

Appendix 4E Preliminary Final Report

Name of entity Analytica Limited
ABN 12 006 464 866

1. Reporting Period

Report for the financial year end	30 June 2021
Previous corresponding reporting period	30 June 2020

2. Results for announcement to the market

			Percentage increase/(decrease) over previous corresponding period
		\$	
Revenue from ordinary activities		801,647	(1)
Profit/(loss) from ordinary activities after tax attributable to members		(1,507,406)	(7)
Net profit/(loss) for the period attributable to members		(1,507,406)	(7)
Dividends	Amount per security	Franked amount per security	
Final dividend	Nil	Nil	
Interim dividend	Nil	Nil	
Record date for determining entitlements to dividend		Not applicable	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood			

3. Income Statement Refer to Attachment A

4. Balance Sheet Refer to Attachment A

5. Statement of Changes in Equity Refer to Attachment A

6. Cash Flow Statement Refer to Attachment A

7. Dividends

Date dividend is payable	Not applicable
Record date to determine entitlement to the dividend	Not applicable
Amount per security	Not applicable
Total dividend	Not applicable
Amount per security of foreign sourced dividend or distribution	Not applicable
Details of any dividend reinvestment plans in operation	Not applicable
The last date for receipt of an election notice for participation in any dividend reinvestment plans	Not applicable

8. Statement of retained earnings

Consolidated Entity		
	2021	2020
Balance at the beginning of the year	(104,726,230)	(103,132,370)
Net profit attributable to members of the parent entity	(1,507,406)	(1,620,156)
Transfer from option reserve	41,619	26,296
Balance at end of the year	(106,192,017)	(104,726,230)

9. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.00045	\$(0.00002)

10. Details of entities over which control has been gained or lost during the period

Not applicable

11. Details of associated and joint venture entities

Name of associate or joint venture entity	% Securities held
PeriCoach Pty Ltd	100
Analytica Operations Pty Ltd	100
Analytica Export ME Pty Ltd	100

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Continuing operations

		2021	2020
	Note	\$	\$
Sales Revenue	2	7,244	11,367
Cost of Sales		<u>(3,495)</u>	<u>(16,795)</u>
Gross Profit		<u>3,749</u>	<u>(5,428)</u>
 Grant Income	2	 656,895	 708,447
Government Business Support	2	131,300	74,000
Investment revenue	2	212	4,014
Royalty Income	2	5,996	12,091
Administration expense	2	(841,414)	(797,343)
Depreciation, amortisation and impairments	2	(9,202)	(8,634)
Finance expenses	2	(58,497)	(227)
Foreign Currency Gains and Losses		(8,458)	(11,327)
Investments Fair Value Adjustment		5,553	(7,643)
Marketing expenses	2	(184,331)	(131,640)
Occupancy expenses		(5,094)	(6,045)
Option expenses		(89,496)	49,005
Patent maintenance expenses	2	(23,148)	(27,779)
Research and development expense	2	<u>(1,091,471)</u>	<u>(1,471,647)</u>
Loss before income tax		<u>(1,507,406)</u>	<u>(1,620,156)</u>
Income tax expense	3	-	-
Loss for the year		<u>(1,507,406)</u>	<u>(1,620,156)</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(1,507,406)</u>	<u>(1,620,156)</u>
Loss attributable to:		-	-
Members of the parent entity		<u>(1,507,406)</u>	<u>(1,620,156)</u>
Total comprehensive income attributable to:		-	-
Members of the parent entity		<u>(1,507,406)</u>	<u>(1,620,156)</u>
 Earnings per share			
Basic earnings per share (dollars)	6	(0.0004)	(0.0005)
Diluted earnings per share (dollars)	6	(0.0004)	(0.0005)

