FINANCIAL STATEMENTS

FOR MAGNETICA LIMITED AND ITS CONTROLLED ENTITIES

FOR THE HALF YEAR ENDED 30 NOVEMBER 2021

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Magnetica Limited & Controlled Entities

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MAGNETICA

DIRECTORS' REPORT

Your directors present their report for the half-year ended 30 November 2021.

DIRECTORS

The following persons were directors of Magnetica Limited during the period and up to the date of this report:

Stephen McQuillan – Board Chair
Stuart Crozier
Client Gouveia
Stephen King
Duncan Stovell

REVIEW OF OPERATIONS

The anniversary of the merger between Magnetica, Scientific Magnetics (SciMag) and Tecmag in late January 2022 serves as a catalyst to reflect upon what has been achieved during the first year 'post-merger'. A very busy year, we have seen:

- significant progress in the development of our first dedicated compact MRI system market offering;
- a number of sales orders keeping the SciMag and Tecmag engineering and production teams busy supplying superconducting magnet and spectrometer products to customers; and
- a range of business integration activities progressing to align the teams based across our three locations, together with the adoption of common underpinning systems and processes.

This progress has been achieved in the face of ongoing challenges resulting from the continuing COVID-19 pandemic. Resourcing and supply chain issues perpetuate, in some instances impacting upon delivery lead times to customers and in others affecting the momentum of our commercialisation activities. On a very positive note, however, despite a number of team members testing positive to COVID over the period, none of the impacts appear to have been too severe. In most cases team members were able to isolate and continue working from home, or were able to efficiently return to the office once they came out of isolation.

A feature of the existing MRI/NMR/NQR products we develop and supply, primarily to research-focused customers, is that the timing and quantum of sales are lumpy in nature. Closing sales has been impacted by a number of factors, ranging from delays in customers securing funding, to the pandemic denting business confidence. Nevertheless, the sales team has worked hard and secured a range of orders from both new and existing customers. A flow on impact that results, however, is the compressed timeframe available to realise the revenue from these orders before the end of the financial year. With a healthy order book, the delivery teams are busily working to complete and deliver customer orders to ensure we have capacity to support a strong sales pipeline of qualified opportunities that are forecast to close in coming months.

Despite good overall progress within our commercialisation activities, the first 3T extremity magnet built by SciMag experienced some technical challenges, resulting in a design iteration. Well progressed at the time of writing, the redesign is anticipated to deliver a superior first magnet, with additional opportunities to enhance the eventual magnet performance addressed in parallel with targeted redesign activities. Whilst the magnet redesign considerations caused some delays in achieving milestones in calendar year 2021, parallel streams of work underway to develop the other sub-systems required within our MRI system have exploited the time window to good effect. Despite delays deriving from the design iteration activities and supply chain disruptions, we are still working towards launching a regulatory approved product in calendar year 2023.

DIRECTORS' REPORT (CONTINUED)

Whilst hiring the people we need to achieve our strategic goals has been challenging, we have had a number of new members join our global team. A key requirement for a number of Product Development roles has been existing experience in medical devices; specifically in MRI. We have hired a number of people meeting this requirement in the domains of Systems Engineering, Software and most notably our new Brisbane-based Head of Product Development, Dr Atul Minhas. Quality Assurance and Production functions have also been bolstered. Despite having more delivery roles to fill, our focus will soon transition to building out market facing functions.

Regardless of embracing work-from-home opportunities for team members, one impact of increasing the size of our team is that we have outgrown our Brisbane based facility. A search is underway to identify a suitable facility in the greater Brisbane area that can support our longer-term growth plans, as we prepare to market our products around the world. In the UK, a new lease has been secured for the existing facility, ensuring the resources required to design and manufacture our compact helium-free superconducting magnets remain available to support new product lines and the expected ramp up in manufacturing to support market-pull for our products.

A key enabler for obtaining approval to market our medical devices in regulatory controlled geographies is having a Quality Management System (QMS) that complies with the requirements of the relevant regulatory authorities. With the quality function being strengthened in both UK and US offices in recent months, we are working to upgrade systems and processes to enable each of the three offices to be certified to design and manufacture their respective sub-systems, with the Australian team working to upgrade their existing ISO 13485 certified QMS scope of activities to include MRI systems (rather than just MRI sub-systems and accessories).

