

ASX Announcement

30 August 2022

Attached is the Appendix 4E and Preliminary Financial Report for the Year ended 30 June 2022.

The Appendix 4E and Preliminary Financial Report have been approved for release by the Board.



Jayne Shaw
Chairman

BCAL DIAGNOSTICS LIMITED

ABN 51 142 051 223

The Companies Announcements Office
The Australian Stock Exchange Limited
SYDNEY

Date: 30 August 2022

APPENDIX 4E

The results for announcement to the market are as follows:-

- The reporting period is twelve months to 30 June 2022. The previous reporting period was twelve months to 30 June 2021. The Company listed on the ASX on 21 July 2021.
- Key information relating to the above reporting periods is as follows:-

	30 June 2022	30 June 2021	% change
	\$	\$	
Revenue from ordinary activities	718,669	275,252	161%
Loss from ordinary activities after tax attributable to members	(3,385,493)	(1,524,970)	(122%)
Net loss attributable to members	(3,385,493)	(1,524,970)	(122%)
Proposed dividend	-	-	
Net tangible assets per issued security	\$0.0465	\$0.0225	107%

- See attached financials.
- No dividends have been paid or are proposed.
- There is no dividend reinvestment plan.
- Net tangible assets per security \$0.0465 (2021; \$0.0225).
- Acquisition or disposal of any entities occurring during the financial year.*
Nil
- Any other significant information needed by an investor to make an informed assessment of the Group's financial performance and financial position.*
Included in this document.
- The Company is not a foreign entity.
- Commentary on the results*
See commentary and the attached financials.
- The financial statements are subject to completion of the audit.

COMMENTARY ON RESULTS FOR THE YEAR

Breast cancer screening and diagnostic company BCAL Diagnostics Limited (ASX:BDX, 'BCAL' or the 'Company') continued to progress research and development of a blood test for detection of breast cancer in its early stages.

The test is based on disease-associated changes in the profile of lipids (fats) found in blood. BCAL's breast cancer test (BCAL Dx) has consistently shown high sensitivity and specificity in identifying patients and will supplement mammography, the current primary method for breast cancer screening.

To accelerate BCAL bringing its test to market it is simultaneously working on completing studies and finalising performance parameters for BCAL Dx in the laboratory and transferring the test to a commercial laboratory. This includes developing this capacity in the US, providing access to an ethnically diverse sample base not accessible in Australia.

REVENUE

BCAL's revenue is largely comprised of the research and development (R&D) tax offset. In line with the increase in research and development activities the R&D tax offset has increased by 155% over the previous year. The 2022 amount of ~\$700,000 is a conservative estimate as the claim will be finalised with the 2022 income tax return.

EXPENDITURE

Expenditure for the year increased to \$4,194,162 (2021: \$1,800,222) and is largely in line with the projections outlined in the prospectus filed with the ASX on 19 July 2021.

Research and development expenditure increased to \$1,913,832 (2021: \$664,113) which was in line with the increased programme activity.

In May 2022, BCAL announced the filing of a provisional patent application at IP Australia covering key lipid biomarkers that form part of its revolutionary blood-based breast cancer diagnostic. The patent application covers the detection of a number of key biomarkers in the diagnosis of breast cancer and provides the option to build a patent portfolio covering several aspects of BCAL's test. This initial filing in Australia will form the basis of multiple patent applications to be entered into within selected international markets as BCAL enhances its patent portfolio.

Expenditure for the year also includes costs associated with the ASX listing on 21 July 2021 in the amount of \$189,651 (2021: \$590,050).

Ongoing costs associated with being listed amounted to \$204,802 for the year (2021: Nil).

Included in share-based payments is an amount of \$360,000 which has been expensed in the year ended 2022 and relates to 4,000,000 shares issued to the Chief Executive Officer on 25 August 2022. The shares are escrowed for 3 years to 30 June 2025.



BALANCE SHEET AND CASH FLOW

The Company raised \$10 million (40,000,000 shares at \$0.25 per share) as part of its initial public offering to list on the ASX on 21 July 2022.

The Company had \$9,571,417 in cash and term deposits as at 30 June 2022.

Operating cash outflow for the year of \$3,219,321 largely reflected the result for the year and the receipt of the R&D tax offset for the 2021 financial year of \$289,142.