Consolidated Statement of Financial Position

		Consolidated Group	
		2021	2020
	Notes	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	7	1,890,683	66,215
Inventories	9	177,802	111,578
Prepayments	13	114,836	138,032
Trade and other receivables	8	18,934	20,323
		<u>2,202,255</u>	<u>336,148</u>
Non-current Assets			
Intangible assets	12	384,092	315,914
Other financial assets	10	13,581	8,028
Property, plant and equipment	11	8,690	7,562
		<u>406,363</u>	<u>331,504</u>
Total Assets		<u>2,608,618</u>	<u>667,652</u>
Liabilities			
Current Liabilities			
Directors loans		-	75,154
Employee benefits	16	263,785	254,999
Short-term provisions	15	70,295	66,900
Trade and other payables	14	171,448	267,289
		<u>505,528</u>	<u>664,342</u>
Non-Current Liabilities			
Provision for Long Service Leave	16	11,246	9,554
		<u>11,246</u>	<u>9,554</u>
Total Liabilities		<u>516,774</u>	<u>673,896</u>
Net Assets		<u>2,091,844</u>	<u>(6,244)</u>
Equity			
Issued capital	18	107,383,796	103,867,798
Reserves	17	900,065	852,188
Retained Earnings		(106,192,017)	(104,726,230)
Total Equity		<u>2,091,844</u>	<u>(6,244)</u>

Consolidated Statement of Changes in Equity

2021					
	Note	Ordinary Shares	Retained Earnings	Option Reserve	Total
Balance at 1 July 2020		\$ 103,867,798	\$ (104,726,230)	\$ 852,188	\$ (6,244)
Profit/(Loss) attributable to members of the parent entity		-	(1,507,406)	-	(1,507,406)
Options issued during the year		-	-	89,496	89,496
Options lapsed/forfeited during the year		-	41,619	(41,619)	-
Transaction costs		(313,663)	-	-	(313,663)
Shares issued during the year		3,829,661	-	-	3,829,661
Balance at 30 June 2021	17, 18	107,383,796	(106,192,017)	900,065	2,091,844
2020					
	Note	Ordinary Shares	Retained Earnings	Option Reserve	Total
Balance at 1 July 2019		\$ 103,873,113	\$ (103,132,370)	\$ 927,489	\$ 1,668,232
Profit/(Loss) attributable to members of the parent entity		-	(1,620,156)	-	(1,620,156)
Options reversed during the year		-	-	(49,005)	(49,005)
Options lapsed during the year		-	26,296	(26,296)	-
Transaction costs		(5,315)	-	-	(5,315)
Balance at 30 June 2020	17, 18	103,867,798	(104,726,230)	852,188	(6,244)

Consolidated Statement of Cash Flows

		Consolidated Group	
		2021	2020
		\$	\$
Receipts from customers		7,244	11,367
Receipts from grants		656,895	708,447
Receipts from Government Support		131,300	74,000
Receipts from royalties		5,996	12,091
Payments to suppliers and employees		(2,281,018)	(2,497,988)
Interest received		212	4,014
Finance costs		-	-
Interest paid		(58,497)	(73)
Net cash provided by (used in) operating activities	21	(1,537,868)	(1,688,142)
Cash flows from investing activities:			
Payment for intangible asset		(74,029)	(84,631)
Payment for Plant & Equipment		(4,479)	-
Net cash used by investing activities		(78,508)	(84,631)
Cash flows from financing activities:			
Proceeds from borrowings		-	75,000
Repayment of borrowings		(75,154)	-
Proceeds from issue of shares		3,829,661	-
Costs of fund raising		(313,663)	(5,315)
Net cash used by financing activities		3,440,844	69,685
Net increase (decrease) in cash and cash equivalents held		1,824,468	(1,703,088)
Cash and cash equivalents at beginning of year		66,215	1,769,303
Cash and cash equivalents at end of financial year	7	1,890,683	66,215

Notes to the Financial Statements

These consolidated financial statements and notes represent those of Analytica Limited and Controlled Entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, Analytica Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 31st August 2021 by the directors of the company.

1: Summary of Significant Accounting Policies

Basis of Preparation

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

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Analytica Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the

subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i. the consideration transferred;
- ii. any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- iii. the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group

can elect in most circumstances to measure the non-controlling interest in the acquired either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

b. Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

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

With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax

asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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

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

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

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

e. Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	13.33% – 20%
Office equipment	10% – 66.67%
Computer equipment	20% - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f. Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts classified as short-term leases (with a remaining lease term of

12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be paid by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in the statement of profit or loss and other comprehensive income.

g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case

transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, the Group made an irrevocable election to measure any subsequent changes in fair value of equity instruments. Dividend revenue received on underlying equity instruments investments is also recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss. Loss allowance is not recognised for:
 - financial assets measured at fair value through profit or loss; or
 - equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach.

