-employment	
	Salary and fees	Non-monetary benefits	Superannuation contribution	Total
2021	$	$	$	$
Directors				
Tony Ong	-	-	-	-
Gerald Woon	35,000	-	-	35,000
Stuart Cameron	35,000	-	3,325	38,325
	70,000	-	3,325	73,325

(e) Key management personnel options and rights holdings

The movement during the reporting period in the number of shares in Cogent Development Group Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance at beginning of year	Exercised	Other changes	Balance at the end of year
30 June 2022	No.	No.	No.	No.
Directors				
Tony Ong	224,589,762	-	-	224,589,762
Gerald Woon	25,473,982	-	-	25,473,982
Stuart Cameron	-	-	-	-
Christopher Wong	-	-	-	-
	250,063,744	-	-	250,063,744

Director's Report
For the Year Ended 30 June 2022

9. Remuneration report (audited) continued

30 June 2021	Balance at beginning of year No.	Exercised No.	Other changes No.	Balance at the end of year No.
Directors				
Tony Ong	224,589,762	-	-	224,589,762
Gerald Woon	25,473,982	-	-	25,473,982
Stuart Cameron	-	-	-	-
	250,063,744	-	-	250,063,744

End of Audited Remuneration Report

Corporate Governance

The directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director: ....

Dated this 7th day of December 2022

COGENT DEVELOPMENT GROUP LIMITED

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Cogent Development Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

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SCOTT TOBUTT
PARTNER

7 DECEMBER 2022
SYDNEY, NSW

PKF (NS) Audit & Assurance Limited Partnership
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Other income	5	107,592	47,671
Administration expense		(250,507)	(189,162)
Impairment of capitalised exploration assets		-	-
Bad Debts Expense		-	-
Depreciation expense		(196)	(245)
Foreign Currency Exchange Loss	24	(452,314)	(1,397)
Loss before income tax		(595,425)	(143,133)
Income tax expense		-	-
Loss for the year		(595,425)	(143,133)
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		271,487	(177,817)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(323,938)	(320,950)
Loss attributable to:			
Members of the parent entity		(323,938)	(320,950)
Non-controlling interest		-	-
		(323,938)	(320,950)
Total comprehensive loss attributable to:			
Members of the parent entity		(323,938)	(320,950)
Non-controlling interest		-	-
		(323,938)	(320,950)
Loss per share			
Basic loss per share (cents)	10	**(0.03)**	(0.03)
Diluted loss per share (cents)	10	**(0.03)**	(0.03)

The above should be read in conjunction with the accompanying notes.

Cogent Development Group Limited

ABN 30 113 654 229

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11	1,848,554	5,316,587
Trade and other receivables	13	957	-
Other assets	14	2,000	-
TOTAL CURRENT ASSETS		1,851,511	5,316,587
NON-CURRENT ASSETS			
Other non-current assets (Debenture Subscriptions)	24	4,497,501	-
Property, plant and equipment	15	784	1,336,743
TOTAL NON-CURRENT ASSETS		4,498,285	1,336,743
TOTAL ASSETS		6,349,796	6,653,330
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	57,075	36,672
TOTAL CURRENT LIABILITIES		57,075	36,672
TOTAL LIABILITIES		57,075	36,672
NET ASSETS		6,292,721	6,616,658
EQUITY			
Issued capital	17	24,915,987	24,915,587
Reserves	18	5,403	(238,766)
Accumulated losses		(18,630,295)	(17,851,161)
Total equity attributable to equity holders of the Company		6,291,095	6,826,060
Non-controlling interest		1,626	(209,402)
TOTAL EQUITY		6,292,721	6,616,658

The above should be read in conjunction with the accompanying notes.

