cryosite

Annual Report — 2023

1. Company details

Name of entity:	Cryosite Limited
ABN:	86 090 919 476
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022
Reporting Currency:	Australian Dollars

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	1.5%	to	11,935
Profit from ordinary activities after tax attributable to the owners of Cryosite Limited	up	3.3%	to	1,409
Profit for the year attributable to the owners of Cryosite Limited	up	3.3%	to	1,409

Dividends
On 24 August 2023 the Board of Cryosite Limited declared an unfranked dividend of 1.5 cents per share will be paid to shareholders for the year ending 30 June 2023. This compares with a 1 cent unfranked final dividend, paid to shareholders, for the year ending 30 June 2022.

Commentary on the results to the market

Results for the year ending 30 June 2023 reflect a strengthening of trading conditions in the second half of the financial year.

- *Revenue of $ 11,935,000 from ordinary activities up 1.5%.*
- *Net Profit of $ 1,409,000 up 3.3%.*
- *Earnings per share of 2.89 cents, up 3.3%.*
- *1.5 cents per share unfranked final dividend declared for the year ending 30 June 2023, up 50%.*
- *Cash and cash equivalents of $ 4,731,000 with an additional $ 1,000,00 invested in a term deposit. On a combined basis, up $390,000 from prior year's cash on hand of $5,341,000.*
- *No bank borrowings.*

A further explanation of the result of the current period is set out in the Directors Report contained in the attached audit reviewed Annual Financial report

3. Net tangible assets backing

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	5.86	3.97

The calculation of net tangible assets excludes right-of-use assets, intangible assets, and lease liabilities.

4. Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

5. Attachments

The Annual Report of Cryosite Limited for the year ended 30 June 2023 is attached.

6. Signed

Signed ____________________________ Date: 24 August 2023

Steven Waller
Non-Executive Chairman

Cryosite Limited

ABN 86 090 919 476

Annual Report - 30 June 2023

Directors	Steven Waller (Non-Executive Chairman) Andrew Kroger (Non-Executive Director) Nicola Swift (Non-Executive Director) Luis Antonio (Non-Executive Director)
Company secretary	Dray Andrea
Notice of annual general meeting	The details of the annual general meeting of Cryosite Limited are yet to be announced.
Registered office	13a Ferndell Street South Granville NSW 2142 Tel: +61 2 8865 2000 Email: corporate@cryosite.com
Principal place of business	13a Ferndell Street South Granville NSW 2142
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW, 2000 Sydney NSW, 2000
Auditor	Mazars Risk & Assurance Pty Limited Level 12, 90 Arthur Street North Sydney NSW, 2060
Stock exchange listing	Cryosite Limited shares are listed on the Australian Securities Exchange (ASX code: CTE)
Website	www.cryosite.com www.cryosite.com.au
Corporate Governance Statement	The Directors and management are committed to conducting the business of Cryosite Limited in an ethical manner and in accordance with the highest standards of corporate governance. Cryosite Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (`Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found on the Company's website at: https://www.asx.com.au/markets/company/CTE

CEO Message

Dear Shareholders,

It has been a busy and productive year for the Group, despite the challenges and uncertainties in the global market. We have

- consolidated our position as one of the leading clinical trials organisations in Australia, with a record number of orders handled by our facility.
- completed and successfully integrated technology into the business, enhancing our efficiency and quality of service.
- modernised our plant and equipment, added new secondary packaging room and cold chain storage and logistics capacity, and validated our facilities to meet the highest standards.
- maintained our cord blood storage business, with a growing number of clients renewing their contracts for annual and multi-year terms.

These achievements reflect our commitment to excellence, innovation, and customer satisfaction. We continue to monitor and manage the challenges of inflation, rising interest rates, supply chain issues, and changing customer preferences.

We are confident that we have the capacity, capability, and experience to overcome these challenges and seize new opportunities in the industry. We will continue to invest in our people, technology, and infrastructure to ensure our long-term growth and profitability.

Outlook

As the industry emerges from the pandemic era, it undergoes significant changes. These changes present an exciting opportunity for the Group to leverage its large client base, capacity, and capability to take advantage of new market dynamics. Cryosite can offer flexible and tailored solutions to meet the diverse needs and preferences of our customers.

While we are not immune to the macroeconomic environment or geopolitical tensions, we have worked hard to safeguard against future challenges and will continue to operate with resilience.

Together with our regulatory and technological experience, we are well placed to attract new business and accommodate industry expansion. We have invested in providing regulated secondary packaging services to the broader market, which will enhance our competitiveness and profitability. Moreover, we have a strong balance sheet that gives us the opportunity to seek out attractive strategic relationships that enhance our market position.

With one of the largest single site liquid nitrogen tank farms in Australia, a skilled scientific team, and extensive specialised industry knowledge, that underpin Cryosite's strength in biological and clinical trials logistics we are positioned for industry growth. We expect these segments to generate more revenue and profit in the coming years as Australia continues to be a sought-after destination for pharma and biotech firms seeking high-quality clinical trials.

Closing

In closing, I would like to take this opportunity to thank our customers and clients for their loyal support as the sector transitioned from the pandemic era.

On behalf of the Executive, I would also like to express my sincere thanks to each and every staff member of Cryosite, including the newly welcomed members this year, for your dedication, efforts, and commitment to meeting our customers' needs and continuing our journey together.

I would like to extend once more my thanks to our shareholders for your ongoing support. We will continue to remain diligent and focused to deliver upon our strategic objectives and deliver sustainable growth and shareholder value over the long term.

I would like to extend my thanks to the Board, whose guidance, leadership, and direction have been invaluable in positioning the Group where it is today.

John Hogg
CEO

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Cryosite Limited (referred to hereafter as 'Cryosite', the 'Company' or 'parent entity') and the entity it controlled at the end of, or during, the year ended 30 June 2023.

Directors
The following persons were directors of Cryosite Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Steven Waller	Non-Executive Chairman
Andrew Kroger	Non-Executive Director
Nicola Swift	Non-Executive Director
Luis Antonio (appointed on 17 April 2023)	Non-Executive Director
Bryan Dulhunty (resigned on 28 February 2023)	Non-Executive Director

Earnings per share

	Cents	
	2023	2022
Basic earnings per share	2.89	2.79
Diluted earnings per share	2.89	2.79

Dividends
On 24 August 2023 the Board of Cryosite declared an unfranked dividend of 1.5 cents per share (2022: 1 cent per share) will be paid as a final dividend for the year ending 30 June 2023.

Principal activities
During the financial year the principal continuing activities of the Group consisted of:
- Clinical trials and biological storage; and
- Cord blood and tissue storage.

Details of the two operating segments are as follows:

Clinical trials and biological storage
Cryosite provides specialist temperature-controlled storage, logistics and distribution services, and associated process management services for clinical trials medicines, scheduled medicines and biological materials to the clinical trials, research and pharmaceutical industries.

Cord blood and tissue storage
Cryosite provides long term storage for cord blood and tissue samples.

Review of operations
The profit for the Group after providing for income tax amounted to $1,409,000 (30 June 2022: $1,364,000).

Overview

The record financial results for 2023 exceeds the previous record financial result for the year ended 30 June 2022 (prior corresponding period), continuing to build upon our long-term strategy and business turnaround.

There has been a return of year-on-year positive momentum at Cryosite in the second half of 2023 as customers' trading patterns emerge from the aftermath of the pandemic.