General approach

Under the general approach, at each reporting period, the Group assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Group measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

h. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

i. Intangibles Other than Goodwill

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 0 to 20 years.

Research and development expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

j. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

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

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

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

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

k. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (i) the date when the Group can no longer withdraw the offer for termination benefits; and (ii) when the Group recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

l. Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Provision for Warranties

Provision is made in respect of the Group's best estimate of the liability on all products and services under warranty at the end of the reporting period. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated group's history of warranty claims.

n. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

o. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the satisfaction of the performance obligation within the contract.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Royalty revenue is recognised in the consolidated statement of profit or loss and other comprehensive income when the later of the subsequent sale or usage occurs and the performance obligation to which the sale-based or usage based royalty has been allocated has been satisfied.

The Group is eligible for research and development incentives from the Federal Government. Such amounts are recognised as revenue upon receipt.

All revenue is stated net of the amount of goods and services tax.

p. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

q. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

r. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

s. Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

t. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

u. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Corporations (Rounding in financial statements (Directors' Report Instrument) 2016/191. Accordingly, amounts in the financial statements have been rounded off to the nearest \$1.

v. Going concern

The financial statements have been prepared on a going concern basis.

This basis has been adopted as the company has sufficient cash at 30 June 2021 to conduct its affairs. The company has a guarantee of continuing financial support from Dr Monsour to allow the company to meet its liabilities and it is the belief that such financial support will continue to be made available.

The company's forward cash flow projections currently indicate that the company will be required to raise additional funds to meet forecast needs. The Directors have considered this position and have assessed available funding options and believe should funding be required that sufficient funds could be sourced to satisfy creditors as and when they fall due.

The company also expects to generate sales income during the 2022 year from the sales of its PeriCoach.

However, if adequate capital raising is not achieved the company may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

w. Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

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

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

x. Share capital

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

y. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at the end of each reporting year by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

z. New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021.

The Group anticipates to adopt these standards from their relevant application dates. Based on the preliminary assessment these standards are not expected to have a material effect.

2. Result for the year

Revenue from continuing operations

2. Revenue from continuing operations

	Consolidated Group	
	2021	2020
	\$	\$
Sale of goods revenue	7,244	11,367
Other Revenue		
R & D tax incentive revenue	656,895	708,447
Investment revenue	212	4,014
Government Business Support	131,300	74,000
Royalty Income	5,996	12,091
	<u>794,403</u>	<u>798,552</u>
Total Revenue	<u>801,647</u>	<u>809,919</u>

Expenditure

2. Results for the year

Profit before income tax from continuing operations includes the following specific expenses

	Consolidated Group	
	2021	2020
	\$	\$
Finance expenses		
Directors' Loan	58,437	154
External	60	73
	<u>58,497</u>	<u>227</u>
Administration expense		
Administration - compliance	568,795	463,200
Administration - employment	261,424	320,806
Administration - general	11,195	13,337
	<u>841,414</u>	<u>797,343</u>
Depreciation, amortisation and impairments		
Intangible assets	5,851	3,941
Property, plant and equipment	3,351	4,693
	<u>9,202</u>	<u>8,634</u>
Marketing expenses		
Marketing - employment	1,312	2,759
Marketing - Other	1,300	1,966
Marketing - PeriCoach	181,719	126,915
	<u>184,331</u>	<u>131,640</u>
	Consolidated Group	

	2021 \$	2020 \$
Patent maintenance expenses		
Patent Maintenance - AutoStart Burette	12,132	8,013
Patent Maintenance - PeriCoach	11,016	19,766
	<u>23,148</u>	<u>27,779</u>
 Research and development expense		
R & D - Employment	587,287	648,208
R & D - PeriCoach	504,184	823,439
	<u>1,091,471</u>	<u>1,471,647</u>

3. Income Tax

	Consolidated Group	
	2021 \$	2020 \$
Loss for the year	(1,507,406)	(1,620,156)
Tax	26%	27.5%
	<u>(391,925)</u>	<u>(445,543)</u>
Add:		
Tax effect of:		
- non deductible expenses	214,899	342,904
	<u>(177,026)</u>	<u>(102,639)</u>
Less:		
Tax effect of:		
- non assessable income	(184,980)	(210,235)
Temporary differences and tax losses not brought to account	362,006	312,874
Income tax attributable to parent entity	<u>-</u>	<u>-</u>

Carried forward tax losses of \$22,692,385 (2020:\$ 22,078,920) have not been brought to account as a deferred tax asset because it is not yet considered probable that they will reverse to the extent of being utilised in the future.