Cogent Development Group Limited

ABN 30 113 654 229

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Share capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Non-controlling interests	Total
	$	$	$	$	$	$
Balance at 1 July 2021	24,915,987	(17,851,161)	-	(238,766)	(209,402)	6,616,658
Loss for the year	-	(595,425)	-	-	-	(595,425)
Other comprehensive income	-	-	-	271,487	-	271,487
Reclassification	-	(183,710)	-	(27,318)	211,028	-
Balance at 30 June 2022	24,915,987	(18,630,295)	-	5,403	1,626	6,292,721

2021

	Share capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Non-controlling interests	Total
	$	$	$	$	$	$
Balance at 1 July 2020	24,915,987	(17,708,028)	-	(60,949)	(209,402)	6,937,608
Loss for the year	-	(143,133)	-	-	-	(143,133)
Other comprehensive income	-	-	-	(177,817)	-	(177,817)
Balance at 30 June 2021	24,915,987	(17,851,161)	-	(238,766)	(209,402)	6,616,658

The above should be read in conjunction with the accompanying notes.

Cogent Development Group Limited

ABN 30 113 654 229

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payment to suppliers and employees		(233,192)	(261,849)
Interest received		107,592	37,671
Cash receipts from operating activities		-	10,000
Net cash used in operating activities	12	(125,600)	(214,178)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of PPE		-	(1,335,518)
Proceeds from disposal of fixed assets		1,565,409	-
Purchase of Debenture Subscription		(4,850,798)	-
Net cash used in investing activities		(3,285,389)	(1,335,518)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (decrease)/increase in cash and cash equivalents held		(3,410,989)	(1,549,696)
Effect of Exchange rate changes on cash		(57,044)	(177,818)
Cash and cash equivalents at beginning of financial year		5,316,587	7,044,101
Cash and cash equivalents at end of financial year	11	1,848,554	5,316,587

The above should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the Year Ended 30 June 2022

The consolidated financial report covers Cogent Development Group Limited and its controlled entities (the ''Group''). Cogent Development Group Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Date authorised by Directors

The financial report was authorised for issue by the Directors on 7 December 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

The financial statements have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and are General Purpose Financial Statements.

2. Summary of Significant Accounting Policies

Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Going concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary course of business.

New, revised or amending Accounting Standards and Interpretations adopted

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

2. Summary of Significant Accounting Policies continued

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

Income tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

2. Summary of Significant Accounting Policies continued

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use. Land is not depreciated.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Office equipment and improvements	13% - 67%
Plant and equipment	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the consolidated statement of financial position.

Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair values plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2. Summary of Significant Accounting Policies continued

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Interest income

Interest income is recognised on a proportional basis considering the interest rate applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

2. Summary of Significant Accounting Policies continued

Goods and services tax (GST) continued

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

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

Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Employee benefits

Defined contribution schemes

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit and loss in the periods during which services are rendered by employees.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2. Summary of Significant Accounting Policies continued

Defined contribution schemes continued

Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Nonmonetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Nonmonetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The executive committee of the group has been identified as the chief operating decision makers and are responsible for assessing the financial performance and position of the group, and make strategic decisions.

3. Critical Accounting Estimates and Judgements

The Directors evaluated 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 externally.

Notes to the Financial Statements

For the Year Ended 30 June 2022

4. Operating Segments

Identification of reportable segments

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

The Group have operated mainly in two geographical areas, being Australia and Japan. The geographical areas are regarded as being the operating segments of the Group and this is the format of the information provided to the chief operating decision-maker.

Segment Performance

	Australia		Japan		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Segment revenue	16,025	47,761	91,567	-	107,592	47,671
Segment result	(653,281)	(118,235)	57,855	(24,898)	(595,426)	(143,133)
Other segment information						
Impairment of capitalised exploration costs	-	-	-	-	-	-
Depreciation	196	245	-	-	196	245
Segment assets	1,844,272	5,317,566	4,505,524	1,335,764	6,349,796	6,653,330
Segment liabilities	(55,218)	(35,872)	(1,857)	(800)	(57,075)	(36,672)

5. Other Income

Revenue from continuing operations

	2022 $	2021 $
Other income		
- Interest income	**107,592**	37,671
- Government Cash Flow Boost	**-**	10,000
	107,592	47,562

6. Employee Benefits Expense

	2022	2021
	$	$
Wages and salaries	**70,000**	70,000
Superannuation	**3,500**	3,325
Total	**73,500**	73,325

7. Income Tax Expense

(a). Reconciliation of income tax to accounting profit:

	2022	2021
	$	$
Loss before income tax	(595,425)	(143,133)
Tax	25%	26%
	(148,856)	(37,215)
Temporary differences		
Accruals	(375)	785
Exploration expenditure	-	-
Nondeductible expenses	49	64
Other deductible expenses	(330)	2,463
- Other assessable income	-	-
Nonassessable income	-	2,600
	(149,513)	(31,303)
Foreign Company Losses / Loss Unavailable	8,429	6,474
Deferred tax asset not brought to account/(recoupment of prior year tax losses not previously brought to account)	(141,084)	(24,829)
Income tax expense	**-**	-

Tax losses

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future profit will be available against which the Group can utilise the benefit, subject to the Continuing Ownership Test.

