



REPRODUCTIVE HEALTH SCIENCE PTY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REPRODUCTIVE HEALTH SCIENCE PTY LTD

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Reproductive Health Science Pty Ltd ('the company'), which comprises the statement of financial position as at 30 June 2013, and the statement of profit and loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the directors declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1, are appropriate to meet the requirements of the company's constitution and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.



REPRODUCTIVE HEALTH SCIENCE PTY LTD

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REPRODUCTIVE HEALTH SCIENCE PTY LTD (CONT)**

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Reproductive Health Science Pty Ltd as at 30 June 2013, and its financial performance for the year then ended in accordance with the accounting policies in Note 1 to the financial report.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the Director's Report and Note 1(j) in the financial report which indicates the company incurred a net loss of \$471,831 for the year ended 30 June 2013 and, that the company is reliant on future funding from its investors to continue in its normal course of business. These conditions, along with other matters as set forth in Note 1(j) indicate the existence of a material uncertainty that casts significant doubt on the ability of the company to continue as a going concern and, therefore whether the company will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist for the purpose of fulfilling the directors' financial reporting requirements under the company's constitution. As a result, the financial report may not be suitable for any other purpose.

Edwards Marshall

Edwards Marshall
Chartered Accountants

Brett Morkunas

Brett Morkunas
Partner

Adelaide
South Australia

Dated *11 November 2013*

DIRECTORS' REPORT

Your directors present their report on the company for the year ended 30 June 2013.

Directors

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

Dr Andrew W Bollen
Prof. Colin D Matthews
Dr Caroline Popper
Dr Michelle Fraser

Mr Johnathon Matthews is an alternate director for Professor Colin Matthews.

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

Activities

The principal activity of the company during the financial year was the development of early testing for aneuploidy.

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

Results

The loss of the company for the year after providing for income tax benefit was \$471,831 (2012 – loss of \$657,973).

The change in net assets was primarily due to operating loss for the year and the issue of Series B Preference Shares to existing Shareholders.

State of Affairs

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years other than as set out under "events after reporting date" below.

Likely developments in the operations of the company, and the expected results of those operations in future financial years, have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

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Environmental Regulation

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

Dividends

There were no dividends paid or declared since the start of the financial year.

Events after Reporting Date

Since the end of the financial year, there has been no other matter or circumstance occurring that has significantly affected, or may significantly affect, the operations of the company, the result of those operations, or the state of affairs of the company in future financial years.

Going Concern

As described in the results section of the Directors' Report the company has reported a loss for the year. Research and development activities of the company have been reliant to date on commercial ready grant government funding and equity funding from investors. Commercial ready grant funding expired at the end of 2010 and accordingly the future solvency of the company will be reliant on further contributions from investors, which, at the date of signing the financial report have not yet been secured.

The directors are undertaking measures to secure additional funding from investors but in the absence of such funding have concluded that these circumstances represent a material uncertainty that casts significant doubt on the ability of the company to continue as a going concern and, therefore, whether the company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Nevertheless after making enquiries and considering the uncertainties described above the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial report.

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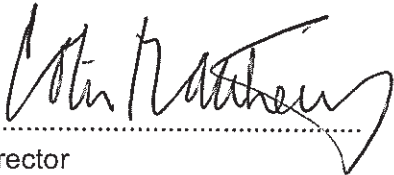
Indemnification of Directors


No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors


.....
Director


.....
Director

Dated at 11th this November day of 2013 2013

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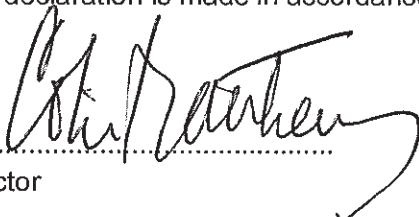
DIRECTORS' DECLARATION


The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 18 present fairly the company's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors


.....
Director


.....
Director

Dated at *1st* this *November* day of *2013* 2013

REPRODUCTIVE HEALTH SCIENCE PTY LTD
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STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
REVENUE	2	17,023	24,676
RESEARCH & DEVELOPMENT EXPENSES		(167,972)	(162,284)
ADMINISTRATION EXPENSES		(560,881)	(562,160)
OTHER EXPENSES		-	-
LOSS FOR THE YEAR BEFORE INCOME TAX		<u>(711,830)</u>	<u>(699,768)</u>
LESS INCOME TAX EXPENSE/ (BENEFIT)	5	(239,999)	(41,795)
NET LOSS FOR THE YEAR		<u>(471,831)</u>	<u>(657,973)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(471,831)</u>	<u>(657,973)</u>

The accompanying notes form part of these financial statements..

REPRODUCTIVE HEALTH SCIENCE PTY LTD

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	6	185,987	502,953
Trade and other receivables	7	1,112	-
Deposits		10,400	10,400
Prepayments		5,550	7,017
Total Current Assets		<u>203,049</u>	<u>520,370</u>
Intangible assets			
Standard patent		139,519	127,632
Total Intangible Assets		<u>139,519</u>	<u>127,632</u>
Non-current assets			
Property, plant and equipment	8	176,216	210,598
Total non-current assets		<u>176,216</u>	<u>210,598</u>
Total assets		<u>518,784</u>	<u>858,600</u>
Current liabilities			
Payables	9	32,300	58,319
Provisions	10	15,271	9,727
Provision for R & D Refund		88,206	438,205
		<u>135,777</u>	<u>506,251</u>
Non-current liabilities			
Provisions	10	11,348	8,859
		<u>11,348</u>	<u>8,859</u>
Total liabilities		<u>147,125</u>	<u>515,110</u>
Net assets		<u>371,659</u>	<u>343,490</u>
Equity			
Issued capital	11	4,262,494	3,762,494
Accumulated losses		(3,890,835)	(3,419,004)
Total equity		<u>371,659</u>	<u>343,490</u>

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The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Issued Capital \$	Accumulated Losses \$	Total \$
Balance as at 30 June 2011		<u>3,262,494</u>	<u>(2,761,031)</u>	<u>501,463</u>
Shares Issued	11	500,000	-	500,000
Loss for Year		-	(657,973)	(657,973)
Balance as at 30 June 2012		<u>3,762,494</u>	<u>(3,419,004)</u>	<u>343,490</u>
Shares Issued	11	500,000	-	500,000
Loss for Year		-	(471,831)	(471,831)
Balance as at 30 June 2013		<u>4,262,494</u>	<u>(3,890,835)</u>	<u>371,659</u>

The accompanying notes form part of these financial statements.

REPRODUCTIVE HEALTH SCIENCE PTY LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
R&D tax rebates received		263,700	-
Other receipts		-	990
Payments to suppliers and employees		(1,111,573)	(854,749)
Interest received		17,023	23,767
GST refunds		25,771	30,422
Net cash used in operating activities	14	<u>(805,079)</u>	<u>(799,570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	-	(18,997)
Patent expenses		(11,887)	(22,916)
Net cash used in investing activities		<u>(11,887)</u>	<u>(41,913)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of equity	11	500,000	500,000
Net cash provided by financing activities		<u>500,000</u>	<u>500,000</u>
Net Increase in Cash Held		(316,966)	(341,483)
Cash and cash equivalents at beginning of Year		502,953	844,436
Cash and cash equivalents at end of Year		<u>185,987</u>	<u>502,953</u>

The accompanying notes form part of these financial statements.

REPRODUCTIVE HEALTH SCIENCE PTY LTD

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2013

Note 1: Statement of Accounting Policies

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis, except for the statement of cash flows and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

a. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are subsequently enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

b. Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

Note 1: Statement of Accounting Policies (cont'd)

b. Property, Plant and Equipment (cont'd)

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

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

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets is depreciated over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets in 2013 are:

<u>Class of Fixed Asset</u>	<u>Depreciation rates</u>
Laboratory Equipment	15%
Computer Equipment	40% to 50%
Furniture and Fittings	13% to 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at balance date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Accounting Policies (cont'd)

b. Property, Plant and Equipment (cont'd)

Impairment of Assets

At each reporting date, the company reviews that carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying base. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

c. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to settle within one year have been measured at the amounts expected to be settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

d. Provisions

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

Note 1: Statement of Accounting Policies (cont'd)

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the balance sheet.

f. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Rendering from the rendering of a service is recognised upon the delivery of the service to the customers.