4. Key management personnel options and rights holdings

2021	Balance beginning of year	Granted as remuneration	Exercised	Lapsed/ forfeited	Balance at the end of year	Vested during the year	Vested and exercisable
Directors							
Unlisted Options @ 1.62 cents, Expire 10/12/20							
Dr T Lonngren	10,000,000	-	-	(10,000,000)	-	-	-
Unlisted Options @ 1.3 cents, Expire 21/12/21							
Dr M Monsour	20,000,000	-	-	-	20,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
Dr T Lonngren	10,000,000	-	-	-	-	-	-
Unlisted Options @ 1.3 cents, Expire 20/11/22							
Dr P Corr	10,000,000	-	-	-	10,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
Listed Options @ 0.35 cents Expire 18/6/22							
Mr R Mangelsdorf	-	50,000,000	-	-	50,000,000	50,000,000	50,000,000
Other KMP							
Unlisted Options @ 1.30 cent, Expire 8/06/22							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.30 cent, Expire 8/06/22							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.036 cent, Expire 8/06/22							
G Daly	14,000,000	-	-	-	14,000,000	-	14,000,000
Unlisted Options @ 1.036 cent, Expire 8/06/22							
G Daly	4,250,000	-	-	-	4,250,000	-	4,250,000
	108,250,000	50,000,000	-	(10,000,000)	138,250,000	50,000,000	88,250,000

2020	Balance beginning of year	Granted as remuneration	Exercised	Lapsed/ forfeited	Balance at the end of year	Vested during the year	Vested and exercisable
Directors							
Unlisted Options @ 1.62 cents, Expire 10/12/20							
Dr T Lonngren	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.3 cents, Expire 21/12/21							
Dr M Monsour	20,000,000	-	-	-	20,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
Dr T Lonngren	10,000,000	-	-	-	10,000,000	-	-
Unlisted Options @ 1.3 cents, Expire 20/11/22							
Dr P Corr	10,000,000	-	-	-	10,000,000	-	-
Mr R Mangelsdorf	10,000,000	-	-	-	10,000,000	-	-
Other KMP							
Unlisted Options @ 1.30 cent, Expire 8/06/22							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.30 cent, Expire 8/06/22							
G Daly	10,000,000	-	-	-	10,000,000	-	10,000,000
Unlisted Options @ 1.036 cent, Expire 8/06/22							
G Daly	14,000,000	-	-	-	14,000,000	-	14,000,000
Unlisted Options @ 1.036 cent, Expire 8/06/22							
G Daly	4,250,000	-	-	-	4,250,000	-	4,250,000
	108,250,000	-	-	-	108,250,000	-	48,250,000

4. Key management personnel shareholdings

2021	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
Directors				
Dr M Monsour	876,207,457	-	214,285,714	1,090,493,171
Mr R Mangelsdorf	107,898,245	-	-	107,898,245
Dr P Corr	360,790,157	-	-	360,790,157
	1,344,895,859	-	214,285,714	1,559,181,573
KMP				
Mr G Daly	2,081,658	-	-	2,081,658
	1,346,977,517	-	214,285,714	1,561,263,231

2020	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
Directors				
Dr M Monsour	876,207,457	-	-	876,207,457
Mr R Mangelsdorf	107,898,245	-	-	107,898,245
Dr P Corr	360,790,157	-	-	360,790,157
	1,344,895,859	-	-	1,344,895,859
KMP				
Mr G Daly	2,081,658	-	-	2,081,658
	1,346,977,517	-	-	1,346,977,517

5 Remuneration of Auditors

	Consolidated Group	
	2021	2020
	\$	\$
Remuneration of the auditor of the company, Bentleys, for auditing or reviewing the financial report	68,400	67,300
other services	2,750	3,000

6 Earnings per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	Consolidated Group	
	2021	2020
	\$	\$
Loss from continuing operations	(1,507,406)	(1,620,156)
Earnings used to calculate basic EPS from operations	(1,507,406)	(1,620,156)