Our IP portfolio has been strengthened by way of patent grants in a number of countries where we expect to market our disruptive products. We await review of the patent applications in other countries where we have lodged applications. These newly obtained patent grants serve to counter several aged patents expiring from within the patent portfolio. Patents are an important element in our IP strategy, together with trade secrets/know-how and trademarks. The quantum of trade secrets/know-how within the business was significantly strengthened as a result of the merger.

An exciting collaboration opportunity for the business has been realised by way of an investment by Avingtrans into Adaptix plc, a UK-based company transforming radiology, through low-cost, low-dose 3D portable imaging. Adaptix has developed a number of novel technologies and imaging approaches in relation to Digital Tomosynthesis ("DT"). We intend to collaborate with Adaptix to develop a disruptive multi-modality business offering for low-cost 3D imaging by combining our Cryogen-free MRI and Adaptix's DT. This allows fusing of the image data, giving enhanced low-cost diagnostic capability, initially for orthopaedic imaging.

Whilst the business has experienced some inevitable delays in the commercialisation program and increased timeframes to find and hire the talent required to propel the business forward, this has reduced the overall cash burn rate. Whilst delays are undesired, along with careful cash management and some early kick-off payments by customers, these factors have reduced the rate at which equity-based funds committed by Avingtrans as part of the merger have been called. The last tranche of the initial equity-based funds is expected to be drawn down in the near future. Discussions are well progressed in relation to the form of ongoing funding, the commitment Avingtrans has made to support the business, and ensuring we complete the commercialisation of our market offerings and launch them in the market as soon as practicable.

The Directors wish to acknowledge the continued support provided by our customers, partners, suppliers, shareholders and other stakeholders. As highlighted above, the team continues to work hard to realise shareholder value by enabling high-quality imaging closer to the patient point-of-care.

DIRECTORS' REPORT (CONTINUED)

RESULTS OF OPERATIONS

Results for the half-year are summarised as follows:

	30 November 2021 $	**31 December 2020 $**
Loss before income tax	(808,793)	5,543
Income tax expense	-	-
Loss for the period	(808,793)	5,543

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than highlighted above, there were no significant changes in the state of affairs during the half-year.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration has been received and can be found on page 6 of this financial report.

Stephen McQuillan

Chair

Chatteris, UK, 16th February 2022

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Magnetica Limited and its controlled entities

I declare that, to the best of my knowledge and belief, during the half year ended 30 November 2021, there have been:

i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii) no contraventions of any applicable code of professional conduct in relation to the review.

HALL CHADWICK QLD

Clive Massingham
Director
HALL CHADWICK QLD

Signed at Brisbane this 16th day of February 2022.

HALL CHADWICK
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Independent Auditor's Review Report

To the members of Magnetica Limited and controlled entities

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Magnetica Limited and controlled entities which comprises the statement of financial position as at 30 November 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 November 2021 and of its performance for the half-year ended on that date; and

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

Basis for Conclusion

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

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 review report.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the

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Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 30 November 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

HALL CHADWICK QLD

Clive Massingham
Hall Chadwick QLD
Chartered Accountants

Signed this 16th day of February 2022

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001,* including:

   (a) giving a true and fair view of the consolidated entity's financial position as at 30 November 2021 and of its performance for the half-year ended on that date; and

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

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

Signed in Chatteris, UK this 16th day of February 2022 in accordance with a resolution of the directors.

S. McQuillan

Stephen McQuillan
Chair

MAGNETICA

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 NOVEMBER 2021

	Note	30 November 2021	31 December 2020
		$	$
Revenue	2	1,875,886	835,700
Expenses		(2,684,679)	(830,157)
Profit/(loss) before income tax expense		(808,793)	5,543
Income tax expense		-	-
Net profit/(loss) attributable to members of Magnetica Limited		**(808,793)**	**5,543**
Other comprehensive income, net of income tax		-	-
Exchange differences on translating foreign controlled entities		(6,686)	-
Other comprehensive income for the year, net of tax		(6,686)	
Total comprehensive income for the period attributable to members of Magnetica Limited		**(815,479)**	**5,543**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2021