- Revenue from ordinary activities increased by 1.5% to $11,935,000 in 2023 from $11,757,000 in 2022.
- Net profit of $1,409,000. An increase of 3.3% on prior year.
- Earnings per share: 2.89 cents. An increase of +3.3% on a fully diluted basis from prior year.
- $4,731,000 of cash and cash equivalents with an additional $1,000,000 in a longer duration term deposit as at 30 June 2023. Combined, this is an increase of $390,000 over the $5,341,000 in cash and equivalents held at 30 June 2022. The Group has no bank borrowings.
- Net cash from operations of $1,408,000 down by 44% from a record $2,524,000 in the 2022 year.
- Net tangible asset backing per share increased to 5.9 cents as at 30 June 2023, from 4.0 cents as at 30 June 2022.

The Group experienced stronger trading conditions in the second half 2023, contributing to the Group reporting record revenues from ordinary activities of $11,935,000 (2022: $11,757,000) and net profit of $1,409,000 (2022:1,364,000). It is particularly pleasing to report a 1.5% growth in revenue from ordinary activities in 2023, as revenue in the prior corresponding period was exceptionally strong.

The Group tightly controls costs but purposefully invests in facilities, systems and staff, to optimally position the Group for continued growth. A positive expansion in gross margins was offset with an increase in operational expenses, primarily driven by inflation. The Group delivered $1,409,000 net profit after tax, versus $1,364,000 in the prior corresponding year.

The reported net cash from operations of the Group during 2023 was $1,408,000 (2022: $2,524,000) driven by increased working capital requirements. Within the year, timing differences which negatively impacted the first half, were not a factor during the second half.

The Group has no debt facilities and continues to hold $4,731,000 cash on hand plus an additional $1,000,000, in a term deposit, with a duration of longer than three months at inception. The $5,731,000 of available cash to the Group as at 30 June 2023, is an increase of $390,000 over the $5,341,000 reported at 30 June 2022.

The Board has declared a 50% increase in the final unfranked dividend to 1.5 cents per share, for 2023, following the resumption of a dividend payments in 2022 with a final unfranked dividend of 1.0 cent per share declared for that year. The net tangible assets per ordinary share have been increased by 1.9 cents, from 4.0 cents on 30 June 2022 to 5.9 cents on 30 June 2023.

After several years of high investment in capital expenditure, the Group is in a position to leverage these assets, resulting in a moderate capital investment of $334,000 in 2023.

Segment performance

- **Clinical trials and biological storage**

Revenue:

Trading in this segment remains buoyant and experienced strong monthly demand through our facility in 2023. Revenue increased to $9,599,000 in 2023, from $9,297,000 in prior corresponding period, an increase of 3% (up $302,000). Revenue growth was driven by existing customers increasing their clinical trial activities, new products from existing clients, and on-boarding of new customers.

Expenses:

The cost of providing services in this segment increased to $5,376,000 in 2023, from $5,258,000 in the prior corresponding period, a small increase of 2% resulting from inflationary pressures.

Profit:

Net profit before tax from the segment increased to $4,223,000 in 2023, from $4,039,000 in the prior corresponding period, an increase of 5% or $184,000. This profit growth is primarily driven by growth in volumes and efficiencies, which helped offset increases in operational expenses primarily driven by inflation.

- **Cord blood and tissue storage**

Cryosite continues to securely store approximately 17,000 cords of which the large majority are under long-term contract. It should be noted that the cord blood database of approximately 17,000 customers has no carrying value on the balance sheet.

Revenue:

Revenue from the segment declined by $123,000 to $2,336,000 in 2023. Of the $2,336,000, $397,000 was revenue generated in the current financial year and $1,939,000 related to revenue recognised from historical long term contracts. (Refer note 4 and note 5).

Expenses:

Tight operational controls and increased automation of processes, along with a reduction in deferred costs, led to a 2% ($30,000) decline in expenses to $1,681,000 in 2023 from $1,711,000 in the prior corresponding period.

Profit:

Net profit before tax from the segment declined to $655,000 in 2023, from $749,000 in prior corresponding period, a decrease of 13% ($94,000) in line with the recognition of revenue from contracts with customers per the details in note 5.

Cashflow

Cash on hand as at 30 June 2023 was $4,731,000, in addition to which the Group holds a $1,000,000 investment in a term deposit with a duration in excess of three months at inception. Combined this provides the Group with $5,713,000 of internal available cash (2022: $5,431,000), an increase of $390,000 in 2023.

For the year ended 30 June 2023 net cash from operating activities was $1,408,000 (2022: $2,524,000), after a year-on-year increase in working capital requirements. Within the year timing differences were not a factor in the second half, which had impacted the first half.

Cashflow used in investing activities was $1,223,000 reflecting fixed asset purchases of $301,000 (2022: $863,000) and an investment of $1,000,000 in a term deposit as part of our short-term cash management strategy, partially offset by a rise in interest received.

Cashflow used in financing activities was $796,000 which include monies paid for the lease of our facility and the dividend payment of $488,000 (2022: cash flow used in financing activities was $181,000 as lease payments were partially offset by receipt of $117,000 in option proceeds).

Outlook

Cryosite provides highly regulated specialist storage and logistics solutions to the clinical trials and biologicals segments of the broader pharmaceuticals market.

Whilst the growth strategy is expected to continue to deliver an increase in revenue, inflationary pressure is increasing the cost of consumables, transport, energy and talent. Continued re-engineering of processes and increased automation will offset increases in some of those costs through increased productivity. The Group has balance sheet strength to take advantage of strategic opportunities as they arise and to invest in additional capacity to accommodate new products from existing and new customers.

The Group continues to drive high standards of quality and compliance and embraces new opportunities in growing technologies, which positions the Group favourable in this highly regulated segment within which we operate.

The Board would like to thank all the Group's stakeholders, including our dedicated management and employee team, our customers, clients, suppliers, partners, and shareholders for their ongoing support of Cryosite.

Environmental, social and governance

Cryosite is committed to developing energy and greenhouse gas management systems to reduce our Greenhouse Gas Emissions and to using sustainable technology.

Material business risks

The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years and how we propose to mitigate such risks.

Macroeconomic
Cryosite occupies a leading position in Australia, providing highly regulated specialist storage and logistics services for pharmaceutical and bio-tech clinical trials. We manage the entire clinical trial supply chain from importation, receipt, specialised ambient, cold, frozen, and liquid nitrogen storage for temperature-sensitive products, distribution and reverse logistics management. Having some of the world's largest pharmaceutical companies as clients mitigates macroeconomic risk, but the Group is still impacted by external conditions it cannot control, such as inflation and supply chain constraints.

Our smaller Cord Blood business offers a storage service which is discretionary for many customers. The division's financial performance can be impacted by current and future economic conditions which it cannot control, such as increases in interest rates and inflation. The Group stays abreast of these conditions, focuses on its internal debtor controls and diversifies its Cord Blood customer base to help manage these risks.

Regulatory compliance
The Group's purpose-built, modern facility is licensed by the Therapeutic Goods Administration (TGA) of Australia and is Good Manufacturing Practice (GMP) certified to support the specialised needs of highly regulated, temperature-sensitive products. We take our quality obligations and responsibilities seriously. Cryosite maintains accreditations, has thorough knowledge of regulatory systems and utilises best-in-class management systems to ensure our quality processes.

Cryosite employs regular and extensive audits to mitigate our risk and ensure our storage facilities meet TGA and our customers' standards. Additionally, the Group maintains sufficient internal controls to ensure continued compliance with its regulatory obligations as well as all Australian laws and regulations.

Privacy, Cybersecurity and IT infrastructure
The Group handles personal and sensitive information. It is dedicated to keeping its workforce appropriately trained and updated with privacy and data breach training and initiatives. Throughout the financial year, the Group issued training to all staff in relation to privacy, cybersecurity and data breaches.