	2022	2021
	$	$
Tax losses	17,066,095	16,501,756
Potential tax benefit	4,431,541	4,290,457

Unrecognised net deferred tax assets

	2022	2021
	$	$
Deferred tax assets		
Unused tax losses for which no deferred tax assets has been recognised	4,431,541	4,290,457
Total	4,431,541	4,290,457

8. Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

	2022	2021
	$	$
Short-term employee benefits	70,000	70,000
Post-employment benefits	-	-
Other costs	3,500	3,325
	73,500	73,325

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporate Regulation 2M.3.03 is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Director's interests existing at year-end.

9. Related Parties

The Group's main related parties are as follows:

(i) 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 are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 8: Key Management Personnel Disclosures and the remuneration report in the Directors' Report.

Transactions with related parties

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

Transactions between each parent company and its subsidiaries which are related parties of the Company are eliminated on consolidation and are not disclosed in this note.

Loans to/from related parties

There are no loans made to directors or other key management personnel of the Company or the Group.

10. Earnings per Share

	2022	2021
	$	$

(a). Losses used to calculate overall loss per share

	2022	2021
	$	$
Losses used to calculate overall earnings per share	(323,938)	(320,950)

(b). Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2022	2021
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	938,441,594	938,441,594

11. Cash and Cash Equivalents

	2022	2021
	$	$
Cash at bank and in hand	1,848,554	5,316,587
Short-term deposits	-	-
	1,848,554	5,316,587

Notes to the Financial Statements

For the Year Ended 30 June 2022

12. Cash Flow Information

Reconciliation of loss to net cash used in operating activities:

	2022	2021
	$	$
Loss for the year	(595,425)	(143,133)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit / (loss):		
- Depreciation	196	245
- Unrealised (gain)/loss	452,378	
Proceeds from termination of joint venture	-	-
Changes in assets and liabilities,		
- decrease/(increase) in trade and other receivables and other assets	(3,152)	11,872
- increase/(decrease) in trade payables and accruals	20,403	(83,162)
- increase/(decrease) in other liabilities	-	-
Net cash used in operating activities	(125,600)	(214,178)

13. Trade and Other Receivables

	2022	2021
	$	$
CURRENT		
GST Receivable	**957**	-
Other receivables	**-**	-
Total current trade and other receivables	**957**	-

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

14. Other Assets

	2022 $	2021 $
CURRENT		
Prepayments	2,000	-

15. Property, Plant and Equipment

	2022 $	2021 $
Land – at cost	-	1,335,763
Other Equipment - at cost	53,488	53,488
Accumulated depreciation	(52,704)	(52,508)
	784	980
Total property, plant and equipment	784	1,336,743

Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Other Equipment
Cost		
Balance at 1 July 2021	1,335,763	53,488
Additions	-	-
Disposals	(1,335,763)	-
Balance at 30 June 2022	**-**	53,488
Accumulated Depreciation		
Balance at 1 July 2021	-	52,508
Depreciation for the year	-	196
Disposals	-	-
Balance at 30 June 2022	**-**	52,704
Carrying Amount		
Balance at 30 June 2021	1,335,763	980
Balance at 30 June 2022	-	784

16. Trade and Other Payables

	2022	2021
	$	$
CURRENT		
Trade and other payables	42,075	20,172
Accrued expenses	15,000	16,500
	57,075	36,672

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

17. Issued Capital

	2022	2021
	$	$
938,441,594 (2021: 938,441,594) Ordinary shares	24,915,987	24,915,987
Total	24,915,987	24,915,987

The Company does not have authorised capital or par value in respect of its issued shares. All shares rank equally with regard to the Company's residue assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Capital Management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

There are no externally imposed capital requirements. The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the consolidated statement of financial position plus net debt.