(b) Earnings used to calculate overall earnings per share

Earnings used to calculate overall earnings per share	(1,507,406)	(1,620,156)
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(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	Consolidated Group	
	2021	2020
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	3,567,576,772	3,519,612,332
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	3,567,576,772	3,519,612,332

Earnings per share

Basic earnings per share (dollars)	(0.0004)	(0.0005)
Diluted earnings per share (dollars)	(0.0004)	(0.0005)

7 Cash and cash equivalents

	Consolidated Group	
	2021	2020
	\$	\$
Cash at bank and in hand	30,468	65,212
Short term bank deposits	1,860,215	1,003
	1,890,683	66,215

8 Trade and other receivables

Consolidated Group	
2021	2020

Notes to the Financial Statements

	\$	\$
Accrued Revenue	4,567	6,046
GST Refundable	10,746	14,125
Sundry Debtors	153	152
Trade Debtors	3,468	-
	<u>18,934</u>	<u>20,323</u>

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

9 Inventories

	Consolidated Group	
	2021	2020
	\$	\$
PC Stock - Finished Goods	19,476	15,859
PC Stock - Materials	158,326	95,719
	<u>177,802</u>	<u>111,578</u>

10 Other financial assets

Financial assets at fair value through profit or loss are shares held for trading for the purpose of short - term profit taking. Changes in fair value are included in the consolidated statement of profit or loss and other comprehensive income.

	Consolidated Group	
	2021	2020
	\$	\$
Listed investments at fair value		
Investments in Invion	13,581	8,028
Financial assets at fair value through profit and loss		
Listed shares at cost	522,026	522,026
less fair value adjustment	(508,445)	(513,998)
	<u>13,581</u>	<u>8,028</u>

11 Property, plant and equipment

	Consolidated Group	
	2021	2020
	\$	\$
Computer Equipment	115,114	115,114
Computer Equipment Dep'n Accum	(114,709)	(114,577)
	<u>405</u>	<u>537</u>
Office Equipment	22,467	17,988
Office Equipment Dep'n Accum	(17,863)	(15,763)
	<u>4,604</u>	<u>2,225</u>
Plant & Equipment	28,253	28,253
Plant & Equipment Dep'n Accum	(24,572)	(23,453)
	<u>3,681</u>	<u>4,800</u>
	<u>8,690</u>	<u>7,562</u>

(a) Movements in carrying amounts of property, plant and equipment

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

Consolidated	Plant & Equipment	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Year ended 30 June, 2021				
Balance at the beginning of year	4,800	2,225	537	7,562
Additions	-	4,479	-	4,479
Depreciation expense	(1,119)	(2,100)	(132)	(3,351)
Balance at the end of the year	<u>3,681</u>	<u>4,604</u>	<u>405</u>	<u>8,690</u>
Year ended 30 June, 2020				
Balance at the beginning of year	5,918	3,804	2,533	12,255
Depreciation expense	(1,118)	(1,579)	(1,996)	(4,693)
Balance at the end of the year	<u>4,800</u>	<u>2,225</u>	<u>537</u>	<u>7,562</u>

12 Intangible Assets

	Consolidated Group	
	2021 \$	2020 \$
Patents, trademarks and other rights		
Cost	640,979	566,950
Accumulated amortisation/impairment	(256,887)	(251,036)
Net carrying value	<u>384,092</u>	<u>315,914</u>
Licences and franchises	20,000	20,000
Accumulated amortisation/impairment	(20,000)	(20,000)
	<u>-</u>	<u>-</u>
	<u>384,092</u>	<u>315,914</u>

Consolidated	Patents, trademarks \$	Licences & Franchises \$	Total \$
Year ended 30 June, 2021			
Balance at the beginning of the year	315,914	-	315,914
Additions	74,029	-	74,029
Amortisation	(5,851)	-	(5,851)
Balance at the end of the year	<u>384,092</u>	<u>-</u>	<u>384,092</u>
Year ended 30 June, 2020			
Balance at the beginning of the year	235,224	-	235,224
Additions	84,631	-	84,631
Amortisation	(3,941)	-	(3,941)
Balance at the end of the year	<u>315,914</u>	<u>-</u>	<u>315,914</u>