	Note	30 November 2021 $	31 May 2021 Restated $
CURRENT ASSETS			
Cash and cash equivalents		1,129,817	1,331,144
Trade and other receivables		520,542	623,724
Inventories		857,075	707,219
Related party loan receivable	7	227,775	253,286
Other current assets		555,087	582,631
TOTAL CURRENT ASSETS		**3,290,296**	**3,498,004**
NON-CURRENT ASSETS			
Property, plant and equipment		644,165	705,853
Right of Use Asset		251,816	323,599
Intangible assets	3	15,480,845	14,089,320
Investments		128,266	118,630
TOTAL NON-CURRENT ASSETS		**16,505,091**	**15,237,402**
TOTAL ASSETS		**19,795,387**	**18,735,406**
CURRENT LIABILITIES			
Trade and other payables		1,599,613	1,975,618
Lease liabilities		132,062	152,450
Employee Benefits		111,749	84,224
Interest bearing loans borrowings		679,616	628,502
TOTAL CURRENT LIABILITIES		**2,523,040**	**2,840,794**
NON-CURRENT LIABILITIES			
Employee Benefits		-	5,563
Lease liability		136,908	188,227
TOTAL NON-CURRENT LIABILITIES		**136,908**	193,790
TOTAL LIABILITIES		**2,659,948**	**3,034,584**
NET ASSETS		**17,135,438**	**15,700,822**
EQUITY			
Issued capital	4	88,130,503	85,880,503
Reserves		(18,726,813)	(18,720,227)
Accumulated losses		(52,268,252)	(51,459,454)
TOTAL EQUITY		**17,135,438**	**15,700,822**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY RESTATED

FOR THE HALF YEAR ENDED 30 NOVEMBER 2021

Consolidated	Share capital	Reserves	Reserves	Reserves	Reserves	Reserves		
	Ordinary	Share premium Reserve	Share option Reserve	Vested Performance Rights	Share Based Payments	Foreign Currency Translation Reserve	Accumulated Losses	Total equity
	$	$	$	$	$	$	$	$
Balance at 1 July 2020	**58,088,535**	**-**	**281,000**	**622,500**	**-**	**-**	**(51,395,505)**	**7,596,530**
Exercising of performance rights	-	-	-	(30,000)	-	-	30,000	-
Issue of Ordinary Shares	-	-	-	-	-	-	-	-
Share Issue Costs	(29,952)	-	-	-	-	-	-	(29,952)
Loss of the period	-	-	-	-	-	-	5,543	5,543
Other Comprehensive income for the year	-	-	-	-	-	-	-	-
Balance at 31 December 2020	**58,058,583**	**-**	**281,000**	**592,500**	**-**	**-**	**(51,359,962)**	**7,572,121**

Consolidated	Share capital	Reserves	Reserves	Reserves	Reserves	Reserves		
	Ordinary	Share premium Reserve	Share option Reserve	Vested Performance Rights	Share Based Payments	Foreign Currency Translation Reserve	Accumulated Losses	Total equity
	$	$	$	$	$	$	$	$
Balance at 1 June 2021 - Restated	**85,880,503**	**(19,130,051)**	**281,000**	**-**	**-**	**128,824**	**(51,459,454)**	**15,700,822**
Issue of Ordinary Shares	2,250,000	-	-	-	-	-	-	2,250,000
Share Issue Costs			-	-	-	-	-	-
Loss of the period	-	-	-	-	-	-	(808,798)	(808,798)
Other Comprehensive income for the year	-	-	-	-	-	(6,586)	-	(6,586)
Balance at 30 November 2021	**88,130,503**	**(19,130,051)**	**281,000**	**-**	**-**	**122,238**	**(52,268,252)**	**17,135,438**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2021