OUTLOOK

The Company is continuing to work apace to further validate its blood test for breast cancer with expanded clinical studies. At the same time a programme is underway to commercialise the test, and determine the go-to-market strategy. Potential avenues for revenue generation may include:

- Development and launch of a proprietary diagnostic test for breast cancer
- Partnership with existing cancer diagnostic and cancer therapeutic companies
- Partnership with healthcare provider networks

BCAL Diagnostics Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue from continuing operations			
Income	3	718,669	275,252
Expenses			
Research and development		(1,913,832)	(664,113)
Personnel costs	4	(299,593)	(81,728)
Marketing		(130,362)	-
Consulting fees		(367,198)	(126,691)
Audit fees		(60,000)	(34,000)
Patent and regulatory costs		(147,738)	-
Directors fees		(150,688)	-
Insurance		(93,641)	(33,895)
Travel and accommodation		(100,945)	(4,142)
General and administration		(260,323)	(88,347)
Depreciation		(20,607)	-
ASX listing costs		(189,651)	(590,050)
Share based payments	14	(369,584)	(176,256)
Loss before income tax		(3,385,493)	(1,524,970)
Income tax	5	-	-
Loss after income tax		(3,385,493)	(1,524,970)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(3,385,493)	(1,524,970)
Loss is attributable to:			
Members of BCAL Diagnostics Limited		(3,385,493)	(1,524,970)
Earnings per share			
<i>From continuing operations</i>		Cents	Cents
- Basic loss per share	20	(1.66)	(1.13)
- Diluted loss per share	20	(1.66)	(1.13)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



BCAL Diagnostics Limited
Statement of Financial Position
As at 30 June 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	5,571,417	3,407,605
Tax receivables	7	780,223	352,603
Other receivables and prepayments	8	103,419	368,401
Other financial assets	9	4,000,000	-
Total Current Assets		10,455,059	4,128,609
Non-Current Assets			
Plant and equipment	10	135,204	3,850
Total Non-Current Assets		135,204	3,850
Total Assets		10,590,263	4,132,459
LIABILITIES			
Current Liabilities			
Trade and other payables	11	914,423	504,159
Provisions	12	36,000	21,445
Total Current Liabilities		950,423	525,604
Non-current Liabilities			
Convertible Notes	13	-	-
Total Non-Current Liabilities		-	-
Total Liabilities		950,423	525,604
Net Assets		9,639,840	3,606,855
EQUITY			
Contributed equity	14	18,871,951	9,456,232
Reserves	15	321,059	318,300
Accumulated losses	15	(9,553,170)	(6,167,677)
Equity		9,639,840	3,606,855

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

BCAL Diagnostics Limited
Statement of Changes in Equity
For the year ended 30 June 2022

	Note	Contributed equity \$	Accumulated losses \$	Share based payment reserve \$	Total \$
2022					
At 30 June 2021		9,456,232	(6,167,677)	318,300	3,606,855
Total comprehensive Loss for the year		-	(3,385,493)	-	(3,385,493)
Other comprehensive income		-	-	-	-
		-	(3,385,493)	-	(3,385,493)
Share issue	14	10,037,513	-	-	10,037,513
Share issue costs	14	(621,794)	-	-	(621,794)
Share based payments		-	-	2,759	2,759
At 30 June 2022		18,871,951	(9,553,170)	321,059	9,639,840

	Note	Contributed equity \$	Accumulated losses \$	Share based payment reserve \$	Total \$
2021					
At 30 June 2020		4,939,580	(4,642,707)	142,044	438,917
Total comprehensive Loss for the year		-	(1,524,970)	-	(1,524,970)
Other comprehensive income		-	-	-	-
		-	(1,524,970)	-	(1,524,970)
Share issue	14	4,725,002	-	-	4,725,002
Share issue costs		(208,350)	-	-	(208,350)
Share based payments		-	-	176,256	176,256
At 30 June 2021		9,456,232	(6,167,677)	318,300	3,606,855

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



BCAL Diagnostics Limited
Statement of Cash Flows
For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(3,514,135)	(1,606,596)
Government grants received		-	57,943
Research and development tax offset		289,142	341,981
Interest received		5,674	252
Net cash outflow from operating activities	17	(3,219,319)	(1,206,420)
Cash flow from investing activities			
Purchase of plant and equipment		(25,762)	(3,850)
Term deposits		(4,000,000)	-
Net cash outflow from investing activities		(4,025,762)	(3,850)
Cash flows from financing activities			
Proceeds from share issue		10,030,687	4,409,999
Costs of share issue		(621,794)	(208,350)
Net cash inflow from financing activities		9,408,893	4,201,649
Net increase in cash and cash equivalents		2,163,812	2,991,379
Cash and cash equivalents at the beginning of the financial year		3,407,605	416,226
Cash and cash equivalents at end of the year	6	5,571,417	3,407,605

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1 Summary of significant accounting policies

(a) Basis of preparation

Reporting Entity

BCAL Diagnostics Limited is an ASX listed company limited by shares, incorporated and domiciled in Australia.