13 Other assets

	Consolidated Group	
	2021 \$	2020 \$
Prepayments	106,163	104,162
Prepayments - Suppliers	8,673	33,870
	<u>114,836</u>	<u>138,032</u>

14 Trade and other payables

	Consolidated Group	
	2021	2020
	\$	\$
Trade payables	149,714	166,620
Other payables	21,734	100,669
	<u>171,448</u>	<u>267,289</u>

15 Provisions

	Consolidated Group	
	2021	2020
	\$	\$
Provision for Audit Fees	50,295	47,900
Provision for Tax Return Costs	20,000	19,000
	<u>70,295</u>	<u>66,900</u>

16 Employee Benefits

	Consolidated Group	
	2021	2020
	\$	\$
Current liabilities		
Provision for Holiday Pay	122,052	122,150
Provision for Holiday Pay Super	11,595	11,604
Provision for Long Service Leave - ST	130,138	121,245
	<u>263,785</u>	<u>254,999</u>
Provision for long-term employee benefits		
Provision for long service leave	11,246	9,554

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled in the next 12 months. However, these amounts must be classified as current liabilities since the group does not have an unconditional right to defer the settlement of these amounts in the event the employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued to long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historic data.

17 Reserves

	Consolidated Group	
	2021	2020
	\$	\$
Opening balance	852,188	927,489
Options reversed	-	(49,005)
Options Issued	89,496	-
Options lapsed/forfeited	(41,619)	(26,296)
	<u>900,065</u>	<u>852,188</u>

Share option reserve

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

18 Issued Capital

	Consolidated Group	
	2021	2020
	\$	\$
Fully paid 4,613,801,129 (2020: 3,519,612,332) Ordinary shares	107,383,796	103,867,798
Total	<u>107,383,796</u>	<u>103,867,798</u>

(a) Ordinary shares

	Consolidated Group	
	2021	2020
	No.	No.
At the beginning of the reporting period	3,519,612,332	3,519,612,332
Shares issued during the year		
14 June 2021 Placement Offer @ 0.035 cents per share	1,094,188,797	-
At the end of the reporting period	<u>4,613,801,129</u>	<u>3,519,612,332</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Options**Listed Options**

	Consolidated Group	
	2021 No.	2020 No.
At the beginning of the reporting period	-	-
Options issued during the year exercise @ 0.05 cents expire 18th June 2023		
14 June 2021 Placement Offer	1,094,188,797	-
18 June 2021 Grant	75,000,000	-
At the end of the reporting period	<u>1,169,188,797</u>	<u>-</u>

- (i) For information relating to the Analytica Limited employee option plan, including details of options issued, exercised and lapsed during the year and the options outstanding at year-end, refer to Note 22 Share-based payments.
- (ii) For information relating to share options issued to key management personnel during the year, refer to Note 23.

(c) Capital Management

Management controls the capital of Analytica Limited in order to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Capital consists of share capital, reserves and retained profit.

There are no externally imposed capital requirements.

The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the consolidated statement of financial position plus net debt.

The target for Analytica Limited's gearing ratio is between 0% and 50%. The gearing ratios at the current and prior years are shown below:

Debt to equity gearing ratio for 2021 is 0% (2020: 0.65%).

There have been no changes in the strategy adopted by management during the year.

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

20 Operating Segments

Segment information

Identification of reportable segments

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

The Group is managed primarily on the basis of product category and service offerings as the diversification of the group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

Performance is measured based on segment profit before income tax as included in the internal financial reports.

Types of products and services by reportable segment

(i) Medical Devices

- AutoStart Burette
- PeriCoach (Perineometer)

Analytica's lead product is the Perineometer device branded PeriCoach, to assist women and their clinicians in treatment of Stress Urinary Incontinence. The PeriCoach entered controlled market release in June 2014, with clinical trials undertaken in November 2014, with its public release in Australia and United Kingdom January 2015 and release in the United States in June 2015. The PeriCoach V3 was released in May 2017. The PeriCoach has a TGA ARTG entry, CE-marking, and USFDA 510(k) 'approval'.

Analytica is also commercialising the AutoStart Burette infusion system. The AutoStart Burette set automatically restarts the delivery of intravenous fluid once the burette has dispensed its predetermined amount of liquid or drug. Automatic restart of the IV fluid, once the drug is dispensed can provide enormous savings in nursing time during and following a medication event, and reduces the risk of blood clots forming that may obstruct the intravenous cannula.

