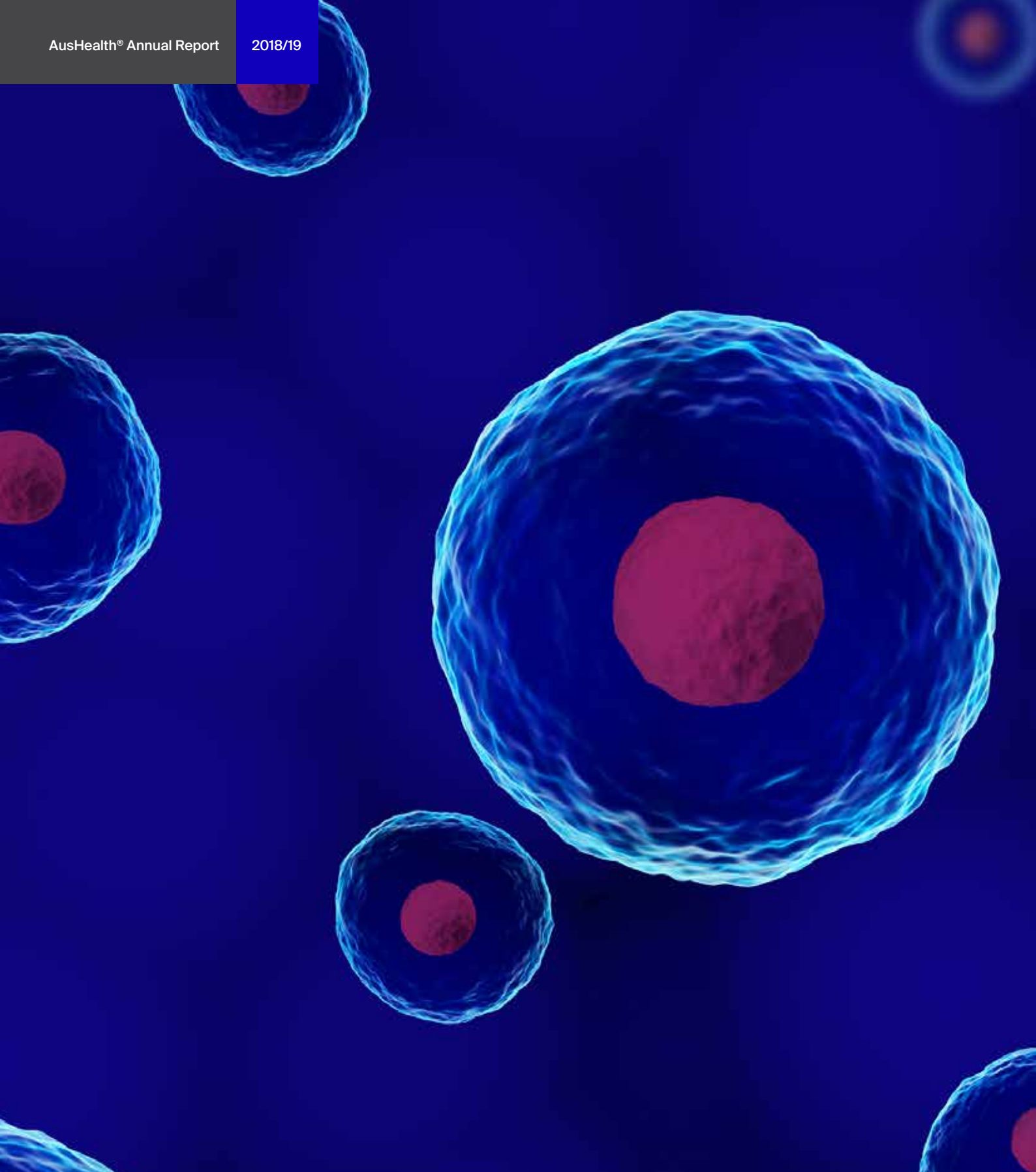




AusHealth®

ANNUAL REPORT

2018-19



AusHealth continued to invest in Monotreme and Spider venom research that is hoped to improve type II diabetes, gut health and pain management in patients, APOMAB® cancer research, medical instruments such as the Vial Hugger, research into healthy mothers and babies, imaging and diagnostics, fatigue in the workplace and burns app development.

AusHealth continues to invest in research supporting innovations in human immune technology.

2018/19 HIGHLIGHTS

- AusHealth underwent an organisational re-brand in September 2018 to provide a greater focus on the two divisions – AusHealth Work & AusHealth Hospitals. This has provided increased accountability of both sales and operations in each business unit.
- All business divisions exceeded their revenue budgets this year, AusHealth Hospitals by 36%.
- AusHealth contributed \$1,700,000 to research this year.

12,025

TOTAL
VACCINATIONS

147,209

TOTAL DRUG AND
ALCOHOL TESTS

416

NATIONALLY RECOGNISED
AWARDS ISSUED

83%

EMPLOYEE
SATISFACTION

269

NUMBER OF
EMPLOYEES

\$14.6m

FUNDS RETURNED TO
PUBLIC HOSPITALS

ANNUAL REPORT CONTENTS

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AusHealth, through its Work division, gained successful tender outcomes with its long-standing rail clients, making AusHealth Work the leaders in rail safety nationally.

A rail worker based in Melbourne. AusHealth Work performs drug and alcohol testing on-site through its national Collector network.



Research to reality

AusHealth continues to work with researchers to identify biomarkers using maternal blood samples resulting in healthier mothers and babies.



MANAGING DIRECTOR'S MESSAGE

This has been a truly outstanding year for AusHealth. We have generated a record profit of 2.2 million dollars through a restructure and focusing our efforts better. This is double our profit from the previous year. We have also re-branded the business, adding the AusHealth brand name to all divisions. The board thought this was a better reflection of where the business is heading in the future, which is into worker health and hospital services.

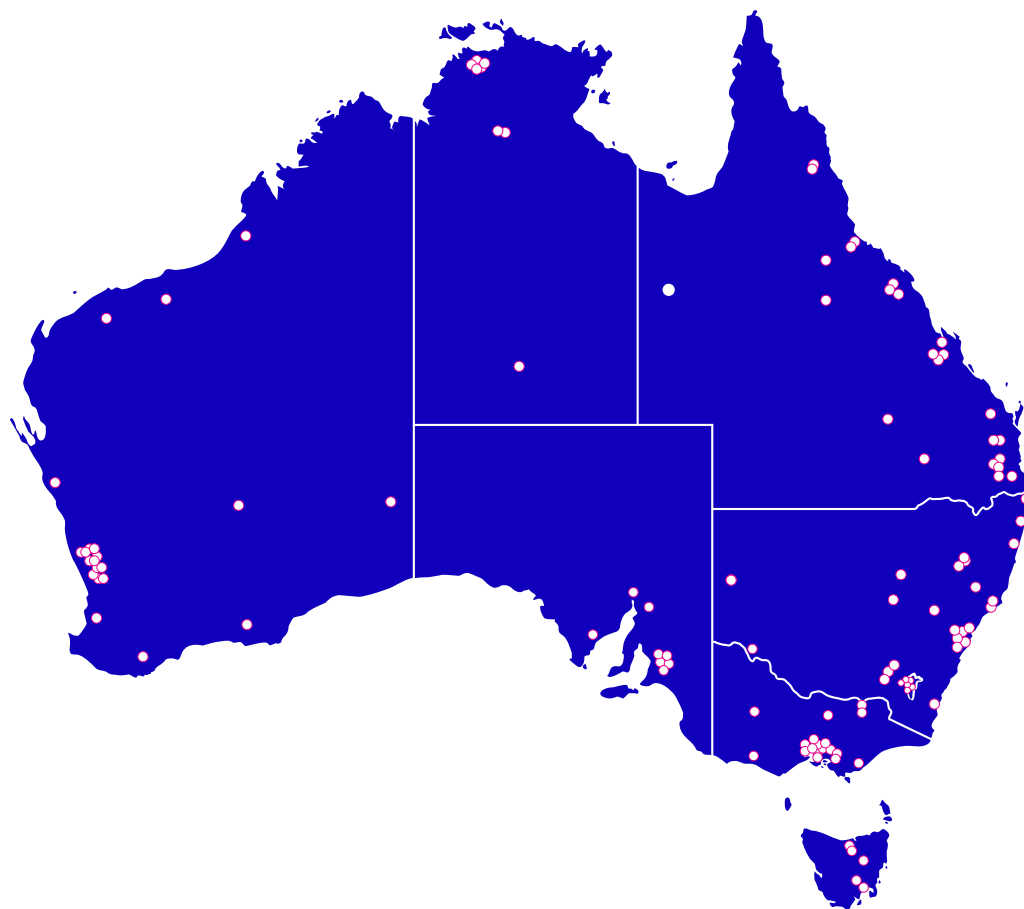
AusHealth Research has had some significant successes this year with the development of a joint trial with Telix Pharmaceuticals. We are working together with Telix towards a first in human trial of a new cancer treatment, APOMAB, developed in South Australia at the Royal Adelaide Hospital. We also launched the ClinMAPS™ PRO App, which is a user-friendly smart-phone App that provides efficiency, convenience, functionality and portability for clinicians and patients when assessing scar healing and scar assessment scales. We successfully developed and commercialised the VialHugger, a new device designed by a surgeon at the Royal Adelaide Hospital, to remove the risk of accidental needle stick during surgery. We have sold over 400 units of the VialHuggers internationally over the last year.

AusHealth Hospitals has engaged new clients in most states of Australia and makes the most of its income from interstate contracts. The AusHealth Work division is now one of the largest providers of workplace drug testing to transport and logistics businesses in Australia, holding contracts with major corporations in road, rail and air transport. We have at any time several on-going research and commercialisation projects with multiple hospitals, universities and research centres over the world, and are proudly taking South Australian medical research to clients and researchers globally.

A handwritten signature in blue ink, appearing to read 'G. Johansen', written in a cursive style.

Greg Johansen
MD & CEO, AusHealth Corporate Pty Ltd

OUR NETWORK



OFFICE LOCATIONS

AUSHEALTH NATIONAL OFFICE

65 HARDYS ROAD
UNDERDALE SA 5032
T 1800 663 838

VICTORIAN OFFICE

4 CHIFLEY DRIVE
PRESTON
VIC 3072

QUEENSLAND OFFICE

UNIT 16, 67 O'CONNELL TERRACE
BOWEN HILLS
QLD 4006

OUR VISION

2018/19

➤ GROW OUR BUSINESS TO ALLOW US TO INVEST \$2 MILLION ANNUALLY IN IDENTIFYING, SHAPING AND ADVANCING HEALTH AND MEDICAL SCIENCE WITH THE GOAL OF CREATING NEW BUSINESS ENTERPRISES.

01

ONE



To be the first choice in Australian workplace health and safety solutions.

