

# Austco Healthcare Limited

## Appendix 4D - Interim Financial Report

### Results for Announcement to the Market

**Current Reporting Period – Half Year Ended 31 December 2021**

**Previous Reporting Period – Half Year Ended 31 December 2020**

	Change Up/(down)	31 December 2021 \$'000	31 December 2020 \$'000
Revenue from activities	14.7%	15,953	13,905
Foreign Exchange Gain/(Loss)		(5)	(45)
Other Income	(14.5%)	660	772
Interest income		8	1
<b>Revenue excluding interest income</b>	<b>13.5%</b>	<b>16,608</b>	<b>14,632</b>
<b>Earnings before interest expense, tax, depreciation and amortisation (EBITDA)</b>	<b>55.4%</b>	<b>2,440</b>	<b>1,570</b>
Depreciation and amortisation expenses		(648)	(483)
<b>Earnings before interest and tax (EBIT)</b>	<b>64.9%</b>	<b>1,792</b>	<b>1,087</b>
Net Interest expense		(21)	(23)
<b>Profit before income tax expense</b>	<b>66.4%</b>	<b>1,771</b>	<b>1,064</b>
Income tax expense		(260)	(238)
<b>Net Profit after tax for the period attributable to members of Austco Healthcare Limited</b>	<b>82.9%</b>	<b>1,511</b>	<b>826</b>
<b>Net Tangible Asset per Security (cents per security)</b>		5.56	4.11
<b>Earnings/(losses) per share attributable to the ordinary equity holders of the company (cents per security):</b>			
Basic Earnings per Share		0.532	0.29
Diluted Earnings per Share		0.527	0.29
Record date for determining entitlements to the dividend			Not Applicable
<b>Dividends (distribution)</b>	<b>Amount per Security</b>	<b>Franked Amount per Security</b>	
Final dividend	n/a	n/a	
Previous corresponding period	n/a	n/a	
Explanation of the above information:			
Please refer to the Directors' Report - Review of Operations for further information on the Company operations over the past 6 months.			



Appendix 4D  
Interim Financial Report

For the Half Year Ended 31 December 2021  
(previous corresponding period: Half Year Ended 31 December 2020)

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# Directors' Report

Your Directors present their report on the consolidated entity consisting of Austco Healthcare Limited (**Austco**) and the entities it controlled at the end of, or during, the half year ended 31 December 2021.

## **Directors**

The following persons were Directors of Austco Healthcare Limited during the half year and up to the date of this report:

Mr. Graeme Billings	Non-Executive Chairman
Mr. Clayton Astles	Chief Executive Officer & Director
Mr. Brett Burns	Non-Executive Director
Mr. Anthony Glenning	Non-Executive Director

## **Principal Activities**

The Company's principal activities during the half year were the manufacture, supply, and service of healthcare and electronic communications equipment.

## **Auditors independence**

The Auditors independence declaration can be found on page 14 of this report.

## **Financial performance**

Revenue from ordinary activities (customers) increased by 14.7% to \$15.953 million compared to the previous corresponding period due to increased sales and improved access to hospital and aged care sites. The impact of COVID-19 restrictions remains a risk for the business to continue to manage, although the frequency and duration of restrictions are decreasing as more regions move to a "learning to live with COVID" model as opposed to an elimination strategy. The increased revenue was attributed to the North America and Asia markets, whilst we observed decreased revenues from Australia correlating to the impacts of lockdowns.

Whilst raw material shortages continue to impact our supply chain, we have successfully procured difficult to source materials and substituted with alternative raw components where needed, thereby reducing the ongoing impact of the supply chain crisis.

In addition, the Company received Other Income comprising mainly of continued COVID-19 related stimulus payments (mainly from the USA and Canada) of \$0.660 million compared to \$0.728 million of Other Income in the prior corresponding period.

Software and Software Maintenance Agreements (**SMA**) revenues at 15.3% of revenue from clients were up from 13.6% in the prior corresponding period. This equates to an increase of \$0.544 million in revenues from SMA's.

Gross profit margins from operations (excluding Other Income) also increased from 51.4% to 52.9% compared to the previous corresponding period, driven by the growth in SMA revenues.