This Preliminary Financial Report has been authorised for release by the Directors on 30 August 2022.

The Preliminary Financial Report has been prepared on an accruals basis and is based on historical costs, except for selected financial assets for which the fair value basis of accounting has been applied.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(b) Going concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred losses of \$3,385,493, had net cash outflows from operating activities of \$3,219,230, net cash outflows from investing activities (other than term deposits) of \$25,762, and net cash inflows from financing activities of \$9,408,894 for the year ended 30 June 2022.

The Company had \$9,571,417 in cash on hand and term deposits at 30 June 2022.

The Directors have reviewed the cash flow forecast as at 30 June 2022 and are of the view that the Company has funding for its activities beyond the next twelve months. As a result, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classifications of recorded assets and liabilities that might be necessary if the Company do not continue as a going concern.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1 Summary of significant accounting policies (continued)

(c) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(d) Foreign currency translation

(i) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(e) Revenue recognition

Revenue from contracts with customers

The Company currently has no revenue from the sale of goods or services.

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(e) Revenue recognition (continued)

Research and Development Tax Offset

Research and Development Tax Offset claims are recognised as other income in the period to which the incentive claims relate.

(f) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(h) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(h) Financial instruments (continued)

Classification and subsequent measurement

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, all the financial assets, are classified as amortised cost.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

(i) Impairment of non-financial assets

At the end of each reporting period the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value 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 purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(j) Cash and cash equivalent

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(k) Other receivables

Other receivables are recognised at amortised cost, less any allowance for credit losses.

(l) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(m) Employee benefits (continued)

(ii) Retirement benefit obligations

The Company does not maintain a company superannuation plan. The Company makes fixed percentage contributions for all Australian resident employees to complying third party superannuation funds. The Company's legal or constructive obligation is limited to these contributions.

Contributions to complying third party superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share - based payments

The fair value of options granted under the Employee Share Option Plan ("ESOP") is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable.

The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(n) Contributed equity

Costs directly attributable to the issue of new shares are shown as a deduction from the equity as a deduction proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net GST, except where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

(p) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis.

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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Depreciation is calculated on a diminishing-value basis over the estimated useful life of the assets as follows:

Plant and equipment – ranging from 1 to 5 years
Office furniture – 1 to 5 years

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.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of BCAL Diagnostics Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(a) Earnings per share (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of 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 ordinary shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Adoption of New and Revised Accounting Standards

There are no new accounting standards or interpretations applicable that would have a material impact on the accounts of the Company.

The Company has not incorporated the impact of accounting standards issued but which are not yet mandatory for the current year. It is not expected that these will have any material impact on the entity.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Research and development expenditure

The entity has expensed research and development expenditure incurred during the year, where applicable, as the costs relate to the initial expenditure for research and development of biopharmaceutical products where generation of future economic benefits are not considered certain. It was considered appropriate to expense these research and development costs as they did not meet the criteria to be capitalised under AASB 138 Intangible assets.

The entity has raised a receivable for an expected Research and Development tax offset, which reflects managements best estimate at balance date.

(ii) Share based payment transactions

The entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments are granted. The accounting estimates and assumptions relating to equity-settled shares-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Judgment is required in relation to the non-market vesting conditions.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

	2022	2021
	\$	\$
3 Other Income		
Research and development tax offset	700,032	275,000
Interest received	18,637	252
	718,669	275,252
	2022	2021
	\$	\$
4 Expenses		
<i>Personnel costs</i>		
Salaries	746,725	388,156
Superannuation	73,868	36,025
Bonus accrued	110,000	-
Other personnel related costs	158,485	15,060
Less re-allocated to research and development	(789,485)	(357,513)
	299,593	81,728
5 Income tax		
	2022	2021
	\$	\$
(a) Income tax		
Deferred tax	-	-
	-	-
(b) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	(3,385,338)	(1,524,970)
Tax benefit at the Australian tax rate of 26% (2021: 26%)	(880,188)	(396,492)
Tax effect of amounts which are deductible/not taxable in calculating taxable income	98,247	54,501
Tax effect of accounting R&D tax incentive not deductible	236,401	164,368
Carried forward tax benefit not recognised	545,540	177,623
Total income tax expense	-	-
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	4,441,388	2,369,475
Potential tax benefit @ 26% (2021:26%)	1,154,761	616,063