	30 November 2021 $	31 December 2020 $
Cash flows from operating activities		
Receipts from customers and grants	2,077,477	952,776
Payments to suppliers and employees	(3,221,109)	(616,873)
Interest received	-	761
GST recovered/(paid)	144,467	(33,433)
Net cash provided by/ (used in) operating activities	**(999,165)**	**303,231**
Cash flows from investing activities		
Payments for property, plant and equipment	(8,759)	(360,497)
Payments for intangible assets	(1,443,403)	(430,409)
Net cash provided by/ (used in) investing activities	**(1,452,162)**	**(790,906)**
Cash flows from financing activities		
Proceeds from capital raising	2,250,000	-
Payments for share issue costs	-	(29,952)
Payment of lease liabilities	-	(32,502)
Net cash provided by/ (used in) financing activities	**2,250,000**	**(62,454)**
Net increase (decrease) in cash and cash equivalents held	(201,327)	(550,129)
Cash and cash equivalents at the beginning of the financial period	1,331,144	1,579,632
Cash and cash equivalents at the end of the financial period	**1,129,817**	**1,029,503**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2021

1. BASIS OF PREPARATION

These general-purpose financial statements for the interim half-year reporting period ended 30 November 2021 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

These interim financial statements are intended to provide users with an update on the latest annual financial statements of the group. As such, they do not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the group for the year ended 31 May 2021, together with any disclosures made during the half-year.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

a. Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

Magnetica Ltd is an emerging technology company and is in the continuing process of fund raising to develop the technology to a stage where the company becomes profitable and self-sufficient. The Company has made a net loss over the first half of the financial year of ($808,793) and a profit of $5,543 in the corresponding prior period.

The ability of the Company to continue to adopt the going concern basis is dependent on a number of matters. These include the successful raising in the future of necessary funding, the ability to continue to secure government grants and/or the successful development and subsequent commercialisation of the Company's magnetic resonance imaging (MRI) technologies.

If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenues and expenses and the statement of financial position classifications used. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned, as described below, will mitigate the adverse conditions and events which raise doubts about the validity of the going concern assumption used in preparing these financial statements.

The directors believe that the adoption of the going concern basis is appropriate for the following reasons:

1. As part of the merger completed in January 2021, Avingtrans PLC committed to provide funding in support of the agreed plan that has been executed during calendar year 2021;
2. Periodic coil sales of superconducting magnets, spectrometers, gradient coils and RF coils are expected to occur throughout the financial year;
3. As an MRI system OEM, Magnetica will be focused upon the commercialisation of dedicated compact MRI systems, with the Extremity MRI system as the first such market offering, from which future revenues are expected to be generated;
4. The company has historically had the ability to secure Government grant funding and to secure share capital as needed;
5. The company is entitled to a substantial annual research and development tax rebate; and
6. The company has a surplus of net current assets at period end and as the date of this report.

MAGNETICA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2021

2. REVENUE

	30 November 2021	31 December 2020
	$	$
Sale of goods	1,362,584	-
Government subsidies	-	174,500
Other Income	552	1,430
Research and development tax rebate	447,382	559,009
Grants	65,368	100,000
Interest income	-	761
	1,875,886	835,700

3. INTANGIBLE ASSETS

	30 November 2021 $	31 May 2021 $
Goodwill (i)		
At cost	5,972,548	5,972,548
Less: Accumulated impairment losses	-	-
Total Goodwill	**5,972,548**	**5,972,548**
Other Intangible assets		
At cost	10,318,062	8,718,430
Less: Accumulated amortisation and impairment losses	(809,765)	(601,658)
Total Other Intangible assets	**9,508,297**	**8,116,772**
Total Intangible assets	**15,480,845**	**14,089,320**

(i). On the 29th of January 2021 Magnetica acquired 100% of the ordinary shares of Space Cryomagnetics Limited which was valued at $7,927,201 for accounting purposes. The identifiable net assets of Space Cryomagnetics Limited comprised of $4,918,497 and liabilities of $2,963,845. As a result, the net identifiable assets were $1,954,652 and Goodwill was $5,972,548. Recognition and measurement Goodwill: Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is treated as goodwill. Where consideration is less than the fair value of acquired net assets, the difference is recognised immediately in the income statement. Goodwill is not amortised and is measured at cost less any impairment losses.

4. ISSUED CAPITAL

	No of shares	$
Ordinary Shares		
Balance as at 1 June 2021	**341,371,648**	**85,880,502**
Shares issued during the period	15,000,000	2,250,000
Balance as at 30 November 2021	**356,371,648**	**88,130,502**

5. SHARE-BASED PAYMENTS - OPTIONS

No options were granted or exercised during the half year ended 30 November 2021.