Overhead expenses increased from \$6.809 million to \$7.325 million over the previous corresponding period. This is still below our pre COVID-19 level of Overhead Expenses which were running at \$7.700 million.

EBITDA increased 55% from \$1.570 million to \$2.440 million compared to the previous corresponding period.

Net profit after tax (NPAT) increased 83% to \$1.511 million compared to \$0.826 million from the previous corresponding period.

Net tangible assets have increased from 4.11 cents to 5.56 cents per share compared to the previous corresponding period.

Cash at 31 December 2021 was \$7.1 million, slightly lower than the June 2021 balance of \$7.8 million.

We have seen our Inventory levels increase by \$2.4 million since June 2021. The increase arises from (a) strategic purchases of additional raw materials and products to offset the risks of supply chain interruptions and (b) from inventories manufactured for our Open Sales Orders, where delivery (and revenue recognition) has not yet occurred.

Cashflow from operating activities was positive \$0.365 million for the 6 months ended 31 December 2021, which was pleasing given the buildup of our inventory levels by \$2.390 million. Cash used in investing activities was \$0.843 million, of which \$0.700 million related to investing in R&D to continue to build out new features from our road map.

Final Dividend: The directors have not declared a final dividend. The Company continues to focus on working capital requirements, R&D investment as well as investigating acquisition opportunities.

# Directors' Report

## **Operating performance**

Revenue from customers in the six months to December 2021 continues to be COVID-19 affected, with access to hospital and aged care sites restricted, thereby impacting our ability to install our products in these facilities. Whilst some regions in our business, like the US and New Zealand, were less impacted as compared to others, all regions faced site access challenges during the reporting period. These restrictions impacted all of our three revenue streams: Hardware Equipment; Software; and Installation.

Despite the continued COVID-19 impact on the business, revenue from customers increased 14.7% against the previous corresponding period to \$15.953 million.

Our open sales order book (confirmed orders from customers) continues to grow. It now stands at \$24.5 million. This is a new company high and is up from the \$20.1 million reported in August 2021 and the \$22.9 million reported at our AGM in November 2021.

Growth in our open sales orders book comes from new contract wins as well as constraints in manufacturing and installing product due to COVID-19.

We announced two contract wins during the reporting period, both in Singapore, in July 2021 for \$3.3 million and in November 2021 for \$1.6 million. The latter of these contract wins was announced due to the annuity nature of its revenue. The majority of the revenue for both contract wins has yet to be recognised. The most recent example of a large order win is a \$1.6 million order for the Princess Margaret Hospital in Toronto, Canada, received in February 2022.

The Company's continued success in being awarded contracts highlights the health of the Nurse Call industry and our position within the industry. This validates our continued investment in R&D to build market leading Nurse Call solutions that can compete on functionality in all markets around the globe.

## **Research & Development Expenditure**

The Group invested \$1.264 million in research and development for the 6 months ended 31 December 2021 (of which \$0.772 million was capitalised) compared to \$1.507 million for the previous corresponding period (of which \$0.533 million was capitalised).

In the first half, the Company released new features and enhancements for its market-leading real-time-locating (RTLS) enabled call points and clinical workflow solutions.

Clinical workflow is one of the most powerful additions to the Tacera Nurse Call System. The Company's workflow features give healthcare organisations complete control over their processes. Workflow allows our customers to:

- Accurately monitor rounding compliance
- Streamline communication channels
- Record pain checks and other care initiatives
- Push data to a patient's chart
- Indicate staff presence or patient fall risk status

## **Rounding of amounts**

The Group falls within ASIC Legislative Instrument 2016/191, and in accordance with the class order amounts in the Directors' Report and Interim Financial Report are rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Clayton Astles  
Chief Executive Officer Melbourne  
Dated 24 February 2022

**Interim Consolidated Statement of Profit or Loss  
and Other Comprehensive Income  
For the Half Year Ended 31 December 2021**

