CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		$	$
Revenue from contracts with customers	5	17,395,966	22,573,576
Cost of sales		(10,474,517)	(10,996,186)
Gross Profit		**6,921,449**	**11,577,390**
Other income	5	620,774	739,223
Fair value gains/(losses)	6	3,728,143	(989,133)
Sales and marketing expenses		(3,799,405)	(5,146,451)
Administration expenses		(4,755,677)	(4,114,740)
Medical research support grants		(1,456,471)	(462,222)
Results from Operating Activities		**1,258,813**	**1,604,067**
Interest income	5	50,077	2,633
Operating Surplus/(Loss)		**1,308,890**	**1,606,700**
Other Comprehensive Income		-	-
Total Comprehensive Income		**1,308,890**	**1,606,700**

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023	2022
		$	$
Current Assets			
Cash and cash equivalents	7	4,947,324	6,955,616
Financial assets at fair value through profit or loss	8	5,530,140	4,933,317
Trade and other receivables	9	3,739,276	2,287,401
Inventories	10	228,081	455,789
Total Current Assets		**14,444,821**	**14,632,123**
Non Current Assets			
Right of use lease assets	11	1,174,557	233,645
Investment property	12	8,600,000	5,550,000
Plant and equipment	13	1,725,832	914,891
Total Non Current Assets		**11,500,389**	**6,698,536**
Total Assets		**25,945,210**	**21,330,659**
Current Liabilities			
Lease liabilities		470,622	118,064
Trade and other payables	14	3,628,246	1,639,704
Employee benefits	15	984,818	670,292
Total Current Liabilities		**5,083,686**	**2,428,060**
Non Current Liabilities			
Lease liabilities		787,877	130,281
Employee benefits	15	28,926	36,487
Total Non Current Liabilities		**816,803**	**166,768**
Total Liabilities		**5,900,489**	**2,594,828**
NET ASSETS		**20,044,721**	**18,735,831**
Equity			
Ordinary share capital	16	1,150,000	1,150,000
Retained earnings		18,894,721	17,585,831
TOTAL EQUITY		**20,044,721**	**18,735,831**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $	2022 $
Balance as at 1 July		**18,735,831**	**17,129,131**
<u>Total Comprehensive Income</u>			
Operating Surplus/(Loss)		1,308,890	1,606,700
Other comprehensive income		-	-
Total Comprehensive Income		**1,308,890**	**1,606,700**
Balance as at 30 June		**20,044,721**	**18,735,831**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		$	$
Cash Flow from Operating Activities			
Receipts from customers (inclusive of goods and services tax)		17,440,710	25,170,445
Payments to suppliers and employee benefits (inclusive of goods and services tax)		(18,802,603)	(23,398,470)
Interest income		50,077	2,472
Other revenue		620,774	739,384
Net cash provided by/(used in) Operating Activities	**17**	**(691,042)**	**2,513,831**
Cash Flow from Investing Activities			
Payments for plant and equipment		(1,199,130)	(673,801)
Payments for financial assets at fair value through profit or loss		(245,785)	(3,501,875)
Proceeds from sale of financial assets at fair value through profit or loss		327,104	4,951,953
Net cash (used in)/provided by Investing Activities		**(1,117,811)**	**776,277**
Cash Flow from Finance Activities			
Payments of lease liabilities		(199,439)	(252,632)
Net cash used in by Finance Activities	**17**	**(199,439)**	**(252,632)**
Net increase/(decrease) in cash held		**(2,008,292)**	**3,037,476**
Cash and cash equivalents at 1 July		6,955,616	3,918,139
Cash and cash equivalents at 30 June	**7**	**4,947,324**	**6,955,616**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. Statement of significant accounting policies

The financial statements of AusHealth Corporate Pty Ltd ('Parent entity') as a Group ('Group') comprise of AusHealth Corporate Pty Ltd and the entities it controlled at the end of, or during, the year were authorised for issue in accordance with a resolution of the Directors on 1st September 2023.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and Australian Accounting Interpretations of the Australian Accounting Standards Board (AASB).