The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

	2022	2021
	\$	\$
6 Cash at bank and in hand	5,571,417	3,407,605
	5,571,417	3,407,605

The Company has a further \$4,000,000 in term deposits, see Note 9.

7 Current assets – tax receivables

	2022	2021
	\$	\$
Research and development tax offset receivable	685,890	275,000
GST receivable	94,333	77,603
	780,223	352,603

8 Other receivables and prepayments

	2022	2021
	\$	\$
Prepayments	90,302	242,202
Interest receivable	13,117	-
Equipment deposit	-	126,199
	103,419	368,401

9 Other financial assets

	2022	2021
	\$	\$
Term deposit	4,000,000	-

The term deposit matures on 7 October 2022 and has an interest rate of 0.45%.

BCAL Diagnostics Limited
Notes to the Financial Statements
For the year ended 30 June 2022

10 Plant and equipment

	Plant and equipment \$	Office Furniture \$	Total \$
Cost			
Opening balance, 1 July 2021	33,626	21,947	55,573
Additions ¹	151,961	-	151,961
Closing balance, 30 June 2022	185,587	21,947	207,534
Opening balance, 1 July 2020	29,776	21,947	51,723
Additions	3,850	-	3,850
Closing balance, 30 June 2021	33,626	21,947	55,573
Depreciation			
Opening balance, 1 July 2021	29,776	21,947	51,723
Depreciation expense	20,607	-	20,607
Closing balance, 30 June 2022	50,383	21,947	72,330
Opening balance, 1 July 2020	29,776	21,947	51,723
Depreciation expense	-	-	-
Closing balance, 30 June 2021	29,776	21,947	51,723
Written down value 30 June 2021	3,850	-	3,850
Written down value 30 June 2022	135,204	-	135,204

¹An amount of \$126,199 was prepaid as at 30 June 2021

11 Current liabilities - Trade and other payables

	2022 \$	2021 \$
Trade creditors	277,192	250,699
PAYG withholding tax	46,885	12,182
Accrued expenses	563,663	229,000
Superannuation payable	26,683	12,278
	914,423	504,159

12 Current liabilities - Provisions

	2022 \$	2021 \$
Provision for annual leave, opening balance	21,445	6,385
Provided during the year	14,555	15,060
Provision for annual leave, closing balance	36,000	21,445

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13 Convertible notes

	2022	2021
	\$	\$
Opening balance	-	300,003
Converted to equity	-	(300,003)
Closing balance	-	-

Each convertible note was convertible into one fully paid ordinary share at the option of the noteholder, at a price being the lower of \$1.50 (\$0.0574 post share split) and the price of the next equity capital raise. Convertible notes had an interest rate of 5% and were secured by a general charge over the assets of the Company.

The notes were converted into 200,002 fully paid ordinary shares (5,226,101 post share split) during the previous year.

14 Contributed equity

(a) Share capital

	2022	2022	2021	2021
	Shares	\$	Shares	\$
Ordinary Shares Fully Paid	207,443,781	18,871,951	160,000,002	9,456,232

(b) Movements in ordinary share capital

		Number of	Issue price	\$
		Shares		
Opening balance 30 June 2020		4,423,173		4,939,580
Share issue on conversion of convertible notes	1 December 2020	200,002	\$1.50	300,003
Share issue	7 January 2021	1,494,914	\$2.95	4,409,999
Shares issued for services rendered	1 April 2021	5,084	\$2.95	15,000
Cost of share issue		-		(208,350)
		6,123,173		9,456,232
Share split ¹		160,000,002		-
Closing balance 30 June 2021		160,000,002		9,456,232
Share issue on ASX listing	21 July 2021	40,000,000	\$0.25	10,000,000
Advisor share issue	21 July 2021	6,875,631	\$0.0001	688
Employee share issue ²	29 December 2021	45,500	\$0.15	6,825
Share issue on exercise of options	2 May 2022	522,648		30,000
Cost of share issue		-		(621,794)
Closing balance 30 June 2022		207,443,781		18,871,951

¹Share split approved by shareholders on 26 April 2021 on the basis of ~26.13 new shares for every one share held.