Consolidated Entity

	Note	31 December 2021 \$'000	31 December 2020 \$'000
<b>Revenue</b>	2	<b>15,953</b>	13,905
Materials and direct labour		(7,520)	(6,760)
<b>Gross Profit</b>		<b>8,433</b>	7,145
Other Income	3	663	728
Employee Benefits Expense		(4,974)	(5,062)
Motor Vehicle Expenses		(18)	(29)
Occupancy Expenses		(167)	(208)
Depreciation and Amortisation Expenses		(648)	(483)
Accounting, Audit, IT, Legal and Recruitment Fees		(391)	(384)
Allowance for expected credit loss		(85)	5
Finance Costs		(29)	(24)
Travel Expenses		(256)	(174)
Other Expenses		(757)	(450)
Total Overhead Expenses		(7,325)	(6,809)
<b>Profit Before Income Tax</b>		<b>1,771</b>	1,064
Income Tax Expense		(260)	(238)
<b>Net Profit after income tax</b>		<b>1,511</b>	826
<b>Net Profit attributable to members of Austco Healthcare Limited</b>		<b>1,511</b>	826
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified subsequently to Profit or Loss</i>			
Exchange difference arising on translation of foreign operations		407	(821)
<b>Total Comprehensive Income for the Year</b>		<b>1,918</b>	5
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per Share:</b>			
Basic earnings per share		0.532	0.29
Diluted earnings per share		0.527	0.29

# Interim Consolidated Statement of Financial Position

as at 31 December 2021

Consolidated Entity

	Note	31 December 2021 \$'000	30 June 2021 \$'000
<b>Current Assets</b>			
Cash and cash Equivalents		7,074	7,770
Trade and other Receivables		5,149	6,049
Inventories		7,519	5,129
Other assets		3,800	2,716
<b>Total Current Assets</b>		<b>23,542</b>	<b>21,664</b>
<b>Non-Current Assets</b>			
Plant and equipment		444	393
Right-of-use assets		642	759
Deferred tax assets		709	751
Intangible assets	6	4,159	3,614
<b>Total Non-Current Assets</b>		<b>5,954</b>	<b>5,517</b>
<b>Total Assets</b>		<b>29,496</b>	<b>27,181</b>
<b>Current Liabilities</b>			
Trade and other payables		4,936	4,155
Contract liabilities		1,047	1,224
Short term borrowings		21	26
Current tax liabilities		256	441
Lease liabilities		540	512
Provisions		919	884
<b>Total Current Liabilities</b>		<b>7,719</b>	<b>7,242</b>
<b>Non-Current Liabilities</b>			
Lease liabilities		436	615
Provisions		41	28
<b>Total Non-Current Liabilities</b>		<b>477</b>	<b>643</b>
<b>Total Liabilities</b>		<b>8,196</b>	<b>7,885</b>
<b>Net Assets</b>		<b>21,300</b>	<b>19,296</b>
<b>Equity</b>			
Contributed equity		41,435	41,435
Option reserves		240	154
Foreign exchange reserve		(610)	(1,017)
Accumulated losses		(19,765)	(21,276)
<b>Total Equity</b>		<b>21,300</b>	<b>19,296</b>

## Interim Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2021

	Consolidated Entity				
	Issued Capital	Accumulated Losses	Foreign Exchange Reserve	Option Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2020</b>	<b>41,435</b>	<b>(24,747)</b>	<b>(499)</b>	<b>69</b>	<b>16,258</b>
Profit after income tax expense for the period	-	826	-	-	826
Other comprehensive income for the period, net of tax	-	-	(821)	-	(821)
Total comprehensive income for the period	-	826	(821)	-	5
Transactions with equity holders in their capacity as equity holders:					
Share Based Payments	-	-	-	64	64
<b>Balance at 31 December 2020</b>	<b>41,435</b>	<b>(23,921)</b>	<b>(1,320)</b>	<b>133</b>	<b>16,327</b>
<b>Balance at 1 July 2021</b>	<b>41,435</b>	<b>(21,276)</b>	<b>(1,017)</b>	<b>154</b>	<b>19,296</b>
Profit after income tax expense for the period	-	1,511	-	-	1,511
Other comprehensive income for the period, net of tax	-	-	407	-	407
Total comprehensive income for the period	-	1,511	407	-	1,918
Transactions with equity holders in their capacity as equity holders:					
Share Based Payments	-	-	-	86	86
<b>Balance at 31 December 2021</b>	<b>41,435</b>	<b>(19,765)</b>	<b>(610)</b>	<b>240</b>	<b>21,300</b>