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions
The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs except for financial assets through other comprehensive income, financial assets at fair value through the profit and loss and investment properties which are measured at fair value.

The financial statements are presented in Australian Dollars, rounded to the nearest dollar.

Compliance with IFRS
The financial statements comply with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AusHealth Corporate Pty Ltd (the 'Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year that ended. AusHealth Corporate Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Reporting Abbreviations
The following abbreviations are used in the notes to the financial statements;

• Institute of Medical and Veterinary Science	IMVS
• The Royal Adelaide Hospital*	RAH
• Central Adelaide Local Health Network	CALHN

* Royal Adelaide Hospital is a public hospital governed by CALHN, which is incorporated under the Health Care Act 2008.

Accounting policies

a. Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash includes cash on hand and all at call deposits with banks, financial institutions, and money market instruments with original maturities of three months or less and are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

b. Investments and other financial assets

Investments and financial assets are categorised as either financial assets at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

Recognition and derecognition
All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

Measurement
At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through the profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value are recognised in profit or loss within fair value gains/(losses).

Impairment
A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

c. Investment property

The Company has adopted the fair value model of investment property recognition for investment property located at 20 Dalgleish Street, Thebarton, South Australia. The property is leased to Oxoid Australia Pty Ltd and the original lease was for a period of 12 years, commencing September 2003, with two options to extend the initial term for periods of five years each. A variation to the lease agreement extended the initial term by 12 months from September 2015. The lessee exercised the first option to extend the lease for 5 years from September 2016. An additional variation provided for a 12 month extension to the first 5 year option from September 2021 to September 2022, which the lessee has exercised. The lessee current agreement is due to expire in September 2027.

An independent valuation of the asset was conducted in May 2023 in accordance with AASB 140 Investment Property. Details are disclosed in Note 12. The valuation will be updated every three years (consistent with SA Health accounting policy) or more regularly if there are indicators the most recent valuation is no longer appropriate.

Increases in the carrying amount arising on revaluation of the investment property are recognised in surplus/(loss). Details are disclosed in Note 6.

d. Property, plant and equipment

All property, plant and equipment assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to physical assets such as property, plant and equipment. The residual values, useful lives and amortisation methods of all major assets held by the company are reviewed and adjusted if appropriate on an annual basis.

Configuration and customisation costs for cloud-based software in a Software as a Service (SaaS) arrangement are expensed in the year in which they were incurred.

The value of any leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Fixed assets are measured at cost less accumulated depreciation and they are generally depreciated on a straight-line basis over the estimated useful life to the Company. Depreciation rates in the current and comparative period; plant and equipment 5% to 33% and computer equipment 20% to 33% per annum.

The Company adopted a fixed asset capitalisation threshold of $10,000 in the year ended 30 June 2007 which is also consistent with SA Health accounting policy. Management considers this to be appropriate.

e. Impairment of non-financial assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of inventory provided to staff for testing services is expensed when issued and classified as a selling expense. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

g. Trade receivables

Trade receivables, which generally have 30-day terms, are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as per AASB 15 Revenue from Contracts with Customers *para.* 63.

Collectability of trade receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectible are written off when identified. A loss allowance for expected credit losses on trade receivables has been calculated by using a provision matrix that takes into consideration various data including appropriate groupings of the Company's historical loss experience.

h. Employee benefits

Provisions have been made for the company's liability for employee entitlements arising from services rendered to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at the amount expected to be paid when the liability is settled plus related on-costs. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. These cash flows were discounted using market yields on corporate bonds with terms to maturity that reflect the expected timing of cash flows.