02

TWO



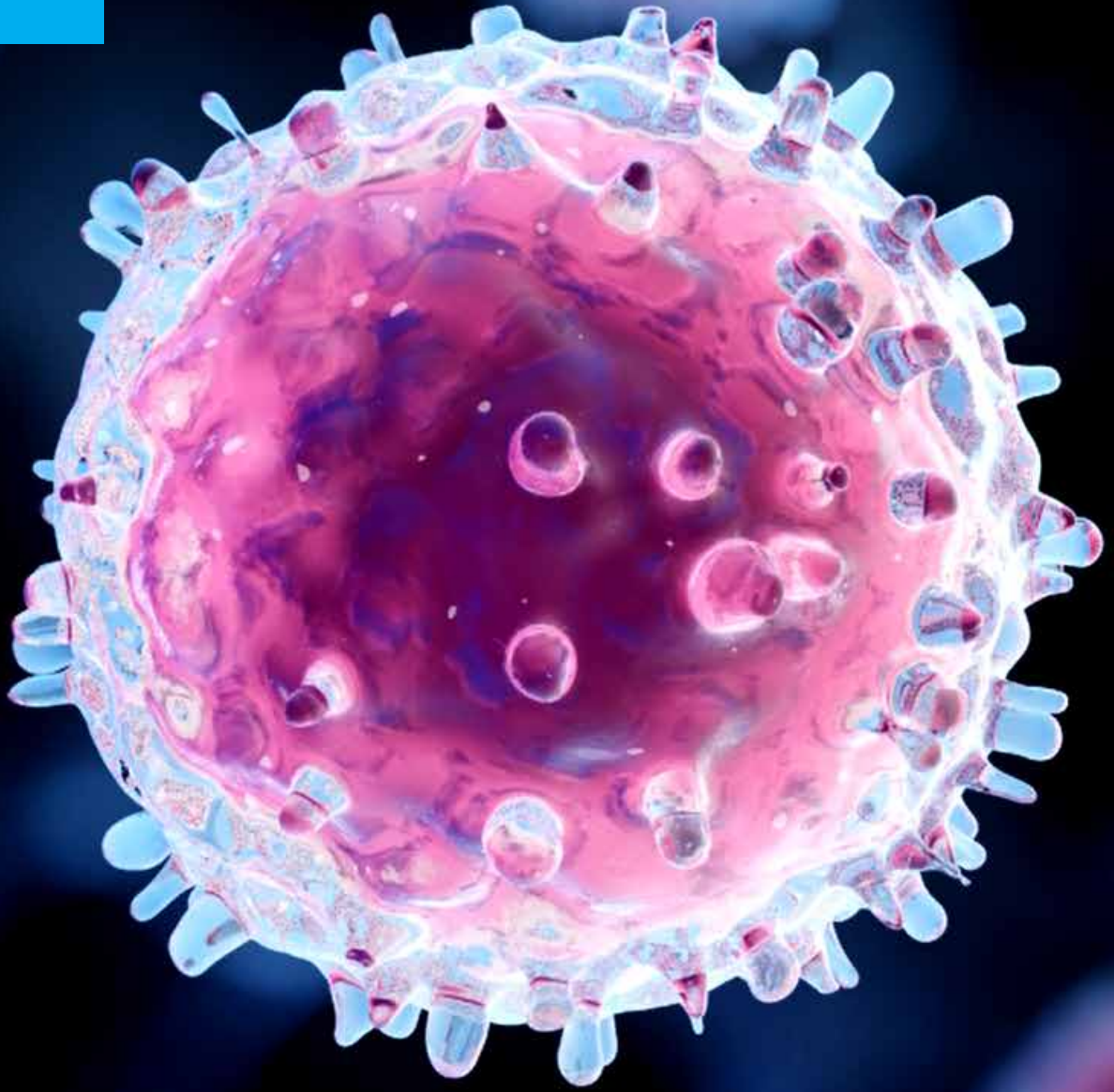
To be the preferred provider of payment solutions to health services in Australia.

03

THREE



To be Australia's largest and most successful hospital research commercialisation service.



“A world-first clinical trial of a potential breakthrough to fight lung and ovarian cancer, developed by researchers at the Royal Adelaide Hospital, will begin next year. This trial is the result of almost a decade of research and development at the RAH into this relatively new way of treating cancers and has the potential to help improve treatment regimens and survival.”
Greg Johansen MD and CEO, AusHealth.

APOMAB® uses antibodies which carry a low dose of radiation and target a specific protein that is created by dying or dead cancer cells.

AUSHEALTH RESEARCH



Dr Ehud Hauben, PhD MBA
National Commercialisation Manager

KEY HIGHLIGHTS

- Signed an agreement with Telix Pharmaceuticals to clinically develop APOMAB™ for lung and ovarian cancer. In 2020, we will launch a clinical trial in the Royal Adelaide Hospital aimed at validating the diagnostic and therapeutic potential of APOMAB™.
- Selected new GLP-1 receptor agonists from platypus and echidna as potential treatment for type-2 diabetes, within a collaborative project with participants across 3 continents.
- Oversaw the full product development of Vial Hugger, a medical aid for ophthalmologists to improve sterility and eliminate the risk of needlestick injuries. Over 400 Vial Huggers are in daily use in ophthalmic injection workstations throughout Australia.
- Achieved 250 regular users internationally of the award-winning ClinMAPS PRO, an iOS-based app that helps burns unit clinicians objectively assess scar healing.
- Started the analysis of patient samples in search for novel prognostic markers of prostate cancer.
- Established proof-of-principle for an improved CT scanner using a newly-developed radiation source.
- Identified a novel biomarker panel for early diagnosis of Down syndrome using maternal blood samples.
- Invested 1.7 million dollars into the commercialisation of medical technologies invented by Central Adelaide Local Health Network.

AusHealth Research maintains a diverse commercialisation portfolio and works closely with hospitals and universities. We provide dedicated customer service with a focus on commercial development of innovative medical products and services.

KEY STAGES OF RESEARCH

Innovation

AusHealth Research helps protect the intellectual property of hospitals and research teams, while driving the commercial development strategy to shorten time-to-market and maximise revenues.

Preclinical Proof of Concept

In vivo testing, prototyping and optimisation.

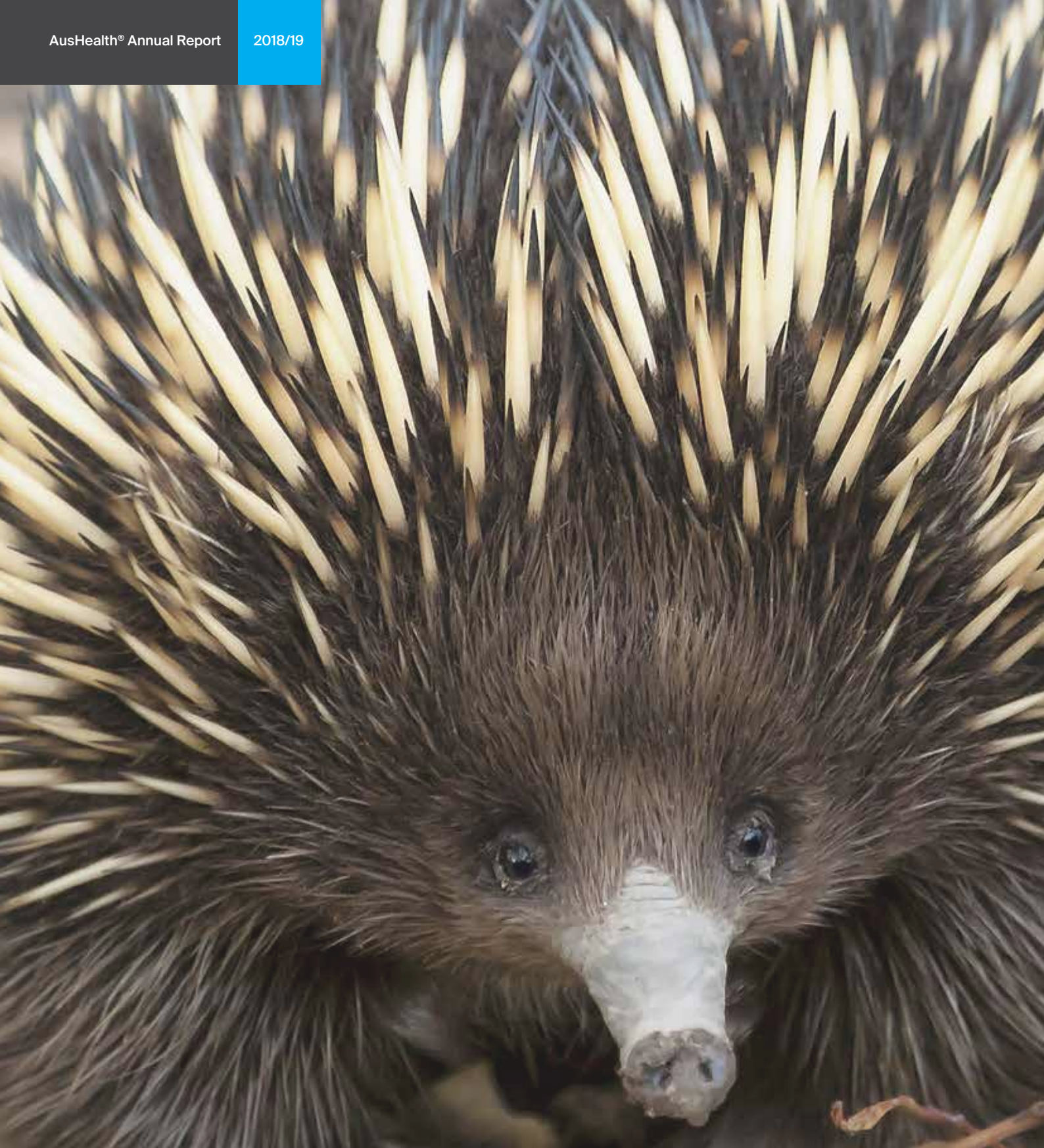
Preclinical research further develops the idea, addresses safety risks - and pushes ideas forward to a marketable product or service.

Clinical Proof of Concept

Human clinical trials, commercial scale manufacturing and industrial design. AusHealth Research works with scientists, clinicians and hospital staff to plan, execute and finance trials.

Licence-out or Spin-off, and Monitor

This is the final stage where a product is in the market, saving lives or improving health or medical practice. AusHealth Research determines the best route to the healthcare market, monitors progression of the business plan, rewards inventors and reinvests revenues in medical R&D.



AusHealth has committed \$250,000 in project funding over 2 years - and closely supports commercial assessment, development planning and experimental design towards in vivo proof of concept.

It is hoped that further investigation of this key hormone present in two of Australia's most iconic species will lead to a more effective and safer medicine for Type 2 diabetes patients.

NEW PROJECTS

MONOTREME GLP1

PROJECT LEAD:

PROFESSOR
FRANK GRUTZNER,
EVOLUTIONARY
BIOLOGY, UNIVERSITY
OF ADELAIDE

One of the world's most important blood glucose lowering agents for diabetes treatment is exenatide, a GLP1 analogue present in the venom of echidnas and platypuses. It is hoped that further investigation of this key hormone present in two of Australia's most iconic species will lead to a more effective and safer medicine

for Type 2 diabetes patients. AusHealth Research identified an opportunity based on the discovery made by a University of Adelaide research team of monotreme GLP1 variants present in platypus and echidna venoms. These efforts have resulted in a strategic collaborative team including:

- [The Royal Adelaide Hospital](#)
- [SAHMRI](#)
- [University of Adelaide](#)
- [Flinders University](#)
- [Monash University](#)
- [Taronga Zoo](#)
- [University of Copenhagen, and](#)
- [University of Missouri](#)

The aim of the project is to develop safe and efficacious treatments for Type 2 diabetes and obesity.