Having invested heavily in this area in recent years, the Group continues to work with an external consultant to augment its vigilance regarding cybersecurity and to aid the optimal performance of its IT infrastructure. The Group regularly reviews its cybersecurity resilience and constantly monitors for alerts issued by the Australian Cyber Security Centre.

Work, health and safety ('WHS')
The Group has a zero-risk tolerance for serious safety incidents. The Group deploys a continuous improvement process to its WHS practices, emphasising its established safety culture throughout the organisation, and providing scheduled training for the workforce.

Operating risks
- Supply Chain disruption. The Group is part of a global supply chain facilitating the conduct of clinical trials in Australia. Disruption to this supply chain, as we saw during Covid, brings both challenges and opportunities requiring the Group to remain agile in its response.
- Commercial Partners: The Group is aware of the importance of global pharmaceutical and bio-tech companies within its Clinical Trials division and mitigates risk through consistently high levels of customer service, the attraction of new clients, and expansion of its licenses and services.
- Competition: The Group is vigilant regarding the possibility of a new market entrant or a change in the delivery model for Clinical Trials in Australia. It mitigates this risk by holding a number of licenses and certifications, investing in its facilities, services and people and by remaining closely connected to its customers. The Group continually invests in its brand and enjoys a high reputation in Australia and internationally.

Employees and diversity
As at 30 June 2023, the Group employed 25 full-time equivalent employees (2022: 22 employees). We are proud that our staff have a rich mix of backgrounds, experiences and perspectives, giving the Group a unique culture and a competitive advantage.

The Group strives to create an inclusive environment that empowers everyone to contribute and make a real difference. This enables our teams to support the success of our clients, and helps our people reach their full potential.

The Group recognises the value of diversity in the workplace. With over ten different ethnic backgrounds, our staff create a culturally and linguistically diverse workplace. There are numerous religions and cultures. Where possible the Group endeavours to offer flexible work practices. Work life balance is seen as a key retention tool.

The Group is committed to providing equal opportunity for all its staff. An overall staff mix of 64% females and 36% males, is also reflected in the direct reports to the CEO with 67% female. Cryosite is committed to providing a workplace free from any form of harassment, bullying and discrimination.

30 June 2023

	All employees	Management	Team lead	Age range	Board of Directors
Male	9	3	2	31-68	3
Female	16	4	1	29-62	1
Total	25	7	3		4

30 June 2023

	All employees %	Management %	Team lead %	Average age	Board of Directors %
Male	36	43	67	47	75
Female	64	57	33	41	25
Total	100	100	100		100

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
The Group provides a range of services that require compliance with legislation and regulations administered by government authorities and statutory bodies, including the Therapeutic Goods Administration (TGA), the Office of Drug Control, the Australian Government Department of Agriculture Fisheries and Forestry and the New South Wales Department of Health. The Group holds and maintains a Good Manufacturing Practice(GMP) Certification. Additionally, the Group must comply with environmental guidance within the quality system requirements of many of its customers.

Cryosite has a Group-wide quality management system to ensure that it meets or exceeds the requirements of all these interests.

There have been no significant known breaches of Cryosite's license conditions or any regulations to which it is subject. The Group, to the best of its knowledge, is not subject to any specific environmental regulations.

Information on directors

Name:	**Steven Waller** (appointed 10 March 2022)
Title:	Non-Executive Chairman
Qualifications:	B Pharm (Sydney), MBA (Macq), GAICD.
Experience and expertise:	Steven Waller was appointed as a Non-Executive Director of Cryosite Limited as of 19 November 2021. On 10 March 2022, Steven replaced Bryan Dulhunty as Non-Executive Chairman. Steven has extensive experience with large pharmaceutical companies, both in Australia and internationally. In Australia Steven held senior management roles at Sigma Healthcare Limited and Aspen Pharmacare Australia Pty Limited. Between 1996 and 2007, Steven held several international roles in sales, marketing and general management with Johnson and Johnson in the Middle East, Europe, the US and Asia-Pacific. Steven also owns a consulting business which provides services to the pharmaceutical industry and the broader health care industry in Australia, including government agencies. Steven is a registered pharmacist, has Master of Business from Macquarie University, and is a graduate of the Australian Institute of Company Directors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Nomination and Remuneration Committee, Member of the Audit and Risk Committee until 17 April 2023
Interests in shares:	None
Interests in options:	None

Name:	**Andrew Kroger** (appointed 21 November 2011)
Title:	Non-Executive Director
Qualifications:	BEc., LLB (Monash)
Experience and expertise:	Andrew Kroger had a career in stockbroking, law and general management including two years running Forsayth Group in 1990 which was Australia's ninth largest gold producer at that time. Andrew is the owner of Process Wastewater Technologies LLC, a company with its major business being in wastewater in the United States. Andrew has a Bachelor of Economics and a Bachelor of Laws from Monash University. Andrew was appointed to the Cryosite Limited board in November 2011.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	22,543,702 ordinary shares
Interests in options:	None

Name:	**Nicola Swift** (appointed 31 October 2016)
Title:	Non-Executive Director
Qualifications:	BA (Mod) Legal Science (TCD), MA (TCD), CFA, GAICD.
Experience and expertise:	Nicola Swift has an extensive background in the international investment management and securities industry as a research director, portfolio manager and equity analyst in London, Sydney and Boston with various global institutional investors. Nicola is a Chartered Financial Analyst, a graduate of the Australian Institute of Company Directors and holds an Honours Law degree and a Master of Arts from Trinity College Dublin. Nicola was appointed to the Board on 3 November 2016.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Remuneration and Nominations Committee and Chair of Audit and Risk Committee
Interests in shares:	None
Interests in options:	None

Name:	**Luis Antonio** (appointed on 17 April 2023)
Title:	Non-Executive Director
Qualifications:	BA (UNSW), BA (CSU), MBA (Curtin), CPA, GAICD.
Experience and expertise:	Luis Antonio brings more than 20 years' experience in the pharmaceutical and medical device industries to this role. He is an accomplished finance professional who, over the last 6 years, has held senior sales, marketing, and general management roles in international medical device companies. His experience and expertise complement Cryosite's logistics and storage business. Luis has professional interests in operations and finance excellence, new information systems and analytics, commercial collaboration and business strategy. Previously, Luis has held positions as Head of Finance for Johnson & Johnson Medical Asia-Pacific, Vice-president of International Finance at Wright Medical, Vice-president Sales and Marketing Europe, MEA and Canada at Wright Medical, and Vice-president Asia-Pacific and MEA at Wright Medical. Luis is currently Area Vice-president Asia Pacific for Paragon28.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee from 17 April 2023
Interests in shares:	None
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Dray Andrea (appointed on 18 January 2023)
Dray is a member of the Company Matters Pty Ltd team (part of Link Group, including Link Market Services share registry).

Kim Bradley-Ware (appointed on 11 January 2022; resigned on 18 January 2023)
Kim is a member of the Company Matters Pty Ltd team (part of Link Group, including Link Market Services share registry).

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Steven Waller	11	11	4	4	7	7
Andrew Kroger	11	11	-	-	-	-
Nicola Swift	11	11	4	4	9	9
Luis Antonio	3	3	-	-	2	2
Bryan Dulhunty	7	7	-	-	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The Group aims to ensure a competitive level and mix of remuneration to enable the Group attract, motivate and retain high quality personnel, to help the Group achieve its objectives and advance shareholder returns.

While the Board maintains the authority and responsibility for the oversight of the Group's remuneration policy and the principles and processes which underpins the policy, the Nominations and Remuneration committee provides advice and recommendations to the Board on the structure and level of remuneration for the directors and senior executives, and on the design and award of all executive incentive plans.