Analytica has licensed the AutoStart Burette and other burette intellectual property to ICU Australia (Formerly Medical Australia) for distribution in the Australian Market. The AutoStart Burette has a TGA ARTG entry and USFDA 510(k) clearance.

(ii) Corporate

The corporate segment includes all other operations including the administration, and associated listed public company expenditure.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Income tax expense

Income tax expense is calculated based on the segment operating net profit using a notional charge of 27.5%. The effect of taxable or deductible temporary difference is not included for internal reporting purposes.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

	Medical Devices		Corporate		Total	Total
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
REVENUE						
Grant revenue	-	-	656,895	708,447	656,895	708,447
Government assistance	-	-	131,300	74,000	131,300	74,000
Sales revenue	7,244	11,367	-	-	7,244	11,367
Royalty revenue	5,996	12,091	-	-	5,996	12,091
Interest revenue	-	-	212	4,014	212	4,014
Loss sale of equipment	-	-	-	-	-	-
Total segment revenue	13,240	23,458	788,407	786,461	801,647	809,919
Depreciation/amortisation	(5,851)	(3,941)	(3,351)	(4,693)	(9,202)	(8,634)
Cost of sales	(3,495)	(16,795)	-	-	(3,495)	(16,795)
Interest expense	-	-	(58,497)	(227)	(58,497)	(227)
Marketing	(184,331)	(131,640)	-	-	(184,331)	(131,640)
Patent Maintenance	(23,148)	(27,779)	-	-	(23,148)	(27,779)
Other expense	-	-	(938,909)	(773,353)	(938,909)	(773,353)
Research & development	(1,091,471)	(1,471,647)	-	-	(1,091,471)	(1,471,647)
Total segment expense	(1,308,296)	(1,651,802)	(1,000,757)	(778,273)	(2,309,053)	(2,430,075)
Segment profit (loss)	(1,295,056)	(1,628,344)	(212,350)	8,188	(1,507,406)	(1,620,156)
 (e) Segment assets						
Segment assets	580,828	447,815	2,014,209	211,809	2,595,037	659,624
Financial assets at fair value through profit and loss	-	-	13,581	8,028	13,581	8,028
 (f) Segment liabilities						
Segment liabilities	-	-	516,774	673,896	516,774	673,896

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the location of the assets.

	2021	2020
	Revenue	Revenue
Australia	798,277	802,351
China	774	-
Middle East	2,596	-
United Kingdom	-	754
United States	-	6,814

21 Cash Flow Information

	Consolidated Group	
	2021 \$	2020 \$
Loss for the year	(1,507,406)	(1,620,156)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	5,851	3,941
- depreciation	3,351	4,693
- interest on directors loan	-	154
- fair value adjustment Invion Limited	(5,553)	7,643
- share options adjusted	89,496	(49,005)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Directors Loan	-	-
- (increase)/decrease in trade and other receivables	1,389	1,221
- (increase)/decrease in prepayments	23,196	(70,419)
- (increase)/decrease in inventories	(66,224)	6,535
- increase/(decrease) in trade and other payables	(95,841)	(2,744)
- increase/(decrease) in provisions	3,395	1,200
- increase/(decrease) in employee benefits	10,478	28,795
Cashflow from operations	<u>(1,537,868)</u>	<u>(1,688,142)</u>

22 Share-based Payments

Grant Date Unlisted Options	Date of Expiry	Exercise Price	Start of Year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested & exercisable end of year
26-11-15	10-12-20	0.0162	14,000,000	-	-	(14,000,000)	-	-
24-11-16	22-12-21	0.0130	70,000,000	-	-	-	70,000,000	-
9-06-17	8-06-22	0.0130	41,000,000	-	-	-	41,000,000	41,000,000
9-06-17	8-06-22	0.0104	33,350,000	-	-	-	33,350,000	33,350,000
28-06-17	22-12-21	0.0130	2,500,000	-	-	-	2,500,000	2,500,000
30-11-17	30-11-22	0.0130	20,000,000	-	-	-	20,000,000	-
			<u>180,850,000</u>	-	-	<u>(14,000,000)</u>	<u>166,850,000</u>	<u>76,850,000</u>