Government Grants are brought to account as income during the year. To the extent that grant funds remain unspent at the end of the year, these have been carried forward to the following year.

All revenue is stated net of the amount of Goods and Services Tax (GST).

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a GST exclusive basis.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013**

Note 1: Statement of Accounting Policies (cont'd)

h. Critical Accounting Estimates and Judgments

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

i. Research and Development

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

j. Going Concern

As described in the results section of the Directors' Report and the statement of profit and loss and comprehensive income, the loss of the company for the year after providing for income tax was \$471,831 (2012 – loss of \$657,973). Research and development activities of the company have been reliant to date on commercial ready grant government funding and equity funding from investors. Commercial ready grant funding expired at the end of 2010 and accordingly the future solvency of the company will be reliant on further contributions from investors, which, at the date of signing the financial report have not yet been secured.

The directors are undertaking measures to secure additional funding from investors but in the absence of such funding have concluded that these circumstances represent a material uncertainty that casts significant doubt on the ability of the company to continue as a going concern and, therefore, whether the company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Nevertheless after making enquiries and considering the uncertainties described above the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial report.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
2 Revenue		
Operating activities		
Expense recoveries	-	909
	<u>-</u>	<u>909</u>
Interest revenue from		
Banking institutions	17,023	23,767
	<u>17,023</u>	<u>23,767</u>
Total revenue	<u>17,023</u>	<u>24,676</u>
3 Key management personnel		
Total compensation		
Salaries & wages	135,000	135,000
Superannuation contributions	12,150	12,150
	<u>147,150</u>	<u>147,150</u>
4 Auditors' remuneration		
Remuneration of the auditor		
Auditing or reviewing the financial report	3,950	3,950
	<u>3,950</u>	<u>3,950</u>
5 Income tax benefit		
R&D Refund Tax Expense	(263,777)	(19,012)
R&D Refund Interest	23,778	(22,783)
	<u>(239,999)</u>	<u>(41,795)</u>
6 Cash and cash equivalents		
Cash on hand	-	-
Cash at bank	185,987	502,953
	<u>185,987</u>	<u>502,953</u>
7 Trade and other receivables		
Current		
GST refundable	1,112	-
	<u>1,112</u>	<u>-</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013**

8 Property, plant and equipment

Plant and equipment

At cost	415,148	415,148
Accumulated depreciation	<u>(238,932)</u>	<u>(204,550)</u>
	<u>176,216</u>	<u>210,598</u>

Movements in carrying amounts

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

	<u>Laboratory Equipment</u>	<u>Computer Software</u>	<u>Furniture & Fittings</u>	<u>Total</u>
	\$	\$	\$	\$
Balance 1 July 2012	207,273	11,968	12,328	231,569
Additions	16,998	1,999	-	18,997
Disposals	-	-	-	-
Depreciation	<u>(32,002)</u>	<u>(6,122)</u>	<u>(1,844)</u>	<u>(39,968)</u>
Balance 30 June 2012	<u>192,269</u>	<u>7,845</u>	<u>10,484</u>	<u>210,598</u>
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	<u>(28,889)</u>	<u>(3,924)</u>	<u>(1,569)</u>	<u>(34,382)</u>
Balance 30 June 2013	<u>163,380</u>	<u>3,921</u>	<u>8,915</u>	<u>176,216</u>

9 Payables

Current

	\$	\$
Trade creditors	13,511	26,693
Accrued expenses	11,634	20,828
Superannuation payable	6,538	6,549
Credit card balances	617	4,249
	<u>32,300</u>	<u>58,319</u>