Non-executive director, Nicola Swift is Chair of the Nominations and Remuneration Committee. Non-executive Chair Steven Waller was appointed a member of the committee on 10 March 2022.

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role and are set to attract a requisite skill set required to govern the Group.

The Group has four non-executive directors. During the reporting period, Andrew Kroger, one of the four non-executive directors, was deemed not to be independent, due to his substantial shareholding of the Group with a relevant interest at the date of this report of 46.2%. Nicola Swift, Steven Waller, Luis Antonio are considered to be independent.

The remuneration of non-executive directors including the Chairman consists of fixed annual fees which are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Fixed annual fees for the 2023 year are as follows and are unchanged from 2022:
Non-Executive Chairman: $75,000 maximum per annum, plus superannuation.
Non-Executive Director: $60,000 maximum per annum, plus superannuation.
Chair of Remuneration and Nomination Committee: $7,500 maximum per annum, plus superannuation.
Chair of Audit and Risk Committee: $7,500 maximum per annum, plus superannuation.

The current maximum aggregate remuneration, approved by shareholders, for non-executive directors is $350,000. During 2023 total aggregate remuneration paid to non-executive directors was $290,000 (2022: $272,000).

Apart from reimbursement of expenses incurred on the Group's behalf, non-executive directors are not eligible for any additional payments. Performance based compensation is not part of the remuneration structure offered to non-executive directors.

Executive remuneration
The Group aims to reward executives based on their position, responsibility, experience and qualifications with a competitive level and mix of remuneration which has both fixed and variable components.

Executive remuneration and reward can consist of the following components:
- fixed remuneration
- short-term performance incentives, cash-based payments
- long-term performance incentives, share-based payments

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations. There is no guaranteed annual increase.

Short-term incentives ('STI') are at risk cash payments granted to executives based on the achievement of Group wide budgets as well as specific annual targets and key performance indicators ('KPI's') being achieved by the executive. KPI's include profit contribution, customer satisfaction, leadership contribution and product management. All STI payments are approved by the Board, on the recommendation of the Nominations and Remuneration Committee.

Long-term incentives ('LTI') are at risk equity-based payments. They provide the opportunity, on invitation, for executives to receive an equity-based payment if the financial performance hurdles associated with each invitation are met. These awards are governed by the Cryosite Employee Incentive Plan, (CEIP) established, and approved by shareholders in 2017. The aim of the CEIP is to align executive long-term variable at risk remuneration with the interest of shareholders. All LTI invitations and awards are approved by the Board, on the recommendation of the Nominations and Remuneration Committee. There were no invitations, under the CEIP, made in 2023 or the prior corresponding period.

Performance reviews are conducted annually for all Senior Executives.

Use of remuneration consultants
During the financial year ended 30 June 2023, the Group did not engage a remuneration consultant to advise on the remuneration package awarded to the directors and KMPs.

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')
At the 2022 AGM, 95.58% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following non-executive directors of Cryosite Limited:
- Steven Waller - Non-Executive Chairman
- Andrew Kroger - Non-Executive Director
- Nicola Swift - Non-Executive Director
- Luis Antonio - Non-Executive Director (appointed on 17 April 2023)
- Bryan Dulhunty - Non-Executive Director (resigned on 28 February 2023)

And the following persons:
- John Hogg - Chief Executive Officer
- Jane Hao - Chief Financial Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash benefits $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Steven Waller	75,000	-	-	7,875	-	-	82,875
Andrew Kroger	60,000	-	-	6,300	-	-	66,300
Nicola Swift	75,000	-	-	7,875	-	-	82,875
Luis Antonio*	12,500	-	-	1,313	-	-	13,813
Bryan Dulhunty**	40,000	-	-	4,200	-	-	44,200
Other Key Management Personnel:							
John Hogg***	211,724	13,033	-	24,436	5,143	-	254,336
Jane Hao***	167,066	10,000	-	16,800	1,475	-	195,341
	641,290	23,033	-	68,799	6,618	-	739,740

* Represents remuneration from 17 April 2023 to 30 June 2023
** Represents remuneration from 1 July 2022 to 28 February 2023
*** Other cash benefits were bonus accrued but not yet paid as at 30 June 2023

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments***	
2022	Cash salary and fees $	Cash benefits $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Steven Waller*	41,620	-	-	4,162	-	-	45,782
Andrew Kroger	60,000	-	-	6,000	-	-	66,000
Nicola Swift	75,000	-	-	7,500	-	-	82,500
Bryan Dulhunty**	70,380	-	-	7,038	-	1,709	79,127
Other Key Management Personnel:							
John Hogg	228,059	-	-	22,727	3,392	854	255,032
Jane Hao	159,230	7,500	-	15,750	525	-	183,005
	634,289	7,500	-	63,177	3,917	2,563	711,446

* Steven Waller appointed as Non-Executive Chairman on 10 of March 2022.
** Bryan Dulhunty stepped down from his position of Chairman to a role of Non-Executive Director on 10 March 2022.
*** This relates to the fair value of performance rights and options granted under the Cryosite Employee Incentive Plan ('CEIP').

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2023	2022	2023	2022	2023	2022
Non-Executive Directors:						
Steven Waller	100.00%	100.00%	-	-	-	-
Andrew Kroger	100.00%	100.00%	-	-	-	-
Nicola Swift	100.00%	100.00%	-	-	-	-
Luis Antonio	100.00%	100.00%	-	-	-	-
Bryan Dulhunty	100.00%	97.84%	-	-	-	2.16%
Other Key Management Personnel:						
John Hogg	94.88%	99.67%	5.12%	-	-	0.33%
Jane Hao	94.88%	95.90%	5.12%	4.10%	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	John Hogg
Title:	Chief Executive Officer
Agreement commenced:	15/10/2020
Term of agreement:	Permanent
Details:	Base Salary $233,000 plus superannuation. John Hogg can receive up to $13,000 bonus annually on his base salary subject to individual and Group performance. John Hogg or the Group may terminate this agreement by providing the other with three months written notice.

Name:	Jane Hao
Title:	Chief Financial Officer
Agreement commenced:	8/01/2021
Term of agreement:	Permanent
Details:	Base Salary $160,000 plus superannuation. Jane Hao can receive up to a $10,000 bonus annually on her base salary subject to individual and Group performance. Jane Hao or the Group may terminate this agreement by providing the other with three months written notice.

The Group may terminate the employee’s contract without notice if serious misconduct has occurred. Where termination with cause occurs, the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. On termination with cause, any options that have granted but not vested will be forfeited.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options and Performance Rights
There were no options and performance rights over ordinary shares issued, granted, or vested to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Steven Waller	-	-	-	-	-
Andrew Kroger	22,543,702	-	-	-	22,543,702
Nicola Swift	-	-	-	-	-
Luis Antonio	-	-	-	-	-
Bryan Dulhunty*	1,300,000	-	-	(1,300,000)	-
John Hogg	650,000	-	-	-	650,000
Jane Hao	-	-	-	-	-
	24,493,702	-	-	(1,300,000)	23,193,702

* Resigned on 28 February 2023

Option holding
There were no options held by directors and key management personnel at the beginning of the year, at any time during the year, or at the end of the year.

Loans to key management personnel and their related parties
There were no loans to key management personnel at the beginning of the year, at any time during the year, or at the end of the year.

Other transactions with key management personnel and their related parties
Before joining the Board, Steve Waller was contracted to provide a review of Direct-to-Consumer Delivery Options for Cryosite Limited. A fee for service of $2,640 incl GST was paid by the Group to Steve Waller in October 2021.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Cryosite Limited under option outstanding at the date of this report.