Grant Date Listed Options	Date of Expiry	Exercise Price	Start of Year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested & exercisable end of year
18-06-21	18-06-23	0.0035	-	75,000,000	-	-	75,000,000	75,000,000
			-	<u>75,000,000</u>	-	-	<u>75,000,000</u>	<u>75,000,000</u>

23 Related Parties

The Group's main related parties are as follows:

(i) Key management personnel:

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

For details of remuneration disclosures relating to key management personnel, refer to Note 4: Key Management Personnel (KMP) options and rights holdings and the remuneration report in the Directors' Report.

Other transactions with KMP and their related entities are shown below.

Loan facility to the company up to \$400,000 provided by Dr Monsour.

Funds have been drawn-down as at reporting date of nil. (2020: \$75,154). Interest rate of 8.51% is applicable on this loan.

(ii) Subsidiaries:

The consolidated financial statements include the financial statements of Analytica Limited and the following subsidiaries:

Name of subsidiary	% ownership interest	% ownership interest
	2021	2020
PeriCoach Pty Ltd	100	100
Analytica Operations Pty Ltd	100	100
Analytica Export ME Pty Ltd	100	100

Transactions with related parties

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

24 Financial Risk Management

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

This note discloses the Company's objectives, policies and processes for managing and measuring these risks.

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

The Company does not speculate in financial assets.

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

Specific risks

- Market risk - currency risk, cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

Financial instruments used

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

- Trade receivables
- Cash at bank
- Bank overdraft
- Investments in listed shares
- Trade and other payables

Objectives, policies and processes

The CFO has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the CEO or CFO believes the Board should be aware of.

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

Liquidity risk

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

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

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

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

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Company's liabilities have contractual maturities which are summarised below

Not later than 1 month

	2021	2020
	\$	\$
Trade payables	149,714	166,620
Other payables	21,734	100,669
	<u>171,448</u>	<u>267,289</u>

Market risk

(i) Foreign currency sensitivity

Most of the Company transactions are carried out in Australian Dollars. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD and CHF.

The Company did not actively reduce exposure of foreign currency risk by utilising forward exchange contracts for non-Australian Dollar cash flows during the 2021 or 2020 year.

Foreign currency denominated assets translated into Australian Dollars at the closing rate are included in the inventory balance of \$177,802 (2020: \$111,578). Net currency losses of \$8,458 (2020: \$11,327) are disclosed in the statement of profit or loss and other comprehensive income. Any increase or decrease in exchange rates would not significantly impact users of the financial statements, as such no sensitivity analysis is disclosed.

(ii) Cash flow interest rate sensitivity

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2020: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2021		2020	
	2.00%	(2.00%)	2.00%	(2.00%)
	\$	\$	\$	\$
Cash and cash equivalents				
Net results	37,814	(37,814)	(179)	179
Equity	37,814	(37,814)	(179)	179

(iii) Other price risk

The Company are exposed to equity securities price risk. This arises from listed and unlisted investments held by the Company and classified as available-for-sale on the consolidated statement of financial position.

Equity instruments are held for strategic rather than trading purposes and the Company does not actively trade these investments.

The Company is not exposed to commodity price risk.

There is no profit impact, except for investments held at fair value through profit or loss. Equity would increase / decrease as a result of fair value movements through the investment reserve.

Credit risk

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

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

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

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

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

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

25 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis

Financial assets

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
2021	\$	\$	\$	\$
Recurring fair value measurements				
Listed shares	13,581	-	-	13,581
2020	\$	\$	\$	\$
Recurring fair value measurements				
Listed shares	8,028	-	-	8,028

26 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

27 Company Details

The registered office of the company is:

Analytica Limited
c/o Avance Chartered Accountants
222 Bazaar Street,
Maryborough Qld 4655
Telephone: (07) 3278 1950

Share Registry:

Link Market Services
Level 15, 324 Queen Street
Brisbane, Queensland 4000
Telephone: +61 1300 554 474
Email: registrars@linkmarketservices.com.au

The postal address for the registered office of the company is:

Analytica Limited
PO Box 438
Maryborough Qld 4650

The principal place of business is:

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Brisbane Qld 4000
Telephone: (07) 3278 1950