APOMAB® is far superior to traditional beam therapy in that it can target the cancer with precision, reducing ‘collateral’ damage to healthy tissue.

APOMAB® was developed by the team led by Professor Michael Brown at the RAH with support from AusHealth Research.

NEW PROJECTS

APOMAB®

PROJECT LEAD:

DR MICHAEL
BROWN
HEAD, CLINICAL
TRIALS UNIT ROYAL
ADELAIDE HOSPITAL

APOMAB® is a novel antibody platform technology that targets proteins present in fast-growing cancerous tumours.

APOMAB® was developed by the team lead by Professor Michael Brown at the RAH with support from AusHealth. The technology works by targeting the La/SSB protein, which is only accessible for binding in dying or dead cancer cells.

Neighbouring cancer cells are then killed via a mechanism called 'bystander killing' - with either infiltrating immune cells, a warhead cytotoxin or radioisotope. APOMAB® has the ability to deliver a poison to wherever the cancer cell is in the body. APOMAB® has global potential.

Targeted radio-pharmaceutical technology is the future for the treatment of these diseases.

APOMAB® is far superior to traditional beam therapy in that it can target the cancer with precision, reducing 'collateral' damage to healthy tissue.

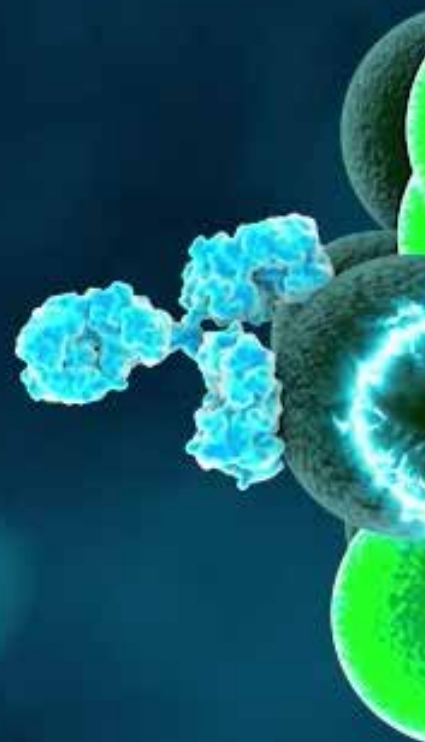
Clinical trials towards full commercialisation of APOMAB® technology commence in early 2020.

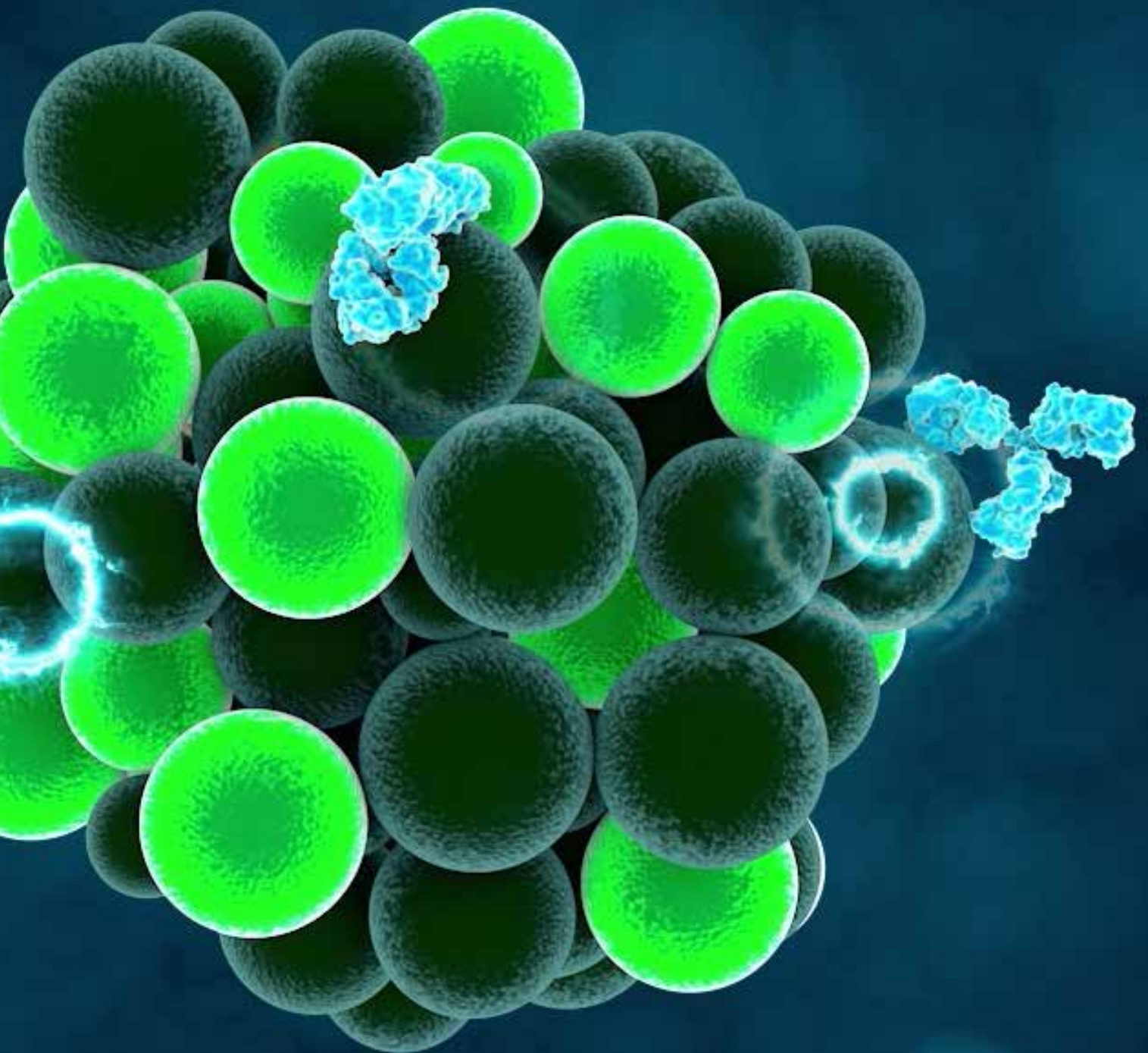
A successful clinical outcome of this project will not only tackle lung and ovarian cancer using world-first targeted radio-pharmaceutical technology but also have far reaching economic benefits for South Australia.

The APOMAB® technology works by using antibodies to target the La/SSB protein, which is expressed by distressed cancer cells such as those found in patients that have been pre-treated with chemotherapeutic agents.

Neighbouring cancer cells are then killed via a mechanism called ‘bystander killing’ that is typically delivered by a toxin or radioactive “warhead”, which in turn has the effect of recruiting the immune system into the cancer-fighting process.

As such, APOMAB® has the potential to significantly boost the efficacy of many existing cancer treatments.







AusHealth Research initiated of a strategic collaboration between Dr Emilie Mas, pictured above, Professor Lisa Butler (University of Adelaide) and Dr Enzo Ranieri's group at CALHN, with extensive expertise in lipid profiling.

AusHealth Research has committed \$200,000 in funding toward this project and is now driving project development strategy.

NEW PROJECTS

PROSTATE CANCER PROGNOSTIC

PROJECT LEAD:

DR EMILIE MAS
PROF LISA BUTLER
PROSTATE CANCER
UNIT UNIVERSITY OF
ADELAIDE

AusHealth Research's efforts are now aimed at refining this novel prognostic signature for the development of a screening test to inform oncologists and improve disease management.

AusHealth Research initiated a strategic collaboration between Dr Emilie Mas, Professor Lisa Butler, University of Adelaide and Dr Enzo Ranieri's group at Central Adelaide Local Health Network, with extensive expertise in lipid profiling. AusHealth Research has committed \$200,000 towards funding this project and commercialisation strategy.

The global research priority for prostate cancer is to identify which patients need treatment for the lethal disease and how extensive that treatment regimen must be.

Biomarker data generated from a cohort by the Baker Medical Research Institute revealed candidate markers that could be associated with metastatic relapse.



ClinMAPS is now used in over 30 countries around the world and its new 2.1.0 version, incorporating the Japanese scar scale, is now live.

Pictured above are Rochelle Kurmis and Tanja Klotz, inventors of the ClinMAPS technology.

NEW PROJECTS

CLINMAPS PRO

PROJECT LEAD:

TANJA KLOTZ
BURNS UNIT
ROYAL ADELAIDE
HOSPITAL

ClinMAPS™ PRO is a user-friendly smart-phone App, currently available free to download in the iOS App Store, that provides efficiency, convenience, functionality and portability for clinicians and patients when assessing scar healing and scar assessment scales.

The app allows clinicians and researchers to accurately record the location of the scar for re-assessment by dropping a pin on one of the charts provided or onto a photograph taken with the device's camera or from a photo library.

The app allows for the assessment and scoring of scar parameters and efficiently follows the process required for the assessment being conducted.

Notes may be entered in the separate notes section. Scores are then totalled automatically and entered into a printable report that can be sent to a linked printer or attached to an email as a pdf.



To ensure patient confidentiality, no patient data is stored within the app. Patient details can be added on the pdf or handwritten on the printed report once the report has been produced.

The report is then ready for insertion into an electronic or paper record.

IN-APP SCAR ASSESSMENT TOOLS

- **Matching Assessment using Photographs with Scars (MAPS)**
- **Modified Vancouver Scar Scale (mVSS)**
- **Patient Reported Outcomes questionnaire**
- **Japan Scar Workshop Scar Scale (JSW Scar Scale)**
- **POSAS Patient Scale v2.0/EN**
- **POSAS Observer Scale v2.0/EN**



*“The VialHugger is one of those clever South Australian inventions by a brilliant surgeon who sees a problem and thinks of a solution...”
Greg Johansen, MD AusHealth.*

Pictured right is
Ophthalmologist Dr
Weng-Onn Chan.



Dr Weng-Onn Chan
Inventor, Vial Hugger

NEW PROJECTS



VialHugger®

DR WENG-ONN CHAN
OPHTHALMOLOGY UNIT
ROYAL ADELAIDE
HOSPITAL

ADELAIDE INVENTION HELPING EYE CLINICS INTERNATIONALLY

The VialHugger, invented by Dr Chan, a Royal Adelaide Hospital doctor, is helping to improve the safety and efficiency of drawing liquid from vials at eye clinics around the world.

An Ophthalmologist, Dr Weng-Onn Chan said he developed the VialHugger as a necessity, due to flaws in the previous method.

In the past, a nurse would be required to hold the vial in place while the eye doctor inserted the syringe.