Shares under performance rights
There were no unissued ordinary shares of Cryosite Limited under performance rights outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Cryosite Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Cryosite Limited issued on the exercise of performance rights during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers
The Group holds insurance for all the Directors and Officers against liability, except wilful breach of duty, of a nature that is required to be disclosed under section 300(8) of the Corporations Act 2001. In accordance with commercial practice, further details of the nature of the liabilities insured against and the amount of the premium have not been disclosed.

In addition to the above, the Directors and certain Officers of the Group have entered into a Deed of Indemnity and Access confirming the Group's obligation to maintain an adequate Director and Officer Liability insurance policy and confirming the individual Directors' and Officers' right to access board papers and other Group documents. In return, the individual Directors and Officers have agreed to allow the Group to conduct the defence should the event arise. The Group has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Group or of any related body corporate against a liability incurred as such an Officer or Auditor.

Indemnity and insurance of auditor
The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of the Group
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Group who are former partners of Mazars Risk & Assurance Pty Limited
There are no officers of the Group who are former partners of Mazars Risk & Assurance Pty Limited.

Rounding of amounts
The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Mazars Risk & Assurance Pty Limited continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Steven Waller
Non-Executive Chairman

24 August 2023

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CRYOSITE LIMITED AND CONTROLLED ENTITY

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cryosite Limited.

As lead audit partner for the audit of the financial statements of Cryosite Limited for the financial year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

— the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

Mazars

MAZARS RISK & ASSURANCE PTY LIMITED

R. Megale

Rosemary Megale
Director
Sydney, 24 August 2023

Cryosite Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $'000	Consolidated 2022 $'000
Revenue	5	11,935	11,757
Expenses			
Administration expenses	6	(4,248)	(3,741)
Cost of providing services		(4,761)	(4,919)
Depreciation and amortisation expense	6	(696)	(564)
Marketing expenses		(55)	(87)
Occupancy expenses		(651)	(565)
Total expenses		(10,411)	(9,876)
Operating profit		1,524	1,881
Interest revenue calculated using the effective interest method		116	7
Finance costs		(65)	(81)
Profit before income tax expense		1,575	1,807
Income tax expense	7	(166)	(443)
Profit after income tax expense for the year attributable to the owners of Cryosite Limited		1,409	1,364
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Cryosite Limited		1,409	1,364
		Cents	**Cents**
Basic earnings per share	8	2.89	2.79
Diluted earnings per share	8	2.89	2.79

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

Cryosite Limited
Consolidated statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $'000	Consolidated 2022 $'000
Assets			
Current assets			
Cash and cash equivalents	9	4,731	5,341
Term deposit maturing after three months		1,000	-
Trade and other receivables	10	1,727	1,213
Inventories - stock on hand		60	47
Customer acquisition and fulfilment costs	11	1,195	1,253
Other assets	12	468	450
Total current assets		9,181	8,304
Non-current assets			
Property, plant and equipment	13	1,516	1,646
Right-of-use assets	14	2,520	758
Intangibles assets		8	12
Deferred tax assets	7	1,059	1,225
Customer acquisition and fulfilment costs	11	8,156	9,351
Other assets	12	207	208
Total non-current assets		13,466	13,200
Total assets		22,647	21,504
Liabilities			
Current liabilities			
Trade and other payables	15	1,254	924
Contract liabilities	16	2,040	2,233
Lease liabilities		161	233
Employee benefits	17	262	280
Other liabilities	19	60	57
Total current liabilities		3,777	3,727
Non-current liabilities			
Trade and other payables	15	442	442
Contract liabilities	16	12,539	14,171
Lease liabilities		2,445	616
Employee benefits	17	95	69
Provisions	18	209	200
Other liabilities	19	358	418
Total non-current liabilities		16,088	15,916
Total liabilities		19,865	19,643
Net assets		2,782	1,861
Equity			
Issued capital	20	5,979	5,979
Accumulated losses		(3,197)	(4,118)
Total equity		2,782	1,861

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

Consolidated	Issued capital $'000	Reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2021	5,862	30	(5,515)	377
Profit after income tax expense for the year	-	-	1,364	1,364
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,364	1,364
Transactions with owners in their capacity as owners:				
Share-based payments	-	3	-	3
Issue of share capital on exercise of employee share option	117	-	-	117
Transfer of reserve to retained earnings	-	(33)	33	-
Balance at 30 June 2022	5,979	-	(4,118)	1,861

Consolidated	Issued capital $'000	Reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	5,979	-	(4,118)	1,861
Profit after income tax expense for the year	-	-	1,409	1,409
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,409	1,409
Transactions with owners in their capacity as owners:				
Dividends paid (note 21)	-	-	(488)	(488)
Balance at 30 June 2023	5,979	-	(3,197)	2,782

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

Cryosite Limited
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $'000	Consolidated 2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,086	10,883
Payments to suppliers and employees (inclusive of GST)		(8,678)	(8,359)
Net cash from operating activities	30	1,408	2,524
Cash flows from investing activities			
Payments for property, plant and equipment	13	(301)	(863)
Payments for security deposits		(30)	-
Investment of cash in short-term deposits		(1,000)	-
Interest received		108	3
Net cash used in investing activities		(1,223)	(860)
Cash flows from financing activities			
Proceeds from option conversion		-	117
Interest and other finance costs paid		(28)	(32)
Dividends paid	21	(488)	-
Repayment of lease liabilities		(280)	(266)
Net cash used in financing activities		(796)	(181)
Net increase/(decrease) in cash and cash equivalents		(611)	1,483
Cash and cash equivalents at the beginning of the financial year		5,341	3,881
Effects of exchange rate changes on cash and cash equivalents		1	(23)
Cash and cash equivalents at the end of the financial year	9	4,731	5,341

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

Note 1. General information

The financial statements cover Cryosite Limited as a Group consisting of Cryosite Limited and the entity it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Cryosite Limited's functional and presentation currency.

Cryosite Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

13a Ferndell Street
South Granville
NSW 2142

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

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 Group'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 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cryosite Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Cryosite Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Significant accounting policies (continued)

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

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

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

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

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives
Certain comparatives have been reclassified to conform with current year presentation. This has not had any impact on the financial position of the Group at 30 June 2023 or the results for the year then ended.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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.

Determining the timing of satisfaction of performance obligations
The Group concluded that a portion of the revenue from collection, processing and storage of cord blood and tissue should be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group determined that the contract term of multi-year contracts, (historically as long as 18 or 25 years in duration) is the best method to determine the timing of satisfaction of performance obligations.

Allowance for expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Consideration of significant financing component in a contract
Historically, the storage contract for cord blood and cord tissue was either 18 or 25 years and the payment options available to the customers were:

Note 3. Critical accounting judgements, estimates and assumptions (continued)

- Upfront payment of the full contract price at inception of the contract;
- Instalment payment of either 12 or 24 months; and
- Partial upfront settlement with the remaining balance paid in instalment throughout the life of the contract (referred to by the Group as “Annual plans”).

Management determined that there is a significant financing component included in these 'Annual plans' because the total amount paid under this plan is significantly higher than the upfront cash payment. The amount of financing component attributed to the contract is determined as the difference between the total 'Annual plan' payments and the upfront cash payment.