Company contributions to an employee superannuation fund are charged as expenses when incurred.

i. Provisions

Provisions are recognised when the Company 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 an outflow can be reliably measured.

j. Leases

i. *Company as a lessee:* Contracts are assessed to determine if the contract contains a lease or is a lease. If there is a lease present, a right of use assets and corresponding lease liability is recognised. However, all contracts that are classified as short-term leases (lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. Lease payments are discounted at the notional incremental borrowing rate. Interest expense calculated on the lease liability is recognised as an operating expense in the statement of comprehensive income.

The right of use asset comprises the initial measurement of the lease liability and any initial direct costs. Right of use assets are depreciated over the term of the lease, or the useful life of the underlying assets, whichever is the shorter.

ii. *Company as a lessor:* Leases in which the Company retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. The respective leased assets are included in the statement of financial position based on their nature.

k. Trade payables

Trade and other payables are recognised initially at fair value and subsequently valued at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

l. Significant accounting judgements, estimates and assumptions

Valuation of Investment Property
The fair value of investment property is determined at least every three years based on a valuation performed by an independent, experienced valuation expert with recognised professional qualifications. The valuation of the Investment Property is performed using the Market approach. This uses recent observable market data for similar properties as the basis for determining the investment property's fair value.

m. Revenue

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. Revenue is recognised upon delivery of the goods or services to the customer, as the company's right to consideration is deemed unconditional at this time and there is no significant financing component as the debtor amount is expected to be received within normal trading terms of 30 to 60 days.

Interest revenue is recognised as it accrues using the effective interest method. Interest revenue includes interest earned on funds held on behalf of other bodies.

Rental income from investment property is recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Rental revenue from subleased property is recognised as other revenue.

Dividends on financial assets are recognised in profit or loss as part of other revenue when the right to receive payments is established.

n. Specifically funded projects

The Company administers research and other projects which are specifically funded by external bodies.

o. Research and development

Research and development expenses which do not form part of a specifically funded project are recognised in surplus/(loss) if and when they are incurred.

p. Income tax

The Company is exempt from income tax.

q. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax.

Receivables and payables are stated in the financial statements with the amount of GST included. The net amount of GST payable to (or receivable from) the Australian Taxation Office is included as part of payables (or receivables) in the statement of financial position.

Cash flows in the cash flow statement have been reported on a gross basis.

2. Purpose

The Company was established to support the development of intellectual property for Central Adelaide Local Health Network (CALHN) and is a for profit entity for the purpose of preparing these accounts.

Since its establishment the Company has committed $50 million from its operating profits to support research for CALHN. This support, together with ongoing development of intellectual property for CAHLN from SA Pathology, the Royal Adelaide Hospital campus and The Queen Elizabeth Hospital campus, which the Company has licensed to biotechnology companies, ensures patents are developed and maintained, research is funded, intellectual property is licensed and development partners are engaged.

Principal activities
The principal activities of the Company for the year ended 30 June 2023 were the support of medical research and the development of intellectual property for CALHN through:
a. management and commercialisation services for intellectual property;
b. provision of medical and health related products and services to various markets;
c. provision of debt recovery, management, consultation and other related services.

During the year, the Company provided $3.1 million (2022 $1.9 million) in support of research and Intellectual Property Commercialisation.

Capital Management

The company's objectives when managing capital are:

- Safeguard their ability to continue as a going concern, so the company continues to provide funds to support medical research and benefits for other stakeholders and,
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3. Relationship with CALHN

AusHealth Corporate Pty Ltd is a proprietary company incorporated under the provisions of the Corporations Act 2001. The formation of the Company was promoted by the IMVS under the 1985 amendment to Section 14 (2) (ab) of the IMVS Act 1982.

Effective 1 July 2008 the Health Care Act 2008 was proclaimed, the IMVS dissolved and laboratory services previously provided by IMVS were consolidated with two other government laboratories to form SA Pathology, a unit of CALHN.

Effective 1 July 2011, the Health Care (Local Health Networks) Proclamation 2011 came into operation. The effect of this proclamation was to change the name of the Adelaide Health Service Incorporated to Central Adelaide Local Health Network Incorporated.