But this puts the nurse at risk of being pricked and just isn't practical when a doctor is constantly moving from patient to patient.

By using the VialHugger, the doctor can perform the task on their own while also maintaining the sterility of the needle, which is of the utmost importance, especially when you are dealing with a patient's eyes.

The device is weighted and uses an adjustable resistance pin to lock the vial securely into place with a simple push.

From there, the user can insert the syringe into the vial and draw the liquid out, with the certainty that the vial will not move.

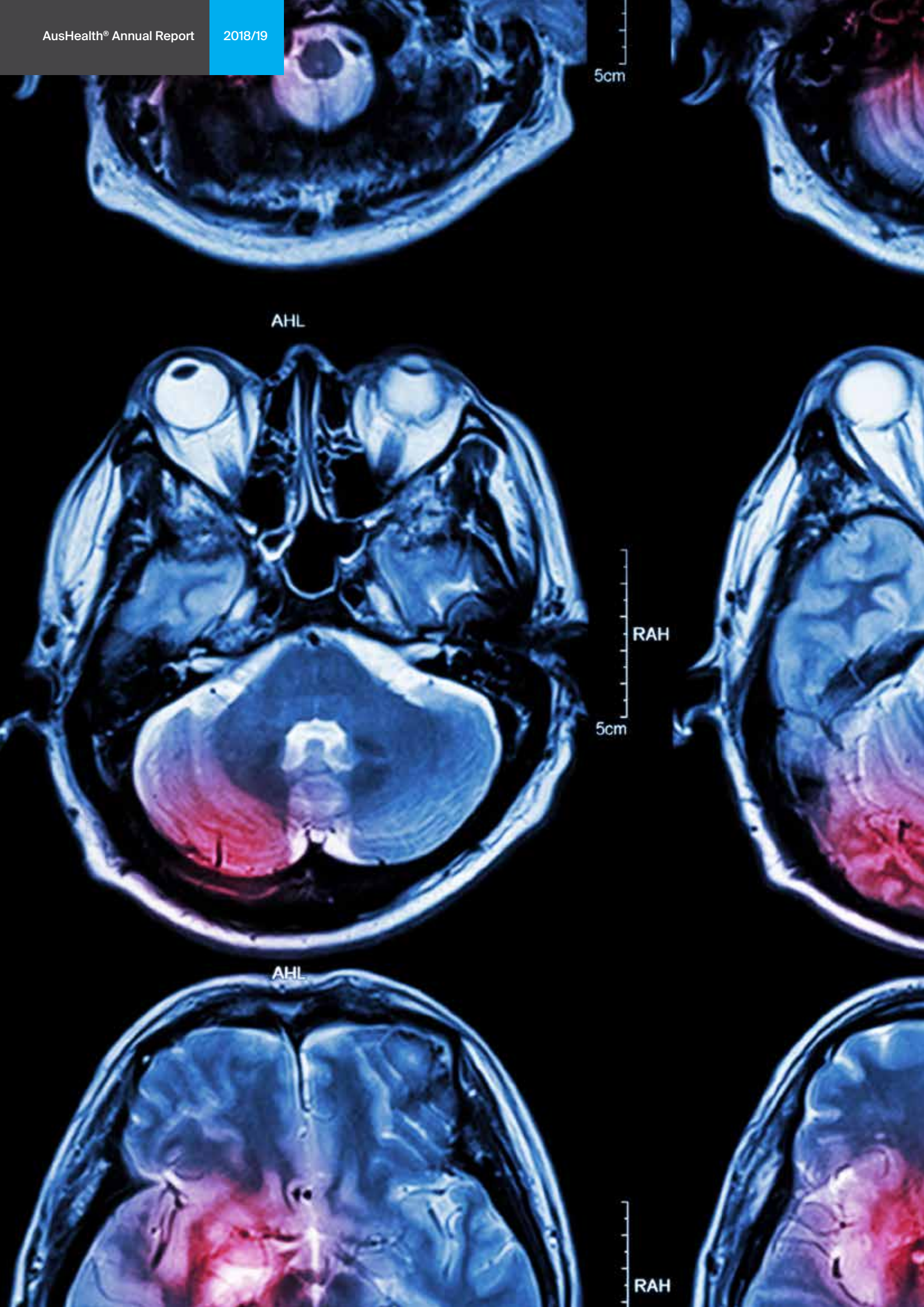
This not only makes the action simpler, saving time and manpower, but it also reduces the risk of needle stick injury and contamination, making the process safer.

The VialHugger is created from a solid piece of anodised aluminium and has been extensively tested in a clinical setting to ensure its safety and effectiveness.

AusHealth Research funded the design, production and manufacturing of the VialHugger, which is now available for sale internationally.

AusHealth Research initially supported the development of the VialHugger because of the potential for rapid development and commercialisation of this medical solution.

The VialHugger is one of those clever South Australian inventions by a brilliant surgeon who sees a problem and thinks of a solution that is low cost and improves the safety for both nurse and doctor.



NEW PROJECTS

IMPROVED CANCER IMAGING PROTOTYPE

PROJECT LEAD:

DR SCOTT PENFOLD
MEDICAL PHYSICS
DEPARTMENT
ROYAL ADELAIDE
HOSPITAL

Preferred current Cone Beam Computed Tomography (CBCT) systems consist of an X-ray tube and an integrating flat panel detector which provide suboptimal image quality when compared to traditional CT systems, having limited soft tissue resolution and pixel values dependent on

scattering conditions created by the patient and scattering by the panel itself. Such images are unsuitable for dose calculation in proton therapy.

CBCT images may be registered with high-resolution planning CT images, however this approach is not suitable for online adaptive radiotherapy.

The aim of this project is to produce a prototype CBCT system with improved image resolution to alleviate the above problem.

AusHealth Research has committed \$72,500 towards creating a working lab prototype of this device. The project has so far achieved its strategic development milestones for construction of the radiation source and proof of concept.

AUSHEALTH WORK



Natalie Dixon
General Manager, AusHealth Work

KEY HIGHLIGHTS

The drug and alcohol testing business unit built on a successful 2019 Financial Year and continued to grow revenue, new clients and extend contracts with existing clients. The electronic drug testing form continues to evolve and our secure data warehouse provides valuable information leading to improved reporting opportunities and insights for clients.

A record number of reportable cases of flu helped to educate the community about the dangers of flu. Whilst the budget was not achieved for 2019 Financial Year, this is primarily due to the extension of the season into Q1 2019-20 Financial Year. An increased number of industry related vaccines were delivered this year compared to previous years, however the global

shortage of hepatitis vaccines had an impact on our ability to deliver to all clients.

The Training and Education business unit exceeded budget this year, and with a focus on new line extensions including fatigue and mental health, it is expected this business will continue to grow in 2019-20 Financial Year.

AusHealth Work was pleased to be successful in gaining new contracts in a variety of high risk industry sectors, including rail, aviation, utilities, construction and oil and gas. The breadth and scope of industries serviced allows AusHealth Work to consolidate our leadership position in the provision of health and safety services across Australia.

“The drug and alcohol testing business unit built on a successful 2019FY and continued to grow revenue, new clients and extend contracts with existing clients.”
Natalie Dixon, General Manager, AusHealth Work.

Pictured is a rail employee working on the rail corridor that crosses four states. AusHealth continues to service this corridor via its extensive national network and on-site testing.



OUR SERVICES

HEALTH, SAFETY AND ON-SITE SERVICES

Collection of urine, oral fluid and hair samples for on-site and/or laboratory screening and/or confirmation of the presence of alcohol or drugs in pre and post-employment markets. AusHealth Work outsources laboratory screening and confirmation to registered NATA-accredited laboratories, principally Racing Analytical Services Ltd on a fee-for-service basis. On-site breath testing for the presence of alcohol is offered for the pre and post-employment market.

Sale of drug and alcohol testing kits (devices) and consumables for on-site testing of urine and oral fluid specimens for the presence of drugs and breathalysers for the detection of alcohol in pre and post-employment markets.

Drug and alcohol testing program management from scheduling through to collection, testing and delivery of results to clients so they are best able to make evidence-based decisions.

WORKPLACE WELLBEING

On-site vaccinations for infectious diseases including influenza, hepatitis A and B, tetanus, pertussis and diphtheria.

Vaccinations are administered by Immunisation certified registered nurses, under the supervision of a medical officer. We are licensed as per legislative requirements and offer this service nationally.

EDUCATION AND TRAINING

AusHealth Work provides a variety of accredited and non-accredited education sessions, training courses and workshops primarily related to company drug and alcohol policies and the awareness of the effects of drugs and alcohol.

AusHealth Work will also be offering Mental Health Awareness and Workplace Fatigue Management in 2020.





AWAKEN

Workplace Fatigue App

NEW PROJECTS

- **AusHealth and Dr Kirsty McCulloch, an international expert on sleep and fatigue management, have developed a prototype for an app that monitors working hours and how much rest people get.**
- **All shift work and high-risk industries including oil and gas, mining, medicine, emergency services and transport have sectors where work impacts on sleep opportunity, and human error can cause harm.**
- **The app allows people to input information on the number of hours they have worked and slept (by connecting to a FitBit), and how tired they feel.**
- **If they register any potential for fatigue-related impairment, it will ask them to do a psychomotor vigilance test (PVT).**

Currently, AusHealth Work implements programs aimed at improving the overall physical health and safety of the worker. These services are industry-related vaccines, education and training, and drug and alcohol testing services.

Fatigue management is the fourth service to be implemented in the AusHealth Work portfolio. It allows organisations to directly assess how alert workers are in the workplace via scientifically validated measurement of factors that are indicators of fatigue.

Awaken's USP is a fully digitised, live and scientifically quantifiable tool in which companies can apply their policy against workers' sleep data. Companies then modify rosters to ensure their workers are safe. The company is reducing risk and liability through informed decision making.

Awaken's product offering also includes policy and education services. There is no direct competitor or 'like' product currently offering this service.

Awaken will be trialled with companies in early 2020.



Awaken's product offering also includes policy and education services. There is no direct competitor or 'like' product currently offering this service. Awaken will be trialled with companies in early 2020.

Pictured above is Dr Kirsty McCulloch, the inventor of Awaken.



AusHealth Hospitals now provides payment solutions to 18 Local Health Networks and 50 Hospitals nationwide.

Pictured above is Darwin Hospital, a new public hospital client of AusHealth Hospitals.

AUSHEALTH HOSPITALS



Helena Harris
National Business Manager
AusHealth Hospitals

KEY HIGHLIGHTS

- **AusHealth Hospitals provides outsourced accounts receivable services to hospitals within Australia.**
- **We work with hospitals to facilitate the payment of hospital fees on behalf of Medicare ineligible patients such as students, tourists and working visa holders who require care in Australia's health system.**
- **We meet with the patients and their families to help them navigate the complex pathway of travel and private health insurance, as well as assisting with payment solutions when needed.**
- **AusHealth Hospitals convenient online payment portal makes it easy for our clients to make payments within Australia or whilst overseas.**
- **Our current client base consists of hospitals in SA, NSW, VIC, QLD and NT as well as the Royal Flying Doctor Service and Ambulance Services in Australia.**

AusHealth® fully complies with the Australian Debt Recovery Guidelines (ACCC & ASIC) and Australian Privacy Act. We specialise in revenue and debt recovery services for Medicare ineligible patients in the Australian health care industry.