Income tax
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The group’s accounting policy for taxation requires management’s judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the statement of financial position. Deferred tax assets, including those arising from carry forward tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

The Group has unconfirmed tax losses arising in Australia of $1,271,445 (2022: $2,509,170), of which $231,429 (2022: $231,429) have been recognised, that are available for offset against future taxable profits of the company. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management’s estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax liabilities or assets recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision
A provision of $209,000 has been made for the present value of anticipated costs for future restoration of leased premises (2022; $200,000). The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into two operating segments: Clinical trials and biological services logistics and Cord blood and tissue storage. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Clinical trials and biological services logistics	Specialist temperature-controlled storage, sourcing, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns and biological services.
Cord blood and tissue storage	Storage of cord blood and tissue samples.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Major customers
The Group services a highly specialised and often concentrated market segment, of which during the year ended 30 June 2023, approximately 64% of the Group's external revenue was derived from sales to three major global clients.

Operating segment information

Consolidated - 2023	Clinical trials and biological services logistics $'000	Cord blood and tissue storage $'000	Unallocated $'000	Total $'000
Revenue				
Sales to external customers	9,599	2,336	-	11,935
Total revenue	9,599	2,336	-	11,935
EBITDA	4,615	660	(3,055)	2,220
Depreciation and amortisation	(392)	(5)	(299)	(696)
Interest revenue	-	-	116	116
Finance costs	-	-	(65)	(65)
Profit/(loss) before income tax expense	4,223	655	(3,303)	1,575
Income tax expense				(166)
Profit after income tax expense				1,409
Assets				
Segment assets	3,072	10,627	8,948	22,647
Total assets				22,647
Liabilities				
Segment liabilities	1,237	14,767	3,861	19,865
Total liabilities				19,865

Note 4. Operating segments (continued)

Consolidated - 2022	Clinical trials and biological services logistics $'000	Cord blood and tissue storage $'000	Unallocated $'000	Total $'000
Revenue				
Sales to external customers	9,297	2,460	-	11,757
Total revenue	9,297	2,460	-	11,757
EBITDA	4,309	753	(2,617)	2,445
Depreciation and amortisation	(270)	(4)	(290)	(564)
Interest revenue	-	-	7	7
Finance costs	-	-	(81)	(81)
Profit/(loss) before income tax expense	4,039	749	(2,981)	1,807
Income tax expense				(443)
Profit after income tax expense				1,364
Assets				
Segment assets	2,251	12,162	7,091	21,504
Total assets				21,504
Liabilities				
Segment liabilities	949	16,780	1,914	19,643
Total liabilities				19,643

Accounting policy for 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.

Note 5. Revenue

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Revenue from contracts with customers		
Revenue from clinical trials, logistics and biological services	9,599	9,297
Revenue from cord blood and tissue storage (i)	2,336	2,460
Revenue	11,935	11,757

	Consolidated	
	2023	**2022**
	$'000	**$'000**
(i) Cord blood and tissue storage is comprised of:		
Cord blood and tissue storage revenue	397	412
Cord blood historical contract revenue	1,939	2,048
Total cord blood and tissue storage revenue	2,336	2,460

	Consolidated	
	2023	**2022**
** Cord blood deferred revenues and costs are comprised of:*		
Cord blood historical contract liabilities	1,939	2,048
Cord blood historical contract assets	(1,253)	(1,296)
Cord blood historical deferred income tax expense	(172)	(250)
Total cord blood historical deferred net income	514	502

* Refer to note 4 'Operating segments'.

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Geographical regions		
Australia*	11,935	11,757
Timing of revenue recognition		
Goods transferred at a point in time	2,442	2,157
Services transferred over time	9,493	9,600
	11,935	11,757

* The geographical regions are determined based on the place where the services occur.

Note 5. Revenue (continued)

Accounting policy for revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
The Group provides the following services:

- specialist temperature-controlled storage, sourcing, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns and biological services and
- long term storage for cord blood and tissue samples.

Revenue from clinical trials and biological services logistics services
Revenue from clinical trials pertain to processing and distribution of samples for clinical testing. The Group has assessed that each sample processed is distinct from each other and that asset is transferred to the customer either at the completion of the service or over time. Accordingly, the Group assessed that the performance obligation is both satisfied at that point in time and over time and revenue is recognised as and when the customer obtains control of the asset.

Revenue from cord blood and cord tissue storage
The collection, processing and storage services for cord blood and tissue samples constitute a single performance obligation because none of the services are distinct and marketed independently of the others. Therefore, this single performance obligation is performed over time (i.e., throughout the storage contract period of 18 or 25 years). Deferred revenue and deferred costs are consequently recognised in the statement of financial position, and these are unwound to the statement of profit or loss for the remaining contract period.

Note 6. Expenses

	Consolidated 2023 $'000	2022 $'000
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Depreciation - Property plant and equipment	464	331
Depreciation - Right-of-use assets	227	228
Amortisation - Intangibles assets	5	5
Total depreciation and amortisation	696	564
Finance costs		
Interest portion of monies owed to ACCC	27	31
Interest and finance charges paid/payable on lease liabilities	38	50
Finance costs expensed	65	81
Superannuation expense		
Defined contribution superannuation expense	275	258
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	2,489	2,275

Note 7. Income tax

	Consolidated 2023 $'000	2022 $'000
Income tax expense		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	166	443
Aggregate income tax expense	166	443
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	166	443
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	1,575	1,807
Tax at the statutory tax rate of 25%	394	452
Prior year tax losses not recognised now recouped	(230)	(79)
Other item	2	6
Tax rate change from 26% to 25%	-	64
Income tax expense	166	443

Note 7. Income tax (continued)

	Consolidated 2023 $'000	Consolidated 2022 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	1,040	1,962
Potential tax benefit at statutory tax rates	260	490

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The Group has unconfirmed tax losses arising in Australia of $1,271,445 (2022: $2,193,058), of which $231,429 (2022: $231,429) have been brought to account as a deferred tax asset that are available for offset against future taxable profits of the Company. The unrecognised deferred income tax asset of $260,004 (2022: $490,408) arising from these losses has not been brought to account at reporting date, as realisation of the benefit is not probable at this point in time. The Group will continue to review this regularly to determine whether to recognise these tax losses as deferred tax asset in the future.

	Consolidated 2023 $'000	Consolidated 2022 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Historical deferred revenue cord blood*	3,540	4,025
Historical deferred cost cord blood**	(2,338)	(2,651)
Other items	(143)	(149)
Deferred tax asset	1,059	1,225
Movements:		
Opening balance	1,225	1,668
Charged to profit or loss	(166)	(443)
Closing balance	1,059	1,225

	Consolidated 2023 $'000	Consolidated 2022 $'000
**Historical deferred revenue cord blood*		
Opening balance	4,025	4,718
Movement	(485)	(693)
Closing balance	3,540	4,025
***Historical deferred cost cord blood*		
Opening balance	(2,651)	(3,094)
Movement	313	443
Closing balance	(2,338)	(2,651)
Deferred tax asset (net)	1,202	1,374

Note 7. Income tax (continued)

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cryosite Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period’s tax payable to generate a refundable tax offset.

Note 8. Earnings per share

	Consolidated 2023 $'000	2022 $'000
Profit after income tax attributable to the owners of Cryosite Limited	1,409	1,364

	2023 Number	2022 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	48,809,563	48,809,563
Weighted average number of ordinary shares used in calculating diluted earnings per share	48,809,563	48,809,563

	2023 Cents	2022 Cents
Basic earnings per share	2.89	2.79
Diluted earnings per share	2.89	2.79

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before completion of these financial statements.

Accounting policy for earnings per share

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

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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 9. Cash and cash equivalents

	Consolidated 2023 $'000	2022 $'000
Current assets		
Cash at bank and on hand	731	2,341
Short-term deposits	4,000	3,000
	4,731	5,341

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. Short-term deposit is made for varying periods of between one day and six months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original 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.