From 1 July 2011 all issued capital of the company (1,150,000 ordinary shares) is held by
Central Adelaide Local Health Network Incorporated. Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up the company.

No cash dividend has been declared or paid in 2022/23 (2021/22: Nil).

		2023 $	2022 $
4	**Expenses**		
	Operating surplus/(loss) attributable to the company has been determined after:		
	Expenses		
(a)	Allowance for credit loss	-	-
	Written off bad debts	(79)	(1,013)
		(79)	**(1,013)**
(b)	Finance expenses		
	Bank fees	58,155	68,081
	Interest on ROU lease liability	43,250	13,601
	Investment portfolio management fee	78,565	93,209
		179,970	**174,891**
(c)	Auditors remuneration for auditing the financial statements		
	Financial statement audit	26,000	26,000
	Fees for trust audits	13,000	12,000
	BDO Audit Pty Ltd	**39,000**	**38,000**
(d)	Short-term lease payments	83,015	39,321
		83,015	**39,321**
	Payments made under short term leases are expensed on a straight-line basis		
(e)	Depreciation and amortisation		
	Depreciation plant & equipment	373,946	333,919
	ROU lease depreciation	268,680	255,577
		642,626	**589,496**
(f)	Employee benefit expenses		
	Salaries and wages	9,717,278	9,641,086
	Defined contribution superannuation expense	872,690	862,019
	Other employee benefits expense	367,265	517,844
	Board fees	97,218	62,171
		11,054,451	**11,083,120**
5	**Revenue from contracts with customers**		
	Medical and health related products and services	10,696,600	17,267,053
	Debt management, consultation and other related services	6,619,266	5,306,523
		17,395,966	**22,573,576**
	Other income		
	Rental income from investment property	471,135	447,924
	Dividend income	149,639	291,299
		620,774	**739,223**
	Interest income		
	Interest income on term deposits	49,212	1,929
	Interest income on bank deposits	865	705
		50,077	**2,633**
	Revenue	**18,066,817**	**23,315,432**

		2023 $	2022 $
6	**Fair value gains / (losses)**		
	Revaluation of investments property at fair value	3,050,000	-
	Fair value gain/(loss) on investment revaluation	793,210	(891,039)
	Fair value gain/(loss) on disposal of financial assets through profit or loss	(115,067)	(98,094)
		3,728,143	**(989,133)**
7	**Cash and cash equivalents**		
	At call deposits with financial institutions	**4,947,324**	**6,955,616**
8	**Financial assets at fair value through profit or loss**		
	- shares in listed corporations	3,512,386	3,044,185
	- floating rate notes and fixed income mutual funds	254,800	258,934
	- listed securities and other mutual funds	1,762,954	1,630,198
		5,530,140	**4,933,317**
9	**Trade and other receivables**		
	Trade and other receivables	2,879,515	2,010,372
	Amounts receivable from related parties	714,250	171,690
	Allowance for credit loss (a)	(143,913)	(143,913)
		3,449,852	2,038,149
	Contract assets	46,845	4,933
	Prepaid expenses	242,579	244,319
		289,424	249,252
		3,739,276	**2,287,401**

(a) **Allowance for credit loss**

Trade receivables are non-interest bearing and are generally on 30 day terms. Allowance for credit loss is calculated on trade receivables ageing and customer ratings. No adjustment recognised by the Company in the current year.

	2023 $	2022 $
Movements in the provision for credit loss were as follows:		
At 1 July	143,913	143,913
Charge for the year	-	-
At 30 June	**143,913**	**143,913**

	2023 $	2022 $
At 30 June, the ageing analysis of trade receivables is as follows:		
Past due not impaired		
Up to 3 Months	879,927	157,198
> 3 Months	10,924	20,568
	890,851	**177,766**

Payment terms on these amounts have not been re-negotiated, however the Company provision for credit loss provided is sufficient allowance.