\$14.6 RECOVERED IN 2018/19

AusHealth Hospitals will continue to work on their key points of difference include:

- The option of on-site consultation with patients or next of kin prior to their discharge to manage the payment process, proactively preventing it from becoming a debt
- Multilingual staff covering key demographics
- Expertise in liaising with domestic and international health insurers on behalf of patients, increasing the funds collected through this channel
- Levering our knowledge of the unique characteristics of Medicare ineligible patients such as type of visa and possible immigration referral
- Allocating a greater level of activity to each referral by consultants dedicated to Medicare ineligible debt (not a "robo-debt" like approach)
- Speaking our client's language - we understand the nuances of the public health revenue system, making it easier to deal with us on a day-to-day basis
- Flexibility in how our client's refer cases to us including electronic file exchanges (i.e. no mandatory templates and working on a PBRC integration)
- Our Client Resolution Consultants are sensitive to the complexities of the situation whilst also knowing how to maximise recovery.



We meet with the patients and their families to help them navigate the complex pathway of travel and private health insurance as well as assisting with payment solutions when needed.

Pictured above, two of our AusHealth Hospitals team, which is fluent in 17 languages.

CORPORATE RE-BRAND

MEDVET IS NOW 'AUSHEALTH'

AusHealth took the opportunity to consider its predicted growth, particularly national and international growth, by rebranding its products and services into a consolidated brand. The resulting new brand creates a greater sense of brand unity across our business.

The new AusHealth Corporate Identity is in Reflex Blue and features three other unique colours: red for Hospitals, green for Work and cyan blue for Research.



THE PREVIOUS
CORPORATE
IDENTITY:

MEDVET.

AusHealth®

THE NEW
CORPORATE
IDENTITY:

AUSHEALTH.

DIVISIONAL IDENTITIES

AusHealth®

AusHealth®
Research

AusHealth®
Work

AusHealth®
Hospitals

AUSHEALTH BOARD



Dr Don Mackie, Chair

Appointed: NOV 2017

Resigned: MAY 2019

Don is an experienced medical leader who has worked in a wide variety of settings – both large and small hospitals, and in government. Initially trained in the UK, Don has worked in the United States and New Zealand.

After an early career in anaesthesia and with a desire to understand how to make health care more centred on individual people, safer and more effective, Don took on the challenges of leadership and management roles.

He brought experience in developing research and innovation to organisations as well as governance, strategy and policy.



Mr Greg Johansen, Managing Director & CEO

Appointed: FEB 2003

Greg has held board positions at The Cancer Council South Australia and was also the Chair of the Marketing Committee of the Cancer Council of South Australia. As Chair, Greg established Prostate SA and was appointed as a board member. Greg is also non-executive Director of Firefly Pty Ltd.

Greg spent the first part of his career in management roles in the pharmaceutical and medical device industries, including Ciba Geigy, Astra Zeneca, US Surgical, Johnson & Johnson, Gribbles Pathology, and the Institute of Medical and Veterinary Science.

Greg is the chair of the Intellectual Property Development Committee of the Central Adelaide Local Area Health Network, which includes the Royal Adelaide Hospital, SA Pathology and Queen Elizabeth Hospital; and has successfully managed the licensing of significant intellectual property.



Mr Marco Baccanti, Director

Appointed: NOV 2017

Marco began his career as research scientist at the now-Thermo Fisher Scientific, filing international patents and developing innovative analytical instruments. He has held numerous executive appointments, including International Association of Science Parks, DuBiotech, and Confindustria.

Marco has sat on the leadership board of The World Economic Forum and was involved in economic development and R&D boards of the European Commission. In 2014, the South Australian Government appointed Marco CEO of Health Industries South Australia.

Marco holds qualifications in industrial chemistry, economics and management.



Mrs Anne Hinton, Director

Appointed: NOV 2017

Anne has been a part of the biotechnology industry in South Australia since project-managing GroPep Ltd's ASX listing in 2000. As Managing Director at TGR BioSciences, Anne has been responsible for the company returning profits in excess of 40% of EBITDA, culminating in its 2018 sale to Expedeon AG.

She is now a member of the three person Expedeon global executive team.

Anne is also a Director of the Burnside War Memorial Hospital.

A Chartered Accountant, Anne is a leader with strong finance, strategy and governance skills, with a focus on developing entities into commercial enterprises from roots in research or as not-for-profit businesses.



Mr Paul Flynn, Director

Appointed: NOV 2017

Paul is an experienced, innovative and entrepreneurial Director and Executive with a reputation for achievement during his distinguished career in Finance and not-for-profit.

Paul has been awarded a Senior Fellowship of the Financial Services Institute of Australasia, the EY Social Entrepreneur of the Year in SA/NT, and the Equity Trustees Australian Not for Profit CEO Award for Innovation.

Paul is Non-Executive Director at Fundraising Institute Australia Ltd, Director of Australian Centre of Excellence for Post-Traumatic Stress, Trustee of the Pulteney Foundation and Executive Director of Australian Prostate Cancer Research Society Ltd, and CEO of The Hospital Research Foundation Group and of its Australian affiliates.



Tina Schembri, Company Secretary

Appointed: AUG 2011

Tina Schembri, CFO, Co Sec, BEc, FICA, GAICD oversees financial reporting and KPIs; record integrity; company IT systems; and corporate regulatory and legal compliance.

Tina has extensive senior finance management experience with several multinational firms.

CORPORATE PROFILE

HISTORY OF AUSHEALTH

1985

SA Parliament granted the IMVS the right to establish a private company, Medvet, under the IMVS Act.

1986

Medvet was established with funds from the IMVS (\$750,000) and the Royal Adelaide Hospital ("RAH") (\$250,000), to be the exclusive agent for the development of intellectual property. Medvet was also allowed to commercialise existing services of the IMVS and RAH, and use these profits for medical research and commercialisation.

1986

Medvet commenced operation, developing in the first 10 years:

- Microbiology plate manufacture, based at IMVS Frome Road using the IMVS existing facilities. Commercial pathology services for industry e.g. lead testing, drug testing, food testing and parentage testing, all referred to IMVS labs.
- International Aero Medical retrievals to the RAH staffed by the RAH operating two Learjets.
- Billing services for overseas patients using RAH engineering services and orthotics & prosthetics billing services.

1998

The manufacturing of agar plates for use in microbiology and diagnostic products was relocated to the purpose built facility located at Thebarton, Adelaide.

2003

Medvet manufacturing experienced a decline in profitability. Based on this the manufacturing operation was sold to Thermo Fisher, with the facility rented to them for 12 years. Medvet workforce of 90 staff transferred to Thermo Fisher, and 30 staff remained with Medvet. Medvet's drug testing, Mediflight and AusHealth division relocated to Stepney with 21 staff. Made a loss that year of \$250,000. Greg Johansen was appointed on Medvet's Board.

2005

Greg Johansen commenced as Managing Director and given the challenge to improve profitability of Medvet. Opened Medvet Alice Springs laboratory and developed new strategic directions.

2006

Purchased Australian Drug Management and Education, ACT (ADME) to expand the drug testing business. New clients Qantas and Australian Federal Police. Significant expansion of drug testing to service national clients.

2006

Recruited, trained and further expanded the national network of collectors and gained NATA accreditation for drug testing. Medvet returns to being a profit making business.

2007

Purchased MCG Diagnostics QLD and signed Varian franchise, for further expansions in QLD & NSW. Recruited and trained National sales force with sales representatives in all states. Dedicated HR and Marketing functions introduced to Medvet.

2008

July - SA Health Care Act 2008 changed ownership of Medvet from IMVS to SA Pathology, a division of CNAHS. Moved to 115 Sherriff Street, Underdale in September. New ACCPAC accounting system became functional, replacing the original manufacturing accounting system.

2010

Medvet shares moved from CNAHS to Adelaide Health Service (AHS). Medvet listed as Asset for sale by SA Department of Treasury.

2011

SA Pathology is formed and decides to concluded offering pathology services to NT. Medvet sells the Alice Springs laboratory and closes Medflight and parentage testing. Drug testing no longer referred to IMVS. Webpage hacked by competitor; privacy investigation.

2012

Medvet shares moved to CALHN. New strategic plan developed and implemented. AusHealth restructured and 3 year contract signed with RAH and TQEH for debt recovery.

2013

Medvet moved to 65 Hardys Road, Underdale and rebadges new Medvet logo – Medvet Science. Medvet Science makes a \$1 million dollar profit. Growth in all major divisions; meets strategic goal with expansion of training & drug testing. Donated \$1 million to research.

2014

Medvet Science returned a profit of \$1.4 million on \$9.6 million revenue. Vaccination services introduced. Donates over \$1 million to research.

2015

Expanded IP management to 1 FTE. Strategic goals met. Awaited decision of sale.