Note 10. Trade and other receivables

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current assets		
Trade receivables	1,679	1,149
Less: Allowance for expected credit losses	(68)	(42)
	1,611	1,107
Other receivables	116	106
	1,727	1,213

Allowance for expected credit losses
The Group has recognised a loss of $25,964 (2022: gain of $46,731) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2023 %	Expected credit loss rate 2022 %	Carrying amount 2023 $'000	Carrying amount 2022 $'000	Allowance for expected credit losses 2023 $'000	Allowance for expected credit losses 2022 $'000
Not overdue	1.2%	3.5%	1,426	1,148	17	30
0 to 30 days overdue	12.4%	6.7%	162	19	20	1
31 to 60 days overdue	17.2%	-	65	(8)	11	-
61 to 90 days overdue	60.7%	3.9%	16	31	10	1
91 to 120 days overdue	100.0%	-	4	(50)	4	-
121 days and above overdue	100.0%	100.0%	6	9	6	10
			1,679	1,149	68	42

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Opening balance	42	89
Additional provisions recognised	52	-
Provision used	(26)	-
Unused amounts reversed	-	(47)
Closing balance	68	42

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Based on historical credit losses, the Group determined the presumption that default occurs later than when a trade receivable is 121 days past due.

Note 10. Trade and other receivables (continued)

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

Note 11. Customer acquisition and fulfilment costs

	Consolidated	
	2023 $'000	2022 $'000
Current assets		
Deferred costs - cord blood	1,195	1,253
Non-current assets		
Deferred costs - cord blood	8,156	9,351
	9,351	10,604
Reconciliation of historical deferred cost cord blood		
Opening balance	10,604	11,900
Recognised in the current year	(1,253)	(1,296)
Closing balance	9,351	10,604

Deferred costs represent upfront costs, such as laboratory fees, attributable for the collection and processing of cord blood and tissue samples.

Accounting policy for Customer acquisition and fulfilment costs assets
Costs to fulfil a contract are recognised as a contract asset if costs relate directly to a contract, generate or enhance resources that will be used in satisfying performance obligations and are expected to be recovered. The capitalised contract assets are amortised over a period on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer.

Note 12. Other assets

	Consolidated	
	2023 $'000	2022 $'000
Current assets		
Prepayments	468	450
Non-current assets		
Prepayments	-	4
Security deposits	198	168
Other non-current assets	9	36
	207	208
	675	658

Note 13. Property, plant and equipment

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Leasehold improvements - at cost	140	122
Less: Accumulated depreciation	(70)	(45)
	70	77
Fixtures and fittings - at cost	156	154
Less: Accumulated depreciation	(115)	(107)
	41	47
Information technology - at cost	255	220
Less: Accumulated depreciation	(159)	(111)
	96	109
Office furniture and equipment - at cost	95	80
Less: Accumulated depreciation	(48)	(37)
	47	43
Warehouse equipment - at cost	4,110	4,195
Less: Accumulated depreciation	(2,848)	(2,825)
	1,262	1,370
	1,516	1,646

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $'000	Fixtures and fittings $'000	Information technology $'000	Office furniture and equipment $'000	Warehouse equipment $'000	Total $'000
Balance at 1 July 2021	95	54	111	2	901	1,163
Additions	6	-	33	44	731	814
Depreciation expense	(24)	(7)	(35)	(3)	(262)	(331)
Balance at 30 June 2022	77	47	109	43	1,370	1,646
Additions	18	2	35	14	265	334
Depreciation expense	(25)	(8)	(48)	(10)	(373)	(464)
Balance at 30 June 2023	70	41	96	47	1,262	1,516

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 13. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	5 years
Fixtures and fittings	5-10 years
Information technology	2.5-5 years
Office furniture and equipment	2.5-8 years
Warehouse equipment	4-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 14. Right-of-use assets

	Consolidated	
	2023 $'000	2022 $'000
Non-current assets		
Land and buildings - right-of-use	3,430	1,441
Less: Accumulated depreciation	(910)	(683)
	2,520	758

The Group leases land and buildings for its offices and warehouses under agreement 5 years, with the option to extend with 5 years.

For other AASB 16 lease related disclosures refer to the following:

- note 7 for details of interest on lease liabilities and other lease payments;
- note 20 for lease liabilities at the end of the reporting period;
- note 28 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $'000
Balance at 1 July 2021	986
Depreciation expense	(228)
Balance at 30 June 2022	758
Additions	1,989
Depreciation expense	(227)
Balance at 30 June 2023	2,520

Note 14. Right-of-use assets (continued)

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 15. Trade and other payables

	Consolidated	
	2023 $'000	2022 $'000
Current liabilities		
Trade payables	632	460
Other payables	622	464
	1,254	924
Non-current liabilities		
Client deposits	442	442
	1,696	1,366

Refer to note 22 for further information on financial instruments.

Accounting policy for trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Contract liabilities

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Contract liabilities	2,040	2,233
Non-current liabilities		
Contract liabilities	12,539	14,171
	14,579	16,404

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2023	2022
Opening balance	16,404	18,314
Payments received in advance	463	423
Transfer to revenue - included in the opening balance	(2,100)	(2,178)
Transfer to revenue - other balances	(188)	(155)
Closing balance	14,579	16,404

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $14,579,000 as at 30 June 2023 ($16,404,000 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2023 $'000	2022 $'000
Within 1 year	2,040	2,233
2 to 3 years	3,424	3,627
4 to 5 years	2,870	3,125
over 5 years	6,245	7,419
	14,579	16,404

Accounting policy for contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 17. Employee benefits

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current liabilities		
Annual leave	163	204
Long service leave	99	76
	262	280
Non-current liabilities		
Long service leave	95	69
	357	349

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Employee benefits obligation expected to be settled after 12 months	163	164

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 18. Provisions

	Consolidated 2023 $'000	2022 $'000
Non-current liabilities		
Lease make good	209	200

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

On 1 July 2023 the current lease agreement with Allsup Pty Limited for the premises in Granville, was extended until 30 June 2028. The lease make good provision was increased by $9,000 to $209,000 in respect of the Group's obligation to reflect this arrangement regarding the leased premises. Because of the long-term nature of the liability, there is uncertainty in estimating the actual cost that may ultimately be incurred and any impacts on this of renegotiated terms at the time of lease expiry.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2023	Lease make good $'000
Carrying amount at the start of the year	200
Additional provisions recognised	9
Carrying amount at the end of the year	209

Accounting policy for provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 19. Other liabilities

	Consolidated 2023 $'000	2022 $'000
Current liabilities		
Other liabilities	60	57
Non-current liabilities		
Other liabilities	358	418
	418	475

As at 30 June 2023, Cryosite owes $418,000 to the Australian Competition and Consumer Commission ('ACCC') under deferred settlement arrangement commencing in 2019. An amount of $85,000 is payable per year, with the final payment due in 2029.

Note 20. Issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares - fully paid	48,809,563	48,809,563	5,979	5,979

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2021	46,859,563		5,862
Issue of share capital on exercise of employee share option	1 September 2021	1,950,000	$0.06	117
Balance	30 June 2022	48,809,563		5,979
Balance	30 June 2023	48,809,563		5,979

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can 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. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group's approach to capital risk management remains unchanged from the 30 June 2022 Annual report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 21. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated 2023 $'000	2022 $'000
Final unfranked dividend for the year ended 30 June 2023 (2022: 1 cents) of 1.5 cents per ordinary share	488	-

On 24 August 2023 the Board of Cryosite declared an unfranked dividend of 1.5 cents per share will be paid as the final dividend for 2023.

Accounting policy for dividends
Dividends are recognised when declared during the financial year.