		2023	2022
		$	$
10	**Inventories**		
	Finished goods	228,081	455,789
		228,081	**455,789**
11	**Right of use lease assets**		
	Leased buildings	1,443,237	**489,222**
	Accumulated depreciation	(268,680)	(255,577)
	Leased buildings	**1,174,557**	**233,645**
	Movements in carrying amounts		
	Opening balance at 1 July	233,645	489,432
	Additions	1,216,416	-
	Disposals/Lease modifications	(6,824)	(210)
	Depreciation	(268,680)	(255,577)
	Carrying amount at 30 June	**1,174,557**	**233,645**
12	**Investment property**		
	Land and buildings at fair value	8,600,000	5,550,000
		8,600,000	5,550,000
(a)	Movements in carrying amounts		
	Land and buildings at fair value - opening balance	5,550,000	5,550,000
	Net gain from fair value adjustment	3,050,000	-
	Carrying amount at end of year	**8,600,000**	**5,550,000**

(b) Land and buildings are leased to an external party pursuant to an operating lease.

An independent valuation of the investment property located at 20 Dalgleish Street, Thebarton was prepared by Knight Frank, Qualified Valuers and Property Consultants, in accordance with Australian Accounting Standard AASB140 as at June 2023. In assessing the market value, the valuer has adopted the capitalisation of net market approach as the primary valuation method with the direct comparison approach as a check method. This resulted in a level 2 fair value. Fair value hierarchy has been explained in detail in note 23(i). The market fair value of the property was determined to be $8,600,000 at 30 June 2023 Under State government policy this class of asset is required to be independently valued every 3 years. Next valuation for this purpose is due June 2026.

Rental income amounting to $471,135 has been recognised during the year (2022: $447,924). The lessee is responsible for payment of all outgoings.

		2023 $	2022 $
13	**Plant and equipment**		
	Plant and equipment at cost	2,680,705	2,814,076
	Accumulated depreciation	(1,064,873)	(1,996,145)
	Work in progress	110,000	96,960
	Total plant and equipment	**1,725,832**	**914,891**
	Movements in carrying amounts		
	Plant & equipment		
	Opening balance at 1 July	817,931	575,009
	Transfers work in progress	1,186,090	576,841
	Depreciation	(373,946)	(333,919)
	Balance 30 June	**1,615,832**	**817,931**
	Work in progress		
	Opening balance at 1 July	96,960	-
	Transfers	(1,186,090)	(576,841)
	Additions	1,199,130	673,801
	Balance 30 June	**110,000**	**96,960**
	Carrying amount at 30 June	**1,725,832**	**914,891**
14	**Trade and other payables**		
	Current		
	Trade creditors	945,388	394,176
	Amounts payable to related parties	222,344	93,029
	Sundry and other creditors	2,460,514	1,152,499
		3,628,246	**1,639,704**

Current liabilities include amounts held on behalf of other parties $1,962,303 as at 30 June 2023 ($649,628 as at 30 June 2022) that are payable on demand but are unlikely to be required at short notice.

		2023 $	2022 $
15	**Employee benefits**		
	Current		
	Annual leave entitlements	465,142	336,741
	Other employee entitlements	185,796	-
	Long service leave entitlements	333,880	333,551
		984,818	**670,292**

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision 2023 - $984,818 (2022 - $670,292) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience the following amounts reflect the leave not expected to be taken or paid within the next 12 months.