18. Reserves

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share option reserve

This reserve records the cumulative value of employee service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

Notes to the Financial Statements

For the Year Ended 30 June 2022

Movements in reserves

	Share based payments	Foreign currency	Total
	$	$	$
Balance at 1 July 2021	-	(238,766)	(238,766)
Foreign currency translation	-	271,487	271,487
Reclassification	-	(27,317)	(27,317)
Balance at 30 June 2022	-	1,627	1,626
Balance at 1 July 2020	-	(60,949)	(60,949)
Foreign currency translation	-	(177,817)	(177,817)
Balance at 30 June 2021	-	(238,766)	(238,766)

19. Group Entities

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2022	Percentage Owned (%)* 2021
Subsidiaries:			
NMI Minerals Limited	Mauritius	**100**	100
Gepco Geologia i Ochrona Srodowiska Sp. z.o.o	Poland	**90**	90
Cogent Kaihatsu Ltd	Japan	**100**	100

20. Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not speculate in financial assets.

The most significant financial risks to which the Group is exposed are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk, currency risk and interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Group's risk management committee under the delegated power from the Board of Directors. The Board of Directors has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Group. These policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period is identified monthly.

Notes to the Financial Statements

For the Year Ended 30 June 2022

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities. The Group's liabilities have contractual maturities which are summarised below:

	Carrying Amount	Contractual Cash Flows	Less than 1 year
	$	$	$
Trade and other payables	(57,075)	(57,075)	(57,075)
Other Current Liabilities			
	(57,075)	(57,075)	(57,075)

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		Total	
	2022	2021	2022	2021
Financial liabilities due for payment	$	$	$	$
Trade and other payables	57,075	36,672	57,075	36,672
	57,075	36,672	**57,075**	36,672

The timing of expected outflows is not expected to be materially different from contracted cashflows. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Group.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

	2022	2021
	$	$
Cash and cash equivalents	1,848,554	5,316,587
Other receivables	957	-
Other Assets	4,497,501	
	6,347,012	5,316,587

On a geographical basis, the Group has no credit risk exposures in Australia. The Group's exposure to credit risk for other receivables at the end of the reporting period by geographic regions is as follows:

	2022	2021
	$	$
Australia	-	-
	-	-

Market risk

(i) Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise.

The carrying amount of the Group’s foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Assets		Liabilities	
	2022	2021	2022	2021
	JPY	JPY	JPY	JPY
Japanese Yen (JPY)	422,540,239		(1,857)	(800)
Total	422,540,239	-	(1,857)	(800)

Notes to the Financial Statements

For the Year Ended 30 June 2022

Foreign currency sensitivity analysis

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

	JPY	Total
	$	$
Net financial assets / (liabilities) in AUD		
30 June 2022		
Impact of 10% change in foreign currency rate on:		
Loss for the year	(449,750)	(449,750)
Equity	449,750	449,750
	-	-
30 June 2021		
Impact of 10% change in foreign currency rate on:		
Loss for the year	(89)	(89)
Equity	89	89
	-	-

Fair values of financial instruments

There is no difference between the carrying amounts and the fair value of financial instruments.

(ii) Financial instrument composition and maturity analysis

	2022	2021
	$	$
Variable rate instruments		
Financial assets	1,851,511	5,316,587
Financial liabilities	-	-
	1,851,511	5,316,587
Fixed rate instruments		
Financial assets	4,497,501	-
Financial liabilities	-	-
	4,497,501	-

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase or decrease of 100 basis points would have increased equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

	Profit		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
30 June 2022				
Variable rate instruments	-	-	-	-
Fixed rate instruments		-	-	-
Cash flow sensitivity (net)	-	-	-	-
30 June 2021				
Variable rate instruments	29,145	(29,145)	29,145	(29,145)
Fixed rate instruments	32,658	(32,658)	32,658	(32,658)
Cash flow sensitivity (net)	61,803	(61,803)	61,803	(61,803)

The movements in profit and equity are due to higher and lower interest on cash balances.