²The issue was not for cash and at a deemed issue price. No shares were issued to Key Management Personnel.

BCAL Diagnostics Limited
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14 Contributed equity (continued)

(c) Ordinary shares

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(d) Options

As at 30 June 2022, the following options over unissued ordinary shares were on issue:

Details	No of options	Issue date	Date of expiry	Conversion price (\$)
Employee options	2,889,456	20/11/2019	20/11/2029	\$0.0574
Employee options	2,311,560	30/01/2020	30/11/2030	\$0.0574
Total 30 June 2020	5,201,016			
Director, employee, consultant options	6,356,861	23/11/2020	23/11/2023	\$0.0574
Options on issue post share split 30 June 2021	11,557,877			\$0.0574
Options exercised	(522,648)	3/5/2022	30/11/2030	\$0.0574
Total as at 30 June 2022	11,035,229			

Options	2022 No.	2021 No.
Balance at beginning of year	11,557,877	199,042
Granted during the year	-	243,276
	11,557,877	442,318
Adjusted for share split ¹	11,557,877	11,557,877
Options exercised	(522,648)	-
Balance at end of year	11,035,229	11,557,877

Options have been adjusted for share split approved by shareholders on 26 April 2021 on basis of ~26.13 new options for every one option held. The weighted average exercise price of options on issue is \$0.0574 after adjusting for the share split (\$1.50 pre share split). The unlisted options issued during the previous year were valued using the Black-Scholes model. The weighted average remaining contractual life of the options is 3.15 years (2021: 4.15 years).

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14 Contributed equity (continued)

The options granted during the current year are NIL (2021: 6,356,861). The details relating to the terms and conditions and valuation of the prior year options issued are as follows:

	Series 3
Grant date	23/11/2020
Expiry date	23/11/2023
Exercise price adjusted for share split (\$)	\$0.0574
Expected volatility (%)	75.80
Risk-free interest rate (%)	0.14
Expected life (years)	3
Share price at this date (\$)	\$1.50
Fair value per option (\$)	0.7343
Adjusted for share split	6,356,861

The vesting of options is subject to service periods and all options have vested.

The Company recognised expenses of \$369,584 in relation to share based payments for the year (2021: \$176,256). Of the amount expensed in 2022, \$360,000 is an accrual for shares issued on 25 August 2022 to the Chief Executive Officer. Included in the current year expense is an amount of \$6,825 in respect of shares issued to employees.

(e) Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt (if any). Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the Company may over time pay dividends to shareholders, return capital to shareholders, issue new shares, or take out debt facilities.

The capital management policy remains unchanged from the 30 June 2021 Annual Report.

BCAL Diagnostics Limited
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15 Reserves and accumulated losses

	2022	2021
	\$	\$
(a) Reserves		
Total reserves	321,059	318,300

Share based payments reserve

Movements in share based payments reserve were as follows:

Balance 1 July	318,300	142,044
Transfer to share based payments reserve	2,759	176,256
Balance 30 June	321,059	318,300

(b) Accumulated losses

Movements in accumulated losses were as follows:

Opening accumulated losses	(6,167,677)	(4,642,707)
Loss for the year	(3,385,493)	(1,524,970)
Balance 30 June	(9,553,170)	(6,167,677)

(c) Nature and purpose of reserves

The share based payment reserve comprises the cumulative value of employee services received through the issue of shares options. When the option is exercised, the related balance previously recognised in the share based payments reserve is transferred to share capital. When the share options expire, the related balance previously recognised in the share option reserve is transferred to accumulated losses.

16 Commitments and contingent liabilities

As at 30 June 2022, the Company has no capital commitments (2021: \$nil). The Company has no contingent liabilities as at 30 June 2022 (2021:\$nil).

17 Reconciliation of loss after income tax to net cash outflow from operating activities

	2022	2021
	\$	\$
Loss for the year	(3,385,493)	(1,524,970)
Non-cash share based payments	369,584	176,256
Depreciation	20,607	-
Employee benefits provision	14,555	15,060
Other non cash items	-	(59)
<i>Change in operating assets and liabilities</i>		
Increase in trade and other receivables	(288,837)	(317,674)
Increase in trade and other payables	50,265	444,967
Net cash outflow from operating activities	(3,219,319)	(1,206,420)

There were no non-cash investing and financing activities during the year.