		2023 $	2022 $
	Current Leave obligations to be settled after 12 months	550,277	374,532
	Non-current		
	Long service leave entitlements	**28,926**	**36,487**
	Total employee entitlement liability	**1,013,744**	**706,779**
16	**Issued capital**		
	1,150,000 fully paid ordinary shares	1,150,000	1,150,000

No cash dividend has been declared or paid in 2022/23

		2023	2022
		$	$
17	**Reconciliation of net profit to net cash flows from operations**		
	Surplus/(loss) for the year	1,308,890	1,606,700
	Depreciation and amortisation	656,870	589,496
	Fair value (gain)/loss on financial assets through profit or loss	(3,728,143)	989,133
	Changes in assets and liabilities		
	(Increase)/Decrease in trade and other receivables	(1,451,875)	256,401
	(Increase)/Decrease in inventories	227,708	(152,621)
	Increase/(Decrease) in trade and other payables	1,988,542	(848,924)
	Increase/(Decrease) in employee benefits	306,965	73,646
	Cash inflow/(outflow) from operating activities	**(691,042)**	**2,513,831**
	Non-cash investing and financing activities		
	Balance at the beginning of the year	233,645	489,432
	Additions to right of use lease assets	1,216,416	-
	Disposal of right of use lease assets	(275,504)	(255,787)
		1,174,557	**233,645**
	Changes in liabilities arising from financing activities		
	Balance at the beginning of the year	259,281	512,123
	Lease modifications	(6,824)	(210)
	Net cash from/(used in) financing activities	(199,439)	(252,632)
	Balance at 30 June 2023	**53,018**	**259,281**
18	**Capital expenditure commitments**		
	The company	**62,749**	**215,730**

19 Key management personnel

(a) Details of key management personnel

Directors

Michael Anthony Reid
Andrew Christopher Zannettino
Gregory Harold Johansen
Stephen Anthony Livesey
Kiara Denese Bechta-Metti (Ceased 15/05/2023)
Susannah Hayden (Appointed 14/05/2023)

		2023	2022
(b)	**Compensation for key management personnel**		
	Short-term benefits	534,482	435,248
	Long-term benefits	29,184	25,028
		563,666	**460,276**

20 Superannuation commitments

During the financial year the Company participated in an employee superannuation plan. The Company pays fixed contributions into separate entities and has no legal or constructive obligation to pay further amounts. Benefits provided under the plan are based on accumulated contributions and fund earnings for each employee.

Obligations for contributions to defined superannuation plans are recognised as an employee benefit expense in note 4(f).

21 Related party transactions

The Company undertook the following transactions with CALHN, under arms length commercial terms and conditions:

	2023	2022
- sales of goods and services	2,803,794	3,032,818
- acquisition of goods and services	673,327	213,501
- amounts receivable from	714,250	171,690
- amounts payable to	222,344	93,029

22 Financial risk management objectives and policies

The Company's principal financial instruments comprise, receivables, trade and other payables, financial assets at fair value through profit or loss, cash and short term deposits. The Company manages its exposure to key financial risk including interest rate and currency risk in accordance with the Board's policy of managing the majority of its financial investments through an independent, professional investment advisor who provides regular portfolio performance reports for Board review, overseeing the Company's liquidity and ensuring timely turnover of receivables and payables.

The Board reviews and agrees policies for each of the risks identified below.

(a) Interest rate risk

This item relates to the Company's exposure to interest rate risk i.e., the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average market interest rates on those financial assets.

Weighted average effective interest rate		
cash at bank	0.40%	0.38%
short term deposits less than 3 months from the end of the reporting period	0.00%	0.00%
short term deposits greater than 3 months from the end of the reporting period	0.00%	0.00%
cash at bank	4,947,324	6,955,616
short term deposits less than 3 months from the end of the reporting period	-	-
short term deposits greater than 3 months from the end of the reporting period	-	-
	4,947,324	**6,955,616**

Interest rates on all the financial assets detailed above are either fixed for various terms ranging from 3 to 7 months or are floating and are reset to market rates at maturity.

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

	Profit - higher (lower)	
	2023	**2022**
	$	**$**
+1% (100 basis points)	1,979	2,643
-1% (100 basis points)	(1,979)	(2,643)

(b) Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the statement of financial position as fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company ensures the majority of the equities can be converted to cash through a public stock market trade and diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

The following sensitivity analysis is based on equity market risk exposure in existence at end of the reporting period:

	Profit - higher (lower)	
	2023	**2022**
	$	**$**
+11.2% (2022 9.8%)	619,376	483,465
-11.2% (2022 -9.8%)	(619,376)	(483,465)

Profit for the period would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss.

The amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss held by the Company are disclosed in Note 9.

(c) Foreign currency risk
The Company has an exposure to foreign currency risk on inventory purchases in currencies other than Australian dollars. The risk is not significant and is managed via a forward contract facility once firm commitments have been made.

(d) Credit risk
The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. Note 10 details the movement in the provision for credit loss and the receivables past due but not impaired.

(e) Liquidity risk

The Company has significant funds invested in fair value through profit or loss, hybrid debt instruments which provide high liquidity. The Company also manages its cash flow to ensure it meets its obligations to creditors in a timely manner.

At the end of the reporting period the Company held deposits at call of $4,945,664 (2022 $6,955,616) that are expected to readily generate cash inflows for managing liquidity risk.

(f) Fair value hierarchy

(i)Financial assets

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2:The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**
30 June 2023 - financial assets at fair value	**5,530,140**	**-**	**-**
30 June 2022 - financial assets at fair value	4,933,317	-	-

The fair value of shares held by the Company is determined by reference to the quoted prices provided by Morgan Stanley private wealth management (the Company's investment Adviser) at the end of the reporting period. The fair value is classified as Level 1 of the fair value hierarchy as per AASB 13.27A. For all other financial instruments, Aushealth considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements to be their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

(ii) Non-financial assets

Investment property	**Level 1**	**Level 2**	**Level 3**
30 June 2023 - Land and buildings	**-**	**8,600,000**	**-**
30 June 2022 - Land and buildings	-	5,550,000	-

The valuation method for the investment property has been disclosed in note 13.

23 Events after reporting period

There have been no matters or circumstances that have arisen since the end of the year that have significantly affected, or may significantly affect the Company’s operation, the results of those operations or the Company’s state of affairs in future financial years.

24 Contingent assets

No contingent assets identified

25 Contingent liabilities

The company has no contingent liabilities at 30 June 2023. (2022:$ nil)

26 Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

	Ownership interest	
Name	**2023**	**2022**
AusHealth Hospital Research Fund Ltd.	100%	100%
(Principal place of business and country of Incorporation - Australia)		

27 Parent entity information

STATEMENT OF COMPREHENSIVE INCOME		
Total Comprehensive Income	1,308,890	1,606,700
STATEMENT OF FINANCIAL POSITION		
Total Assets	26,045,210	21,330,659
Total Liabilities	6,000,489	2,594,828
NET ASSETS	20,044,721	18,735,831
Equity		
Ordinary share capital	1,150,000	1,150,000
Retained earnings	18,894,721	17,585,831
TOTAL EQUITY	**20,044,721**	**18,735,831**

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

1. Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
2. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

28 Company details

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

AusHealth Corporate Pty Ltd
65 Hardys Road
Underdale SA 5032

The Company is a company limited by shares, incorporated and domiciled in Australia.

AUSHEALTH CORPORATE PTY LTD
ABN 15 008 089 745

DIRECTORS' REPORT

Your directors present their report on Aushealth Corporate Pty Ltd (the Company) for the financial year ended 30 June 2023 together with the external audit report thereon.

1. Directors

The names of the directors in office at any time during or since the end of the year are:

Mr Gregory Harold Johansen
Mr Michael Anthony Reid
Mr Gary Leonard Seach
Prof Andrew Christopher William Zannettino
Dr Stephen Anthony Livesey
Ms Kiara Denese Bechta-Metti (Ceased 15/05/2023)
Mrs Susannah Lawrie Hayden (Appointed 14/05/2023)

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

2. Review of operations

The Company is a for profit organisation and the total profit for the Company for the financial year was $1,308,890 after the provision of $2,033,385 in patent fees and grants to support medical research.