2016

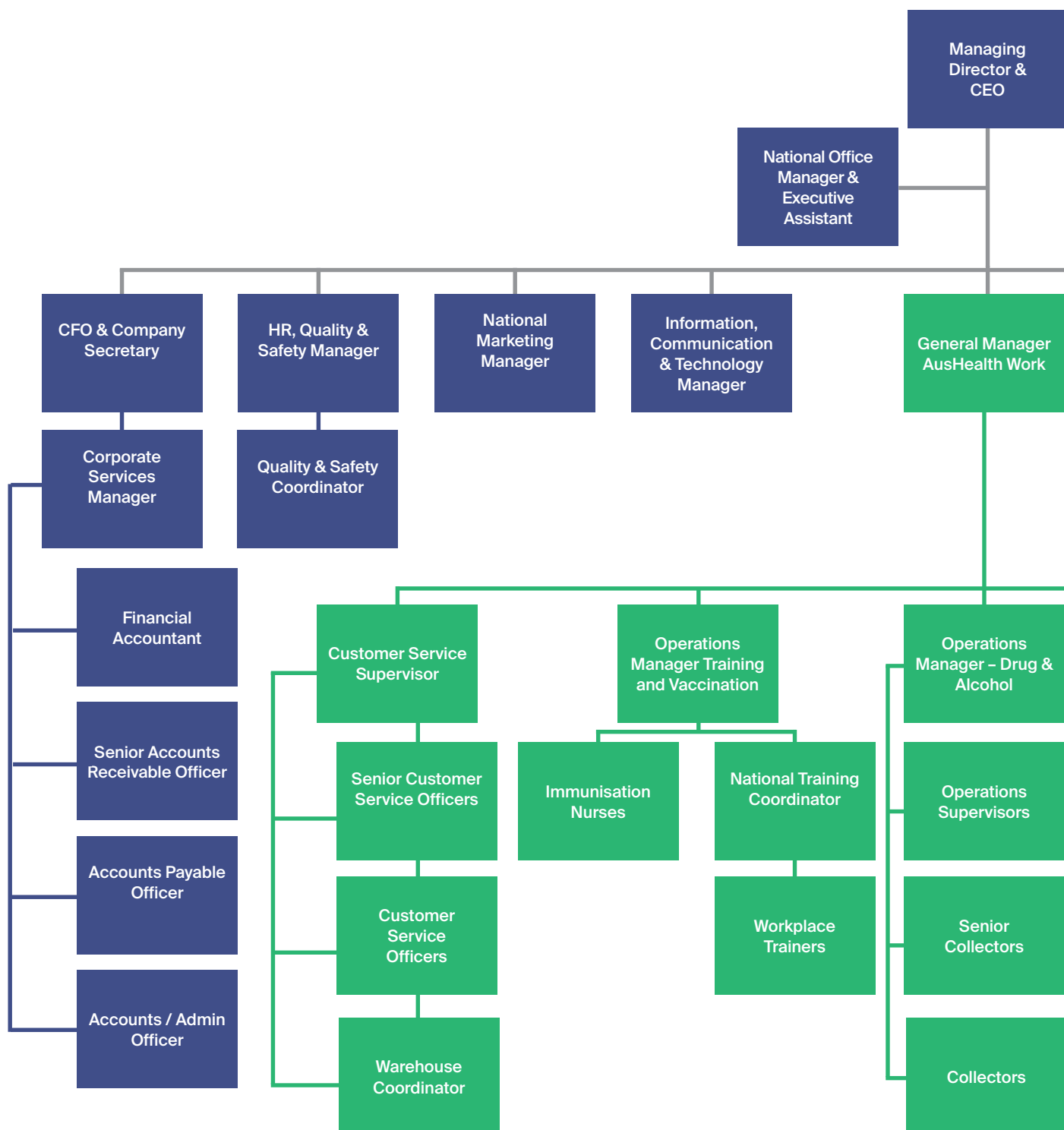
New Board appointed, to evaluate the possible sale of Medvet Science. Medvet Science expansion with 10 new staff in AusHealth. New AVAYA telephone system installed; moved computer system to cloud; security review completed. Signed largest drug testing contract in Medvet Science's history with Toll Holdings (over \$1 million PA).

2017

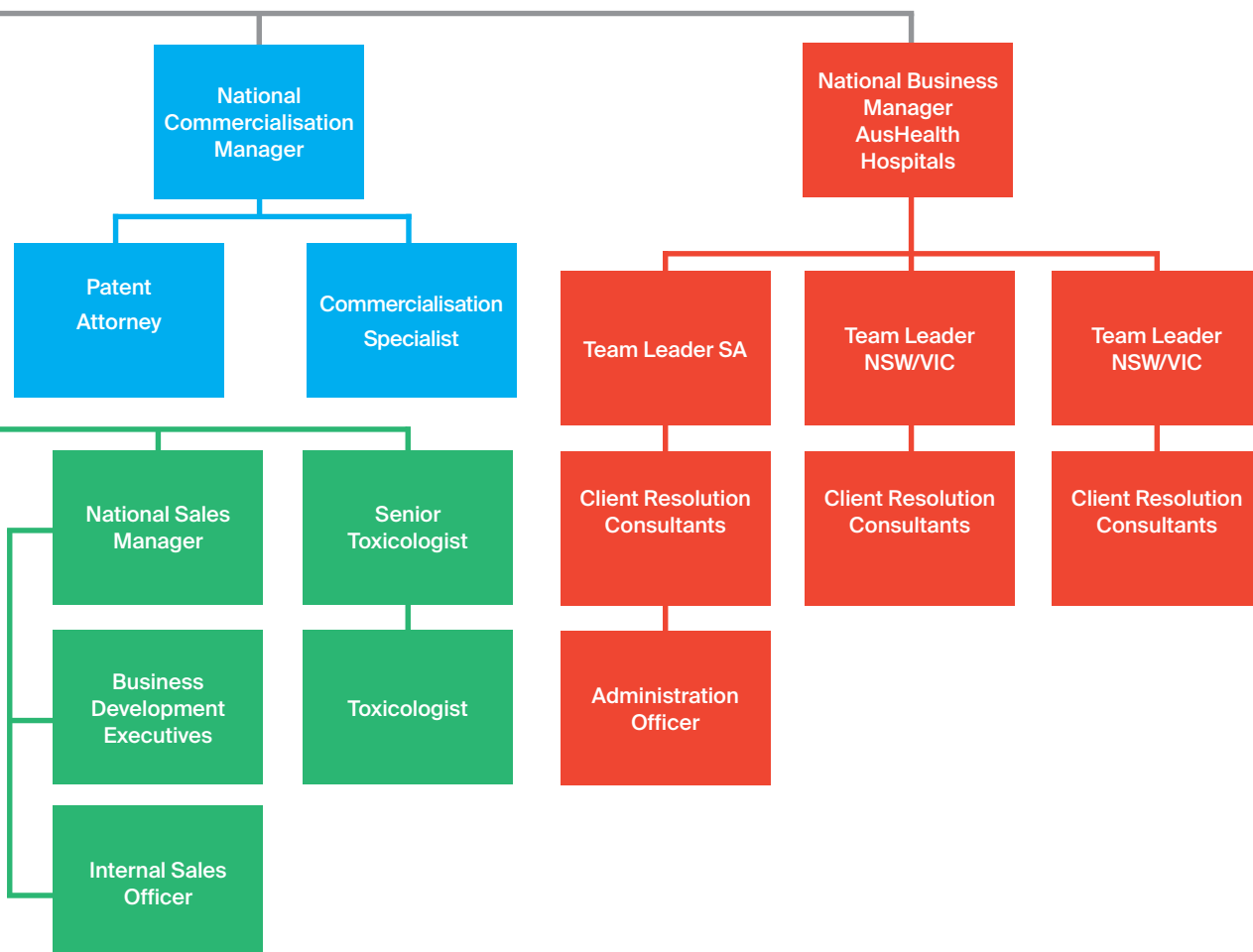
Expanded intellectual property (IP) to 3FTE. Launched IP webpage and brand, Adelaide Research Translation. Review of the organisation by National Consulting. Based on the review it was recommended that - Medvet Science no longer be considered an asset for sale - returns to government are more than the sale price would achieve.

Recommendation accepted by Treasury, Cabinet and SA Health. New Board appointed; Brisbane office opens.

ORGANISATIONAL CHART



Board of
Directors





A healthier
you



AusHealth staff take part in many team-based health activities through their staff Wellness program branded as 'A Healthier You'.

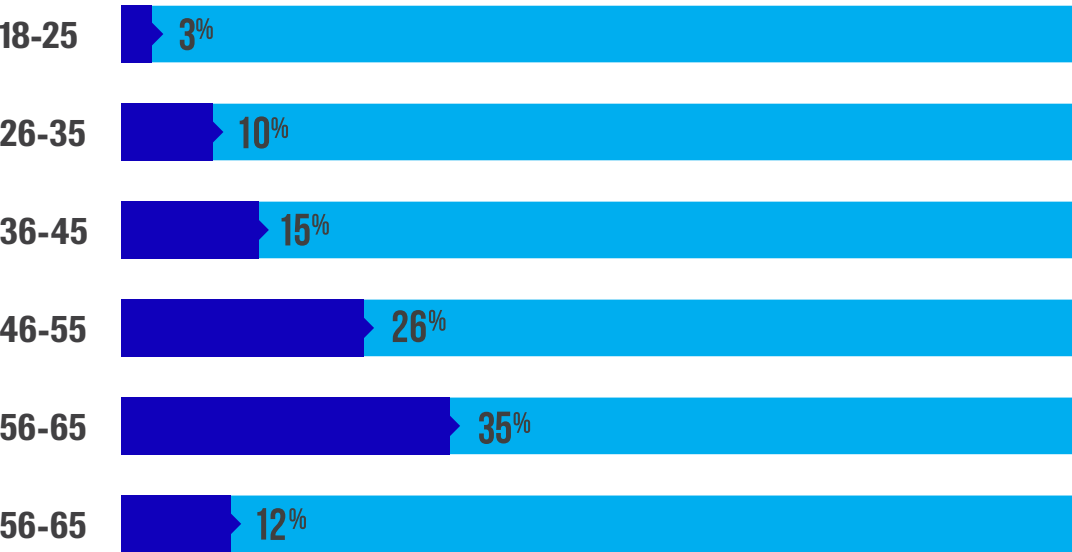
HUMAN RESOURCES



Tracy Hillier
HR, Quality and Safety Manager

AusHealth underwent an organisational restructure in September to provide a greater focus on the two divisions – AusHealth Work & AusHealth Hospitals. This has provided increased accountability of both sales and operations in each business unit.

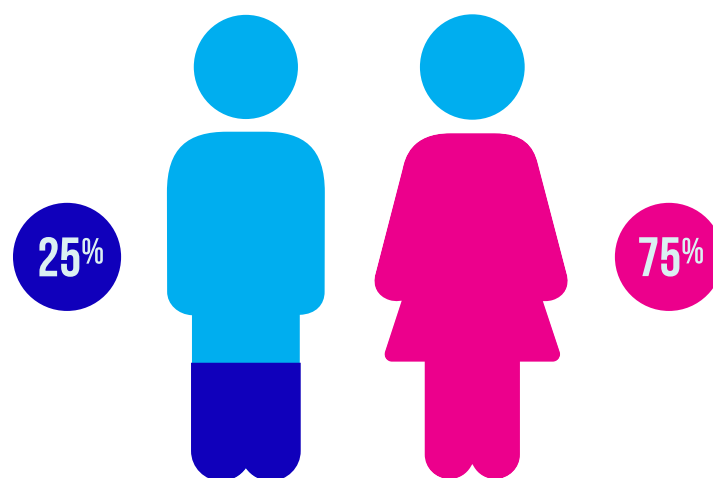
DISTRIBUTION OF PERSONNEL BY AGE



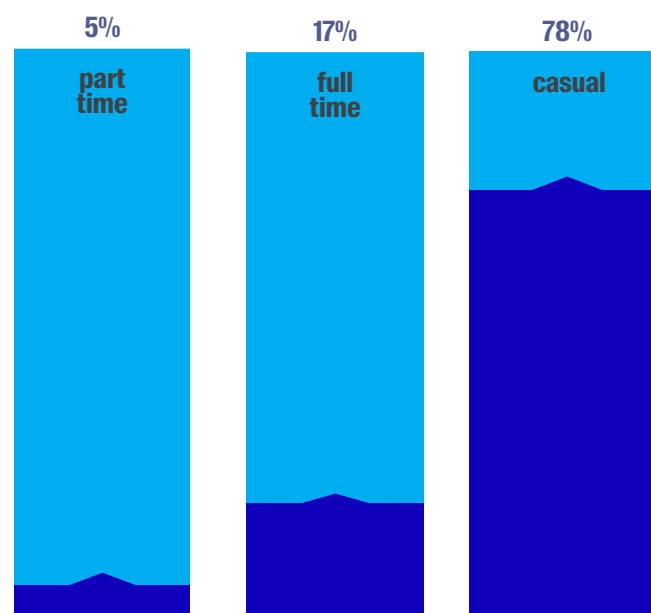
Age	M	F	Total
18-25	2	6	8
26-35	2	25	27
36-45	9	32	41
46-55	11	58	69
56-65	31	62	93

DISTRIBUTION OF PERSONNEL BY GENDER

Employee Numbers, Gender and Role: As at 30 June 2019, there were 269 people employed by AusHealth: 68 men and 201 women. This includes full time, part time and casual employees.