10 Provisions

Current

Employee benefits

Opening balance	9,727	13,915
Movement	<u>5,544</u>	<u>(4,188)</u>
Closing balance	<u>15,271</u>	<u>9,727</u>

Non-current

Employee benefits

Opening balance	8,859	19,189
Movement	<u>2,489</u>	<u>(10,330)</u>
Closing balance	<u>11,348</u>	<u>8,859</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013**

11 Issued Capital		\$	\$
100,000 Fully Paid Ordinary Shares		250,002	250,002
219,000 Fully Paid Series A Preference Shares		1,707,922	1,707,922
448,770 Fully Paid Series B Preference Shares		1,304,570	1,304,570
3,891,051 Convertible Notes		1,000,000	500,000
		<u>4,262,494</u>	<u>3,762,494</u>

	2013		2012	
	No	\$	No	\$
<u>Fully Paid Ordinary Shares</u>				
On issue at the beginning and end of the year	<u>100,000</u>	<u>250,002</u>	<u>100,000</u>	<u>250,002</u>
<u>Fully Paid Series A Preference Shares</u>				
On issue at beginning of year	219,000	1,707,922	219,000	1,707,922
Issued during the year				
On issue at end of year	<u>219,000</u>	<u>1,707,922</u>	<u>219,000</u>	<u>1,707,922</u>
<u>Fully Paid Series B Preference Shares</u>				
On issue at beginning of year	830,935	1,304,570	448,770	1,304,570
Issued during the year	-	-	382,165	-
On issue at end of year	<u>830,935</u>	<u>1,304,570</u>	<u>830,935</u>	<u>1,304,570</u>
<u>Convertible Notes</u>				
On issue at beginning of year	1,945,525	500,000	-	-
Issued during the year	<u>1,945,526</u>	<u>500,000</u>	<u>1,945,525</u>	<u>500,000</u>
On issue at end of year	<u>3,891,051</u>	<u>1,000,000</u>	<u>1,945,525</u>	<u>500,000</u>

Following a recommendation by the Board at its meeting of 25 September 2008, the shareholders agreed to a share split of all issued shares, converting one existing share into one thousand new shares.

12 Employee Share Options

During the 2009-10 year, key executive and Board members were offered options in the company. These options fully vested as at 31 March 2010.

Exercise price of the options is \$1.57 per option.

Exercise of the options is conditional upon:

- (a) The Company providing the option holder with an Exit Event Notice; and
- (b) that Exit Event not lapsing

Options on issue are:

Dr M Fraser	10,633	10,633
Dr T Geimer	3,544	3,544
	<u>14,177</u>	<u>14,177</u>

13 Related Party Transactions

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013**

14 Cash Flow Information

Reconciliation of cash flows from operations with loss
from ordinary activities after income tax:

	\$	\$
Loss after income tax	(471,831)	(657,973)
Non cash flows:		
Depreciation	34,382	39,968
Movement in R+D Refund	(349,999)	(161,795)
Movement in annual leave	5,544	(4,187)
Movement in long service leave	2,489	(10,329)
Changes in assets and liabilities		
Decrease in trade and other receivables	(1,112)	990
(Increase)/decrease in prepaid expenses	1,467	(3,237)
(Increase)/Decrease in deposits	-	-
Increase/(decrease) in trade and other payables	(26,019)	(3,007)
Increase/(Decrease) in unearned income	-	-
Net cash used in operating activities	<u>(805,079)</u>	<u>(799,570)</u>

Cash at the end of the financial year as shown in the cash
flow statement is reconciled to items in the balance sheet
as follows:

Cash on hand	100	-
Cash at bank - Cheque account	10,636	573
- Investment account	175,251	502,380
	<u>185,987</u>	<u>502,953</u>

15 Events after the Balance Sheet Date

No matter of circumstance have arisen since 30 June 2013 that may significantly affect
the operations of RHS

As at the date of this report, the issued share capital consists of:

	No	\$
Ordinary shares	100,000	250,002
Series A Preference Shares	219,000	1,707,922
Series B Preference Shares	1,213,100	2,304,570
	<u>1,532,100</u>	<u>4,262,494</u>