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18 Segment information

BCAL Diagnostics Limited is an Australian company developing a novel blood screening test to improve the early diagnosis and monitoring of breast cancer that is safe, cost effective, accurate and available to all women regardless of age, race and geographic location. The Company has only one reporting segment in this and the prior year.

19 Financial risk management

(a) Financial risk management

The Company's financial instruments consist mainly of deposits with banks, other receivables and payables.

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Company does not speculate in financial assets.

Credit risk

The Company is currently not selling product or services and has no customer risk at present.

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The maximum exposure to credit risk at balance date is as follows:

	2022	2021
	\$	\$
Cash and cash equivalents (Note 6)	5,571,417	3,407,605
Other receivables (Note 7)	94,333	77,603
Research and development tax incentive receivable (Note 7)	685,890	275,000
Term deposit (Note 9)	4,000,000	-
	10,351,640	3,760,208

To deal with credit risk the Company deposits funds with banks with a credit rating of A+. Receivables risk is low as all receivables are due from government.

Liquidity risk

The Company's policy is to maintain a comfortable level of liquidity through the continual monitoring of cash reserves and the raising of additional capital as required.

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Notes to the Financial Statements
For the year ended 30 June 2022

19 Financial risk management (continued)

(b) Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of the settlement period of all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
<i>Financial liabilities - due for payment:</i>								
Trade and other payables	(914,423)	(504,159)	-	-	-	-	(914,423)	(504,159)
Total contractual outflows	(914,423)	(504,159)	-	-	-	-	(914,423)	(504,159)
Cash and cash equivalents	5,571,417	3,407,605	-	-	-	-	5,571,417	3,407,609
Other financial assets	4,000,000						4,000,000	
Other receivables	780,223	352,603	-	-	-	-	780,223	352,603
Total anticipated inflows	10,351,640	3,760,208	-	-	-	-	10,351,640	3,760,208
Net inflow on financial instruments	9,437,217	3,256,049	-	-	-	-	9,437,217	3,256,049

(c) Net fair values

The net fair value of assets and liabilities approximates their carrying value, due to their short term nature.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Market risk

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. Foreign exchange risk is currently minimal.

BCAL Diagnostics Limited
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(e) Interest rate risk

The Company is exposed to interest rate risk as the Company deposits the bulk of the Company's cash reserves in term deposits with the Commonwealth Bank. The risk is managed by the Company by maintaining an appropriate mix of term deposits.

20 Earnings per share

	2022	2021
	Cents	Cents
Basic and diluted loss per share (cents per share)*	(1.66)	(1.13)
Weighted average number of shares		
Basic and diluted loss per share calculation*	204,285,974	134,707,382
Loss for the period used in earnings per share		
From continuing operations	(3,385,493)	(1,524,970)

* calculation is after share split of ~26.13 new shares for every one share in April 2021

21 Related party transactions

(a) Key management personnel

The total remuneration paid to key management personnel of the Company during the year is as follows:

	2022	2021
	\$	\$
Short-term employee benefits	704,281	388,189
Post- employment benefits	39,244	27,478
Share based payments	362,759	160,017
	1,106,284	575,684

(b) Transactions with other related parties

During the prior year parties associated with the directors Ms Jayne Shaw and Mr Ronald Phillips (the "Investors") converted 200,001 convertible notes of \$1 each into 133,334 fully paid ordinary shares (pre share split) of \$1.50 each, equally. Post share split this amounted to 3,484,050 new shares.

22 Audit fees

	2022	2021
	\$	\$
Audit Fees – current year	60,000	34,000
- prior year	-	35,000
Other services ¹	-	36,591
	-	105,591

¹Other services relate to assurance services for the initial public offering.



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23 Events subsequent to balance date

On 25 August 2022 the Company issued 4,000,000 shares to the Chief Executive Officer, Dr John Hurrell at a deemed price of \$0.09 per share. The shares are restricted from sale for a period of three years to 31 August 2025.

Other than as outlined above no matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- a) the Company's operations in future financial years; or
- b) the results of those operations in future financial years; or
- c) the Company's state of affairs in future financial years.

23 Company details

Corporate Head Office and Principal Place of Business

Suite 506, Level 5, 50 Clarence Street, Sydney NSW 2000.