DISTRIBUTION OF PERSONNEL BY TYPE



WORK HEALTH & SAFETY INJURY REPORT

Category	2018 – 2019	2017 – 2018	2016 - 2017
Reportable Injuries	-	-	-
Lost Time Injuries	1	1	-
Days Lost	46	31	-
Injury – Physical	4	3	5
Injury – Psychological	1	-	-
Injury – Medical Treatment	2	3	-
Injury – First Aid Only	2	2	1
Equipment Damage	-	-	-
Near Miss	2	2	-
Environmental Damage	-	-	-

QUALITY MANAGEMENT

AusHealth is committed to providing consistent high-quality services and products, while creating a workplace that is safe, healthy and injury-free. To this end, we have maintained our accreditation to ISO 9001:2015 (Quality Management Systems), ISO 15189:2009 (Medical Laboratories) and AS 4801:2001 (Occupational Health and Safety Systems).



AS / NZS ISO
9001:2015 No.:
TQCSI AU801-QC



AS / NZS
4801:2001 No.:
TQCSI AU801-SC

AS ISO 15189:2012
NATA Accreditation
No.: 15338AU801-SC





AUSHEALTH FINANCIAL STATEMENTS

FINANCIAL PERFORMANCE REQUIREMENTS

Introduction

Refer to Appendix 2 for AusHealth Corporate's annual financial statements for the year ending 30 June 2019.

Fraud

No frauds or suspected frauds have occurred to the knowledge of the management of AusHealth. A comprehensive system of checks and balances to control and prevent fraud has been maintained. Full disclosure has been made to the auditors regarding all non-compliance obligations with laws and regulations that should be considered in preparing AusHealth Corporate's financial report.

Consultants

BDO Industrial & Organisational Psychology, Operational Systems Pty Ltd, Andrew Richards, MCB (SA & NT) Pty Ltd, InjuryNet Australia Pty Ltd, Kerry Rissell and Associates, Red Seed Productivity Strategists and Giants Partner Link were engaged as consultants during the 2018-2019 year.

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue from contracts with customers	6	14,271,340	12,375,335
Cost of sales		(6,242,631)	(7,506,323)
Gross profit		8,028,709	4,869,012
Other revenue	6	610,277	648,935
Fair value gains/(losses)	7	246,145	286,163
Sales and marketing expenses		(4,371,131)	(3,704,920)
Administration expenses		(3,355,190)	(2,000,400)
Medical research support donations		(511,236)	(1,469,614)
Results from operating activities		647,573	(1,370,824)
Interest income	6	100,104	105,593
(Loss)/Profit for the year		747,677	(1,265,231)
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the year		747,677	(1,265,231)

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30 2019**

	Note	2019	2018
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	8	2,792,172	2,323,994
Other financial assets	9	1,578,202	1,534,746
Financial assets at fair value through profit or loss	10	3,885,282	3,562,127
Trade and other receivables	11	2,707,579	2,482,695
Inventories	12	113,563	277,886
TOTAL CURRENT ASSETS		11,076,797	10,181,448
NON-CURRENT ASSETS			
Other financial assets	9	1,618,300	1,618,300
Financial assets at fair value through profit or loss	13	451,253	422,953
Investment property	14	4,670,000	4,670,000
Plant and equipment	15	870,911	602,435
TOTAL NON-CURRENT ASSETS		7,610,464	7,313,688
TOTAL ASSETS		18,687,261	17,495,136
CURRENT LIABILITIES			
Trade and other payables	16	2,207,344	1,842,044
Employee benefits	17	739,410	657,900
TOTAL CURRENT LIABILITIES		2,946,754	2,499,944
NON-CURRENT LIABILITIES			
Employee benefits	17	16,944	19,306
TOTAL NON-CURRENT LIABILITIES		16,944	19,306
TOTAL LIABILITIES		2,963,698	2,519,250
NET ASSETS		15,723,563	14,975,886
EQUITY			
Ordinary share capital	18	1,150,000	1,150,000
Retained earnings	19	14,573,563	13,825,886
TOTAL SHAREHOLDERS' EQUITY		15,723,563	14,975,886

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR JUNE 30 2019**

	Ordinary Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 30 June 2017	1,150,000	15,091,117	16,241,117
Loss for the year 2017/18	-	(1,265,231)	(1,265,231)
Balance at 30 June 2018	1,150,000	13,825,886	14,975,886
Profit for the year 2018/19	-	747,677	747,677
Balance at 30 June 2019	1,150,000	14,573,563	15,723,563

**STATEMENT OF CASH FLOWS
AS AT JUNE 30 2019**

		2019	2018
		Inflows	Inflows
		(Outflows)	(Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and services tax)		15,530,606	13,177,494
Payments to suppliers and employee benefits (inclusive of goods and services tax)		(15,033,794)	15,354,662
Interest income		100,104	105,593
Other revenue		613,987	660,907
Net cash provided by/(used in) operating activities	20	1,210,903	(1,410,668)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(593,958)	(438,815)
Payments for financial assets at fair value through profit or loss		(2,889,472)	(1,979,866)
Proceeds from sale of financial assets at fair value through profit or loss		2,784,161	4,081,252
Payments for other financial assets		(43,456)	(38,892)
Proceeds from redemption of other financial assets		-	500,000
Net cash (used in)/provided by investing activities		(742,725)	2,123,679
Net increase in cash held		468,178	713,011
Cash and cash equivalents at 1 July		2,323,994	1,610,983
Cash and cash equivalents at 30 June	8	2,792,172	2,323,994

NOTES FOR THE FINANCIAL STATEMENTS FOR THE YEAR JUNE 30 2019

1. Statement of significant accounting policies

The financial statements of AusHealth Corporate Pty Ltd ("the Company") for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors on 29 August 2019.

Change of Name

With effect from 31 July 2018, the Company changed its name from Medvet Science Pty Ltd to AusHealth Corporate Pty Ltd.

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.

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, was 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 as: For financial assets at fair value through the profit or loss - 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 land and buildings 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 independent valuation of the asset was conducted in March 2017 in accordance with AASB 140 Investment Property. Details are disclosed in Note 15. The valuation will be updated every three years (consistent with SA Health accounting policy) or more regularly if there are indicators that the most recent valuation is no longer appropriate.

Gains or losses arising from changes in fair value are recognised in profit or loss in the period in which they arise.

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.

The value of any leasehold improvements are 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 consider 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. 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 ongoing basis. Individual debts that are known to be non-collectable 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

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

- i. Company as a lessee:** Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.
- 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 properties fair value.

m. Revenue

The Company has applied AASB 15 Revenue from Contracts with Customers using the cumulative effective method; therefore, the comparative information has not been restated. Revenue 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. In the comparative period, revenue for the sale of goods and the rendering of services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised upon delivery of the goods or service to the customers.

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 the income statement if and when 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.

r. New and amended accounting policies adopted by the company**i. Initial application of AASB 9: Financial Instruments:**

The Company has adopted AASB 9 Financial Instruments with an initial application date of 1 July 2018. As a result, the Company has changed its financial instruments accounting policies in line with this adoption.

On initial adoption of AASB 9, a financial instrument previously designated as available for sale under AASB 139 Financial Instruments: Recognition and measurement has been reclassified to fair value through profit or loss. A fair value gain on financial assets of \$28,300 has been recognised in fair gains and losses (note 7). An amount of \$39,945 has been reclassified from other comprehensive income to fair gains and losses (note 7) for the comparative period and the opening investment revaluation reserve of \$40,163 as at 1 July 2017 has been transferred to retained earnings.

The new impairment model requires the recognition of impairment provisions based on expected credit losses, rather than incurred credit losses as required under previous standards.

Although the new standard has been adopted, the impact of AASB 9 on the results of operations of the Company has been minimal.

ii. Initial Application of AASB 15: Revenue from Contracts with Customers:

The Company has adopted AASB 15 Revenue from Contracts with Customers with an initial application date of 1 July 2018. As a result, the Company had changed its revenue recognition accounting policy in line with this adoption.

The Company has applied the AASB 15 cumulative effective method, the comparative information has not been restated, as in Note 1.m.

Although the new standard has been adopted, the impact of AASB 15 on the results of operations of the Company has been minimal.

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 over \$40 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.

Principal activities

The principal activities of the Company for the year ended 30 June 2019 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; and
- c. provision of debt recovery, management, consultation and other related services.

During the year, the Company provided \$1.7 million (2018 \$2.8 million) in support of research and intellectual property Commercialisation.

Capital management

The Company's objectives when managing capital are to:

- 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. 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 2018/19 (2017/18: Nil).

4. New accounting standards and interpretations

AASB 16 Leases introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is low value. The new standard does not make any significant changes to lessor accounting and as such is only expected to impact lease accounting from a lessee's perspective. The standard is not applicable for the Company until 1 July 2019.

The current lease commitments that AASB 16 will impact are disclosed in Note 22.

AASB 16 will be applied by the Company from its mandatory adoption date of 1 July 2019. The Company has chosen to apply AASB 16 with the simplified transition approach, retrospectively with cumulative effect, hence, the comparative amounts for the year prior to first adoption will not be restated.

The Company has performed a preliminary impact assessment and on 1 July 2019, expects to recognise right-of-use assets and lease liabilities of approximately \$939,144. Following the adoption of AASB 16, the Company's net profit is expected to decrease by approximately \$24,740 in the first year of adoption.