Note 22. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group trades with a number of types of customers, the main ones being:

- Incorporated companies;
- Research institutes; both private and academic; and
- Cord Blood customers.

Incorporated Companies

The Group trades with recognised, publicly listed companies and large unlisted proprietary companies and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Research institutes both private and academic

The Group also trades with research institutes that are either publicly, privately or government owned along with recognised universities. Such customers are subject to credit search and collateral is not requested nor is it the Group’s policy to securitise its trade and other receivables.

Note 22. Financial instruments (continued)

Cord Blood and Tissue customers

All cord blood and tissue customers sign a formal agreement and prepay for their storage charges.

The Group does not offer individuals a trade on credit term. Credit risk limits are remote and regularly monitored. There are no transactions that are not denominated in the functional currency of the Group.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	632	-	-	-	632
Other payables	-	622	-	-	-	622
	-	-	-	-	-	-
Interest-bearing - fixed rate						
Lease liability	5.50%	161	179	660	1,606	2,606
Total non-derivatives		1,415	179	660	1,606	3,860

Consolidated - 2022	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	460	-	-	-	460
Other payables	-	464	-	-	-	464
	-	-	-	-	-	-
Interest-bearing - fixed rate						
Lease liability	5.50%	233	252	364	-	849
Total non-derivatives		1,157	252	364	-	1,773

Note 22. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2023	2022
	$	$
Short-term employee benefits (1)	641,290	634,289
Post-employment benefits	75,417	67,094
Share-based payments	-	2,563
Other cash benefits (2)	23,033	7,500
	739,740	711,446

(1) Salary and director fees paid and accrued for the financial year ended 30 June 2023
(2) Other cash benefits were bonus accrued but not yet paid as at 30 June 2023

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Mazars Risk & Assurance Pty Limited, the auditor of the Company:

	Consolidated	
	2023	2022
	$	$
Audit services - Mazars Risk & Assurance Pty Limited		
Audit or review of the financial statements	75,000	71,000

Note 25. Contingent liabilities

Bank guarantees of $198,000 (2022: $167,937) exist at year-end in respect of the Group's obligations under the premises lease arrangements.

Note 26. Commitments

	Consolidated	
	2023	2022
	$'000	$'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	200	197

Note 27. Related party transactions

Parent entity
Cryosite Limited is the parent entity.

Subsidiary
Interests in subsidiary are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2023	2022
	$	$
Payment for goods and services:		
Payment for company secretary services from other related party	-	14,710

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	$'000	$'000
Profit after income tax	1,409	1,364
Total comprehensive income	1,409	1,364

Note 28. Parent entity information (continued)

Statement of financial position

	Parent 2023 $'000	2022 $'000
Total current assets	9,181	8,304
Total assets	22,647	21,504
Total current liabilities	3,777	3,727
Total liabilities	19,865	19,643
Equity		
Issued capital	5,979	5,979
Accumulated losses	(3,197)	(4,118)
Total equity	2,782	1,861

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

Contingent liabilities
The parent entity had contingent liabilities same as mentioned in note 25.

Capital commitments - Property, plant and equipment
The parent entity had capital commitments same as mentioned in note 25.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. Interests in subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	2022 %
Cryosite Distribution Pty Limited	Australia	100%	100%

Note 30. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Profit after income tax expense for the year	1,409	1,364
Adjustments for:		
Transfer to investing activities	7	4
Depreciation and amortisation expenses	696	564
Finance costs considered as financing activity	65	81
Foreign exchange differences	4	23
Other equity	-	3
Interest received	(116)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(530)	468
Decrease in customer acquisition and fulfilment costs	1,253	1,296
Decrease in deferred tax assets	479	886
Decrease in contract liabilities	(1,939)	(2,048)
Decrease in lease assets	(6)	12
Decrease in other assets	(30)	5
Increase in contract liabilities	114	138
Decrease in deferred tax liabilities	(313)	(443)
Increase in employee benefits	9	70
Increase in trade and other creditors	354	155
Increase in other liabilities	(48)	(54)
Net cash from operating activities	1,408	2,524

Non-cash investing and financing activities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Additions to the right-of-use assets	1,989	-

Changes in liabilities arising from financing activities

Consolidated	Lease Liabilities $'000
Balance at 1 July 2021	1,065
Net cash used in financing activities	(266)
Accretion of interest	51
Balance at 30 June 2022	850
Net cash used in financing activities	(280)
Acquisition of leases	1,989
Accretion of interest	38
Lease other	8
Balance at 30 June 2023	2,605

Note 31. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Steven Waller

Steven Waller
Non-Executive Chairman

24 August 2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRYOSITE LIMITED AND ITS CONTROLLED ENTITY

Report on the Financial Report

Opinion

We have audited the accompanying consolidated financial report of Cryosite Limited (the "Company") and the entity it controlled (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, other selected explanatory notes and the directors' declaration.

In our opinion, the accompanying consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report for the current year. We have determined that there are no key audit matters to communicate in our report.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
AUASB Auditors Responsibilities Group Listed. This description forms part of our auditor's report.

Opinion on the Remuneration Report

We have audited the Remuneration Report for the year ended 30 June 2023 as outlined on pages 11 to 16 of the financial report.

In our opinion, the Remuneration Report of Cryosite Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Mazars

MAZARS RISK & ASSURANCE PTY LIMITED

R. Megale

Rosemary Megale
Director
Sydney, 24 August 2023

The shareholder information set out below was applicable as at 8 August 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares Number of holders	Ordinary shares % of total shares issued	Options over ordinary shares Number of holders	Options over ordinary shares % of total shares issued
1 to 1,000	53	11.13	-	-
1,001 to 5,000	228	47.90	-	-
5,001 to 10,000	59	12.39	-	-
10,001 to 100,000	98	20.59	-	-
100,001 and over	38	7.99	-	-
	476	100.00	-	-
Holding less than a marketable parcel	38	7.98	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
MR ANDREW KROGER AND RELATED ENTITIES	22,543,702	46.19
MR MARK GREGORY KERR & MRS LINDA MARIE KERR	4,654,494	9.54
MR GARY GRIFFITH ROBINS & MR ALLAN JAMES ROBINS	4,121,184	8.44
MR ALISTAIR DAVID STRONG	2,025,000	4.15
DMX CAPITAL PARTNERS LIMITED	1,642,945	3.37
DULHUNTY MANAGEMENT PTY LTD	1,330,000	2.72
BNP PARIBAS NOMINEES PTY LTD	1,248,518	2.56
BFA SUPER PTY LTD	1,000,000	2.05
MR JOHN HOGG	650,000	1.33
THIRTY SIXTH VILMAR PTY LTD	579,099	1.19
GINGA PTY LTD	567,957	1.16
H F A ADMINISTRATION PTY LIMITED	542,000	1.11
SUNNYIT PTY LTD	500,000	1.02
MRS JANE SUSAN MILLIKEN	350,917	0.72
BELL POTTER NOMINEES LTD	350,000	0.72
MR STEPHEN ROBERTS	337,707	0.69
CASTLEREAGH EQUITY PTY LTD	300,000	0.61
M N J HOLDINGS PTY LTD	214,931	0.44
NARON NOMINEES PTY LTD	213,007	0.44
MRS MICHELE EVE ROBINS	200,000	0.41
	43,371,461	88.86

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
MR ANDREW KROGER AND RELATED ENTITIES	22,543,702	46.19
MR MARK GREGORY KERR & MRS LINDA MARIE KERR	4,654,494	9.54
MR GARY GRIFFITH ROBINS & MR ALLAN JAMES ROBINS	2,800,000	5.92

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.