The net exposure at the end of the reporting period is representative of what the Group was and is expecting to be exposed to at the end of the next twelve months.

The sensitivity analysis is performed on the same basis as in 2021.

21. Events Occurring After the Reporting Date

There have been no events subsequent to balance date impacting the Group’s financial position or results in subsequent financial years.

22. Parent Entity

The following information has been extracted from the books and records of the parent, Cogent Development Group Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Cogent Development Group Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.
Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity.

	2022 $	2021 $
Statement of Financial Position		
Assets		
Current assets	1,842,531	5,316,587
Non-current assets	6,037,087	1,539,782
Total Assets	7,879,618	6,856,369
Liabilities		
Current liabilities	54,260	35,872
Total Liabilities	54,260	35,872
Equity		
Issued capital	24,915,987	24,915,988
Accumulated losses	(17,090,629)	(17,977,256)
Total Equity	7,825,358	6,938,732
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(561,714)	(118,235)
Total comprehensive income	(561,714)	(118,235)

No additional shares were issued during the 2022 financial year. The increase in accumulated losses is largely attributable to the negative foreign exchange movement on assets held in foreign denomination, where the JPY had weakened against the AUD from 83.07 JPY per AUD on 30 June 2021 to 93.95 JPY per AUD on 30 June 2022.

Guarantees

The parent entity has not entered into any guarantees in respect of its subsidiaries.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2022 or 30 June 2021.

23. Auditors' Remuneration

	2022 $	2021 $
Remuneration of the auditor of the parent entity, for:		
- Audit and review of financial statements - PKF	15,000	15,000
Total	15,000	15,000

Notes to the Financial Statements

For the Year Ended 30 June 2022

24. Debenture Interest Calculation & Forex through Statement of Comprehensive Income

Key terms of the arrangement

Subscriber : Cogent Development Group Limited
Subscribee : Cogent Financial Group Limited
Principal : 413,937,500 JPY
Principal : 4,850,798 AUD
Interest : 3% plus fractional ownership rights - only relates if the property has been sold
Repayment : Subscribee to repay the principal amount with interest over a three-year term effective from the date the funds was received by the Subscribee. Interest is payable every six months to procure additional Renga Bricks or payable in cash every three months.
Start Date ; 10/19/2021

Interest calculation on 30 June 2022

Reporting Date	6/30/2022	
Days accrued	254	Days
Interest rate	3.00%	per annum
Interest rate	0.0081%	per day
Interest accrued	**8,602,739**	**JPY**
Balance at 30 June 2022	**422,540,239**	**JPY**

	JPY	Rate	AUD	Change due to Forex
Principal	413,937,500	93.95	4,405,934	(444,864)
Interest accrued (P/L)	8,602,739	86.83	99,081	
Foreign exchange difference			(7,514)	(7,514)
Debenture balance (SFP)	**422,540,239**	**93.95**	**4,497,501**	**(452,378)**
Other foreign exchange difference			64	64
Total foreign exchange differences				**(452,314)**

25. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

26. Company Details

The registered office of the company is:
Cogent Development Group Limited
Suite 2 Level 1, 9-11 Grosvenor Street, NEUTRAL BAY NSW 2089

Cogent Development Group Limited

ABN 30 113 654 229

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001* and:

    a. complies with Accounting Standards and are General Purpose Financial Statements

    b. gives a true and fair view of the financial position and performance of the consolidated group;

2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director ....

Dated this ....7th.............. day of ....December.............. 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COGENT DEVELOPMENT GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Cogent Development Group Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year-end or from time to time during the financial year (together the 'Group').

In our opinion, the financial report of Cogent Development Group Limited, is in accordance with the Corporations Act 2001, including:

(a) Giving a true and fair view of the Group's financial position as at 30 June 2022, and of its financial performance for the year then ended; and
(b) Complying with the Australian Accounting Standards and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 Group, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

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

Other Information (cont'd)

Our opinion on the financial report does not cover the other information and accordingly 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 Group 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 Group's ability 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

Auditor’s Responsibilities for the Audit of the Financial Report (cont’d)

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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SCOTT TOBUTT
PARTNER

7 DECEMBER 2022
SYDNEY, NSW