In 2005 options were granted as equity compensation benefits to certain directors in office at that time. The options were issued at no cost. Each of the granted options entitled the holder to subscribe for one fully paid ordinary share in the entity at various exercise prices and various option periods. Set out below are summaries of options previously granted to directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2021

5. SHARE-BASED PAYMENTS – OPTIONS (CONTINUED)

Grant date	First exercise date	Last exercise date	Exercise price per share	Balance at 30 Nov 2021	Balance at 31 May 2021
20-May-05	Relisting date	Relisting date+3yr	$0.50	1,000,000	1,000,000
20-May-05	Relisting date+1yr	Relisting date+4yr	$0.54	1,000,000	1,000,000
20-May-05	Relisting date+2yr	Relisting date+5yr	$0.60	1,000,000	1,000,000
				3,000,000	**3,000,000**
Options outstanding at year-end				3,000,000	3,000,000
Options exercisable at year-end				-	-
Weighted average exercise price of outstanding options				$0.54	$0.54
Weighted average fair value of outstanding options				$0.09	$0.09

The options granted have been valued using the Black-Scholes option pricing model applying the following assumptions: -

- Risk free interest rate 5.37%
- Expected share price volatility 78.00%
- Underlying share price $0.40
- Expiry date see last exercise date above.

5. SHARE-BASED PAYMENTS – RESTRICTED ORDINARY SHARES

A Share and Option Plan instituted by the company in January 2021 replaced a Performance Rights Plan operated prior to the merger. A total of 8,925,000 fully paid Restricted Ordinary Shares are on issue, replacing Performance Rights previously held by plan participants.

A plan participant must not dispose or otherwise deal with any shares issued or transferred to a participant under the plan while they are restricted shares and subject to a restriction period. The restriction period is from the date of issue until the earlier of:

(a) the occurrence of a Liquidity Event;

(b) the date that is 15 years from the date of issue; or

(c) the date determined by the Board in its absolute discretion.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2021

5. SHARE BASED PAYMENTS – RESTRICTED ORDINARY SHARES (CONTINUED)

Liquidity Event means the first to occur of:

a) the date on which any Shares are either or both allotted or transferred under a prospectus lodged with the Australian Securities and Investments Commission (or other relevant regulatory body) in connection with an IPO;
b) the date on which a takeover bid for all of the Shares not owned by the bidder becomes unconditional;
c) the merger or consolidation of the company into another company;
d) a scheme of arrangement is made or undertaken in respect of the company;
e) the date on which, following a trade sale all or part of the net proceeds of sale are paid to shareholders; or
f) any event similar to those described in (a) to (e) involving a change in ownership or control of the company or all or substantial part of the assets of the group.

When a share ceases to be a restricted share, all restrictions on disposing of or otherwise dealing or purporting to deal with that share under the rules of the plan will cease.

6. CONTINGENT LIABILITIES

There has been no material change in contingent liabilities since the last annual reporting date.

7. CORRECTION OF PRIOR PERIOD ERROR

The tax returns for Scientific Magnetics and its consolidated tax group were completed after the finalisation of annual report of Magnetica Australia for the year ended 31 May 2021. The tax returns resulted in an income tax benefit of $253,286 being recognised in the profit and loss for the 11 months ended 31 May 2021.

The tax adjustment of $253,286 is connected to a related entity and is recognised as an asset in the balance sheet as Related party loan receivable.

The prior year tax adjustment affects the statement in Changes in equity, equity for Magnetica Limited and its controlling entities is 253,286 higher at the 31 May 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2021

7. CORRECTION OF PRIOR PERIOD ERROR (CONTINUED)

Details in relation to the impact on these corrections on comparative financial information are as follows:

	Previously reported 31 May 2021	Adjustment	Restated amount 31 May 2021
Statement of financial position (extract)			
Accumulated losses	51,712,740	(253,286)	51,459,454
Related party loan receivable	-	253,286	253,286
Accumulated losses	51,712,740	(253,286)	51,459,454

	Previously reported 31 May 2021	Adjustment	Restated amount 31 May 2021
Statement of profit or loss and other comprehensive income (extract)			
Income tax benefit	-	(253,286)	(253,286)

8. EVENTS AFTER THE BALANCE DATE

There are no matters or circumstances that have arisen since the end of the interim reporting period which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future years.