	Note	2019 \$	2018 \$
5 Expenses			
Profit/(loss) attributable to the company has been determined after:			
Expenses			
(a) Allowance for credit loss		-	-
Written off bad debts		7,235	1,000
		<u>7,235</u>	<u>1,000</u>
(b) Finance expenses			
Bank fees		23,618	15,670
Investment portfolio management fee		49,740	52,902
Total finance expense		<u>73,358</u>	<u>68,572</u>
(c) Auditors remuneration for auditing the financial statements			
BOO Audit (SA) Pty Ltd		22,000	
Government of SA-Auditor Generals Department			60,000
(d) Rental expense on operating leases		<u>267,440</u>	<u>255,914</u>
(e) Depreciation	15	325,483	200,072
Amortisation of finite life intangibles		-	-
Total depreciation and amortisation		<u>325,483</u>	<u>200,072</u>
(f) Employee benefit expenses			
Salaries and wages		7,669,191	6,595,732
Defined contribution superannuation expense		663,764	592,532
Other employee benefits expense		419,336	510,764
Board fees		54,795	52,619
Total employee expenses		<u>8,807,086</u>	<u>7,751,647</u>
6 Revenue from contracts with customers			
Medical and health related products and services		10,818,023	10,065,081
Debt management, consultation and other related services		3,407,720	2,288,071
Commercialisation services for intellectual property		45,598	22,183
		<u>14,271,340</u>	<u>12,375,335</u>
Other revenue			
Rental income from investment property		436,653	432,396
Other income			23,632
Dividend income		173,624	192,907
		<u>610,277</u>	<u>648,935</u>
Interest income			
Interest income on term deposits		86,501	85,956
Interest income on bank deposits		13,604	19,637
		<u>100,104</u>	<u>105,593</u>
Revenue		<u><u>14,981,722</u></u>	<u><u>13,129,863</u></u>

7 Fair value gains / (losses)

Revaluation of investment property	14	-	-
Fair value gains on financial assets through profit or loss		246,145	286,163
		<u>246,145</u>	<u>286,163</u>

8 Cash and cash equivalents

At call deposits with financial institutions		<u>2,792,172</u>	<u>2,323,994</u>
--	--	------------------	------------------

9 Other financial assets

Current assets

Short term deposits less than 3 months from balance date		822,809	1,534,746
Short term deposits with greater than 3 months from balance date		755,393	
		<u>1,578,202</u>	<u>1,534,746</u>

Non-current assets

Long term deposits with greater than 12 months maturity from balance date		1,618,300	1,618,300
		<u>1,618,300</u>	<u>1,618,300</u>

10 Financial assets at fair value through profit or loss

Shares in listed corporations, at fair value		2,571,912	2,493,735
Floating rate notes, at fair value		491,238	429,542
Listed securities and managed funds		822,132	638,850
		<u>3,885,282</u>	<u>3,562,127</u>

Changes in fair values of financial assets at fair value through the profit or loss are recorded in profit and loss. A \$246,145 gain was recorded in other revenue in 2019 (2018 \$286,163)

11 Trade and other receivables

Trade and other receivables		2,271,363	2,063,462
Amounts receivable from related parties		136,847	140,833
Allowance for credit loss (a)		(96,086)	(96,086)
		<u>2,312,124</u>	<u>2,108,209</u>

Accrued revenue		176,453	189,977
Prepaid expenses		219,001	184,509
		<u>395,455</u>	<u>374,486</u>
		<u>2,707,579</u>	<u>2,482,695</u>

(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 aging and customer rating. No credit loss charge has been recognised by the Company in the current year.

Movements in the provision for credit loss were as follows:

At 1 July		96,086	96,086
Charge for the year		-	-
		<u>96,086</u>	<u>96,086</u>
Past due not impaired			

Up to 3 Months	285,819	476,301
> 3 Months	-	-
	<u>285,819</u>	<u>476,301</u>

Payment terms on these amounts have not been re-negotiated, however the Company is satisfied that payment will be received in full.

12 Inventories

Finished goods	113,563	277,886
Provision for impairment	-	-
	<u>113,563</u>	<u>277,886</u>

13 Financial assets at fair value through profit or loss

Hybrid debt instrument	451,253	422,953
Floating rate notes, at fair value	<u>451,253</u>	<u>422,953</u>

The fair value of financial assets investments has been determined directly by a reference to published price quotations in an active market.

During the year, the board of directors regularly assesses the Company's portfolio and determines the Company's medium to long term investment strategies, including any impairment.

14 Investment property

Land and buildings at fair value	4,670,000	4,670,000
	<u>4,670,000</u>	<u>4,670,000</u>

(a) Movements in carrying amounts

Opening balance	-	-
Net gain from fair value adjustment	4,670,000	4,670,000
Carrying amount at end of year	<u>4,670,000</u>	<u>4,670,000</u>

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

An independent valuation of the land and buildings 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 2017. 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 26(f). The market fair value of the property was determined to be \$4,670,000 at 30 June 2017. 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 2020. Rental income amounting to \$436,653 has been recognised during the year (2018: \$432,396). The lessee is responsible for payment of all outgoings.

15 Plant and equipment

Plant and equipment at cost	1,520,131	1,827,395
Accumulated depreciation	(649,221)	(1,224,960)
Total plant and equipment	<u>870,911</u>	<u>602,435</u>

Movements in carrying amounts

Opening balance at 1 July	602,435	363,692
Additions	593,958	438,815
Disposals	-	-
Depreciation	(325,483)	(200,072)
Carrying amount at 30 June	870,911	602,435

16 Payables**Current**

Trade creditors	635,347	74,207
Amounts payable to related parties	320,315	336,815
Sundry and other creditors	1,251,681	1,431,022
Total trade and other payables	2,207,344	1,842,044

Non-current

Sundry creditors	-	-
Aggregate payables	2,207,344	1,842,044

Current liabilities include amounts held on behalf of other parties \$1,163,276 as at 30 June 2019 (\$933,488 as at 30 June 2018) that are payable on demand but are unlikely to be required at short notice.

17 Employee benefits**Current**

319,791	282,130
419,619	375,770
739,410	657,900

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 2019 - \$739,410 (2018 - \$657,900) 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.

Current leave obligations to be settled after 12 months	354,905	315,781
Non-current		
Long service leave entitlements	16,944	19,306
Total employee entitlement liability	756,355	677,206

18 Issued capital

1,150,000 fully paid ordinary shares		
No cash dividend has been declared or paid in 2018/19	3	1,150,000 1,150,000

19	Retained earnings		
	Retained earnings balance at beginning of year	14,975,886	16,241,117
	Net profit/(loss) for the year	747,677	(1,265,231)
	Retained earnings at end of the financial year	<u>15,723,563</u>	<u>14,975,886</u>
20	Reconciliation of net profit to net cash flows from operations		
	Profit/(loss) for the year	747,677	(1,265,231)
	Depreciation	325,483	200,072
	Fair value (gains) on financial assets through profit or loss	(246,145)	(286,163)
	Changes in assets and liabilities		
	(Increase)/Decrease in trade and other receivables	(224,884)	(534,962)
	(Increase)/Decrease in inventories	164,323	(63,705)
	Increase/(Decrease) in trade and other payables	365,300	424,651
	Increase/(Decrease) in employee benefits	79,149	114,670
	Cash inflow/(outflow) from operating activities	<u>1,210,903</u>	<u>(1,410,668)</u>
21	Capital expenditure commitments		
	Capital expenditure – commitments payable not later than 1 year	<u>75,413</u>	<u>66,827</u>
22	Leasing commitments		

Disclosures by lessee

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

- not later than 1 year	210,423	194,818
- later than 1 year but not later than 5 years	49,277	220,000
- greater than 5 years	-	-
	<u>259,700</u>	<u>414,818</u>

Property leases with rent payable monthly in advance.

Disclosures by lessor

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

- not later than 1 year	482,064	469,392
- later than 1 year but not later than 5 years	562,408	1,017,016
- greater than 5 years	-	-
	<u>1,044,472</u>	<u>1,486,408</u>

Five year property lease commencing September 2016 for premises located at 20 Dalglish Street, Thebarton, SA with rent collectable monthly in advance.

23 Key management personnel**(a) Details of key management personnel***Directors*

Donald Stuart Mackie (Resigned 03/05/2019)

Paul Damian Flynn

Anne Therese Hinton

Marco Baccanti

Mr Gregory Harold Johansen

Zak Gruevski (Appointed 28/06/2019)

(b) Compensation for key management personnel

Short-term benefits	392,271	367,592
Long-term benefits	33,458	29,965
Total compensation	425,729	397,557

24 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.

25 Related party transactions

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

Sales of goods and services	1,556,852	1,386,774
Acquisition of goods and services	104,870	1,184,794
Amounts receivable from	136,847	140,833
Amounts payable to	320,315	336,815

26 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, other comprehensive income, 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	0.90%	0.95%
- Short term deposits less than 3 months from the end of the reporting period	2.65%	2.50%
- Short term deposits with greater than 3 months from the end of the reporting period	2.45%	3.12%
- Cash at bank	2,792,172	2,323,994
- Short term deposits less than 3 months from the end of the reporting period	822,809	1,534,746
- Short term deposits with greater than 3 months from the end of the reporting period	755,393	1,618,300
	<u>4,370,373</u>	<u>5,477,040</u>

Interest rates on all the financial assets detailed above are either fixed for various terms ranging from 3 to 42 months or are floating and are reset to market rates at maturity.

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

	Profit - higher (lower)	
	2019	2018
	\$	\$
+ 1% (100 basis points)	15,782	31,530
- 1% (100 basis points)	(15,782)	(31,530)

(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 the equity market risk exposure in existence at the end of the reporting period:

	Profit - higher (lower)	
	2019	2018
	\$	\$
+8.8% (2018 9.6%)	381,600	382,600
-8.8% (2018 -9.6%)	(381,600)	(382,600)

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 10 and 13.

(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 11 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 group held deposits at call of \$2,792,172 (2018 \$2,323,994) 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 market 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 2019 - financial assets at fair value	4,336,535		
30 June 2018 - financial assets at fair value	3,985,080		

The fair value of shares held by the Company is determined by reference to the quoted prices provided by Centric 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 15.27A. For all other financial instruments, the Company 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 2019 - Land and buildings		4,670,000	
30 June 2018 - Land and buildings		4,670,000	

The valuation method for the investment property has been disclosed in note 14.

27 Events after the balance sheet date

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.

28 Contingent assets

No contingent assets identified.

29 Contingent liabilities

The company has no contingent liabilities at 30 June 2019 (2018: \$10,896).

30 Company details

31st July 2018 the Company name and branding changed from Medvet Science Pty Ltd ABN 15 008 089 745 to AusHealth Corporate Pty Ltd ABN 15 008 089 745.

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.

DIRECTORS' REPORT

Your directors present their report on AusHealth Corporate Pty Ltd (the Company) for the financial year ended 30 June 2019 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
Dr Donald Stewart Mackie (resigned 3rd May 2019)
Ms Anne Therese Hinton
Mr Paul Damian Flynn
Mr Marco Baccanti
Mr Zak Gruevski (appointed 28th June 2019)

Directors have been in office since 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 \$747,677.

The Company 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 over \$40 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 2019 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; and
- c. provision of debt management, consultation and other related services.

During the year, the Company provided \$1.7 million in support of research and Intellectual Property Commercialisation.

No significant change in the nature of these activities occurred during the year.

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 has been no matter or circumstance that has arisen since the end of the year that has 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.

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 \$6,949 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
 - i. 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 71.

Signed in accordance with a resolution of the Board of Directors

Director:

Director:

Dated this: 29th day of August 2019



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

Level 7, BDO Centre 420 King William St
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 2019, 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.

A handwritten signature in blue ink that reads 'Paul Gosnold'. The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Paul Gosnold
Director
BDO Audit (SA) Pty Ltd
Adelaide, 29 August 2019

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 20 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 2019 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:



Director:



Dated this 29th day of August 2019



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

Level 7, BDO Centre 420 King William St
 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), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and 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 Company's financial position as at 30 June 2019 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 Company 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 (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 director's 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.

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



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

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GPO Box 2018, Adelaide SA 5001
AUSTRALIA

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 Company'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 Company 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/ar4.pdf

This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold

Director

Adelaide, 2 September 2019