In 2022 the Company lodged and received a certificate of registration for 'The Aushealth Hospital Research Fund Ltd' established to support medical researchers in South Australia to be more successful in attracting funds for large-scale medical research and programs. 'The Aushealth Hospital Research Fund Ltd' is a registered deductible gift recipient and charity ABN 85657333858. Effective 01/07/2023 the company will be transitioning all operations including assets held at balance day to the 'The Aushealth Hospital Research Fund Ltd, with the purpose of continuing to promote the prevention and management or control of disease in humans.

Aushealth Corporate Pty Ltd is exempt from the payment of income tax.

3. Principal activities

The Company was established to support the development of intellectual property for Central Adelaide Local Health Network (CALHN).

Since its establishment the Company has committed $50 million from its operating profits to support research for CALHN. This support, together with ongoing development of intellectual property for CALHN from SA Pathology, the Royal Adelaide Hospital campus and The Queen Elizabeth Hospital campus, which the Company has licensed to biotechnology companies, ensures patents are developed and maintained, research is funded, intellectual property is licenced, and development partners are engaged.

The principal activities of the Company for the year ended 30 June 2023 were the support of medical research and the development of intellectual property for CALHN through:

a. management and commercialisation services for intellectual property;
b. provision of medical and health related products and services to various markets;
c. provision of debt management, consultation and other related services.

During the year, the Company provided $3.1 million in support of research and Intellectual Property Commercialisation.

4. Significant changes in the state of affairs

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

5. Events Subsequent to the End of the Reporting Period.

There are no known subsequent events that would impact the reported results.

6. Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the Company's activities incorporate negotiating agreements for the commercialisation of intellectual property or the provision of such services and are often:

a. carried out under confidentiality agreements;
b. undertaken via agreements that are commercial in confidence; and/or
c. of a nature that disclosure would provide third parties with a commercial advantage.

Accordingly, it is considered that disclosure could materially disadvantage the Company and would be unreasonably prejudicial.

7. Environmental Regulation

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

8. Dividends

No dividends have been declared or paid during the year.

9. Options

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

10. Director's benefits

No director has received, or become entitled to receive, a benefit (other than a benefit in the aggregate amounts of emoluments received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company), by reason of a contract made by the Company or related Corporation with the director or with a firm of which he/she is a member, or with a Company in which he/she has a substantial financial interest.

11. Indemnifying Officers or Auditors

a. During the financial year the Company has paid an insurance premium of $8,047 for a contract of indemnity against a liability incurred as a director or officer for the costs or expenses to defend legal proceedings in respect of persons who are or were directors or officers of the Company.

b. The Company has not, during or since the end of the financial year, in respect of any person who is or has been an Auditor of the Company or of a related body corporate:
   i. indemnified or made any relevant agreement for indemnifying against a liability incurred as an Auditor, including costs and expenses in successfully defending legal proceedings or
   ii. paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an Auditor for the costs or expenses to defend legal proceedings.

12. Proceedings on Behalf of the Company

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

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

13. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 22.

Signed in accordance with a resolution of the Board of Directors

Director:

Dated: this 4th day of September 2023

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

DECLARATION OF INDEPENDENCE BY PAUL GOSNOLD TO THE DIRECTORS OF AUSHEALTH CORPORATE PTY LTD

As lead auditor of AusHealth Corporate Pty Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit;

This declaration is in respect of AusHealth Corporate Pty Ltd and the entity it controlled during the period.

Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 31 August 2023

AUSHEALTH CORPORATE PTY LTD
ABN 15 008 089 745

DIRECTORS' DECLARATION

The directors of Aushealth Corporate Pty Ltd declare that:

(1) the financial statements and notes, as set out on pages 1 to 18, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

(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.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of directors by:

Director:

Dated: this 4th day of September 2023

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSHEALTH CORPORATE PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AusHealth Corporate Pty Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and consolidated notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of AusHealth Corporate Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO

BDO Audit Pty Ltd

Paul Gosnold

Paul Gosnold
Director

Adelaide, 4 September 2023