16 Company Details

The registered office of the company is:
Reproductive Health Science Pty Ltd
C/- Edwards Marshall
Level 3, 153 Flinders Street
Adelaide SA 5000

The Principal place of business is:
Reproductive Health Science Pty Ltd
Level 1 BioSA Incubator
40-46 West Thebarton Road
Thebarton SA 5031

REPRODUCTIVE HEALTH SCIENCE PTY LTD
ABN 51 067 210 922

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Year Ended 30 June 2013			Year Ended 30 June 2012		
	R&D \$	Admin \$	Total \$	R&D \$	Admin \$	Total \$
INCOME						
Other Income	-	-	-	-	909	909
Interest Received	-	17,023	17,023	-	23,767	23,767
	<u>-</u>	<u>17,023</u>	<u>17,023</u>	<u>-</u>	<u>24,676</u>	<u>24,676</u>
EXPENSES						
(a) Direct Research & Development Expenditure						
Laboratory Supplies	69,437	0	69,437	102,101	-	102,101
(b) Operating Expenses						
Accounting Fees	-	10,491	10,491	-	12,943	12,943
Advertising & Marketing	-	3,097	3,097	-	-	-
Agilent CGH Project	4,968	-	4,968	-	-	-
Audit Fees	-	3,950	3,950	-	3,950	3,950
Array Analysis	29,000	-	29,000	-	-	-
Bank Charges	-	535	535	102	605	707
Bookkeeping	-	10,281	10,281	-	14,213	14,213
Cleaning & Outgoings	-	4,160	4,160	-	4,049	4,049
Consultancy Fees	-	54,919	54,919	(7,051)	31,420	24,369
Government Co-Contributions	8,700	-	8,700	22,406	-	22,406
Depreciation	30,567	3,815	34,382	34,761	5,207	39,968
Electricity	-	3,964	3,964	-	2,952	2,952
Entertainment	-	328	328	-	-	-
Filing Fees	-	230	230	-	462	462
Freight & Postage	-	2,828	2,828	70	43	113
Insurance	-	10,451	10,451	-	3,903	3,903
IT Costs	-	16,372	16,372	-	14,808	14,808
Interest Expenses	-	16	16	-	-	-
Legal Fees	-	1,650	1,650	-	5,640	5,640
Office Supplies	-	1,255	1,255	-	1,080	1,080
Permits, Licences and Fees	-	908	908	-	-	-
Rent	-	63,748	63,748	-	63,685	63,685
Repairs & maintenance	25,300	-	25,300	-	2,153	2,153
Seminars and Conferences	-	8,989	8,989	915	5,895	6,810
Subscriptions and Memberships	-	3,193	3,193	941	749	1,690
Telephone	-	3,356	3,356	-	4,109	4,109
Travel Expenses	-	-	-	8,040	178	8,218
Sundry Expenses	-	-	-	-	367	367
	<u>98,535</u>	<u>208,536</u>	<u>307,071</u>	<u>60,183</u>	<u>136,617</u>	<u>238,595</u>
(c) Employee Expenses						
Staff Amenities	-	-	-	-	88	88
Salaries and Wages	-	314,602	314,602	-	359,511	359,511
Annual Leave Expense	-	5,544	5,544	-	1,845	1,845
Long Service Leave Expense	-	2,489	2,489	-	(10,330)	(10,330)
Superannuation Contributions	-	28,319	28,319	-	30,943	30,943
WorkCover	-	1,391	1,391	-	1,691	1,691
	<u>-</u>	<u>352,345</u>	<u>352,345</u>	<u>-</u>	<u>383,748</u>	<u>383,748</u>
Total Expenses	<u>167,972</u>	<u>560,881</u>	<u>728,853</u>	<u>162,284</u>	<u>520,365</u>	<u>724,444</u>
Loss Before Income Tax	<u>(167,972)</u>	<u>(543,858)</u>	<u>(711,830)</u>	<u>(162,284)</u>	<u>(495,689)</u>	<u>(699,768)</u>