# Interim Consolidated Statement of Cash Flows for the Half Year Ended 31 December 2021

## Consolidated Entity

	31 December 2021	31 December 2020
	\$'000	\$'000
<b>Cashflows From Operating Activities</b>		
Receipts from customers (inclusive of GST)	16,768	13,076
Payments to suppliers and employees (inclusive of GST)	(16,802)	(13,303)
Grant income received	660	275
Interest received	2	1
Finance costs paid	(5)	(1)
Proceeds from legal settlement	-	491
Income tax paid	(258)	(248)
<b>Net Cash From Operating Activities</b>	<b>365</b>	<b>291</b>
<b>Cashflows From Investing Activities</b>		
Payments for acquisition of property, plant, equipment	(143)	(96)
Payments for acquisition of intangible assets	(700)	(533)
<b>Net Cash Provided by/ (Used in) Investing Activities</b>	<b>(843)</b>	<b>(629)</b>
<b>Cashflows From Financing Activities</b>		
Repayment of borrowings	(5)	(6)
Payment of lease liabilities	(299)	(192)
<b>Net Cash Provided by/ (Used in) Financing Activities</b>	<b>(304)</b>	<b>(198)</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(782)</b>	<b>(536)</b>
Cash and cash equivalents at beginning of period	7,770	6,447
Effects of exchange rate changes in cash	86	429
<b>Cash and Cash Equivalents at End of Period</b>	<b>7,074</b>	<b>6,340</b>

# Notes to the Interim Consolidated Financial Statements

## **Note 1. Basis of Preparation**

This half-year financial report covers the consolidated entity consisting of Austco Healthcare Limited and its controlled entities. Austco Healthcare Limited is a listed public company, incorporated and domiciled in Australia.

### **(a) Basis of Preparation**

This financial report is intended to provide users with an update on the latest annual financial statements of Austco Healthcare Limited (the Company) and its controlled entities (the Group). This half-year report has been prepared in accordance with Australian Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Act 2001 as appropriate for for-profit oriented entities. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the interim period. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **(b) Summary of the Significant Accounting Policies**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### **New Accounting Standards Adopted by the Group**

There were no new accounting standards adopted by the Group in the current reporting period.

# Notes to the Interim Consolidated Financial Statements

## Note 2. Revenue

### Consolidated Entity

	31 December 2021 \$'000	31 December 2020 \$'000
<b>Continuing Operations</b>		
Revenue from contracts with customers	15,953	13,905
<b>Total Revenue</b>	<b>15,953</b>	<b>13,905</b>

Set out below is the disaggregation of the Group's revenue from contracts with customers, for the six months to 31 December 2021:

	Equipment \$000	Installation \$000	Software & SMA \$000	Total \$000
<b>Type of Good or Service</b>				
Sale of equipment	9,940	-	-	9,940
Installation services	-	3,575	-	3,575
Sale of Software & Maintenance Agreements	-	-	2,438	2,438
<b>Total revenue from contracts with customers</b>	<b>9,940</b>	<b>3,575</b>	<b>2,438</b>	<b>15,953</b>
<b>Geographical Markets</b>				
Australia/New Zealand	3,788	734	459	4,981
North America	4,542	2,502	1,295	8,339
Europe	659	281	186	1,126
Asia	951	58	498	1,507
<b>Total revenue from contracts with customers</b>	<b>9,940</b>	<b>3,575</b>	<b>2,438</b>	<b>15,953</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	9,940	-	923	10,863
Services transferred over time	-	3,575	1,515	5,090
<b>Total revenue from contracts with customers</b>	<b>9,940</b>	<b>3,575</b>	<b>2,438</b>	<b>15,953</b>

Set out below is the disaggregation of the Group's revenue from contracts with customers, for the six months to 31 December 2020:

	Equipment \$000	Installation \$000	Software & SMA \$000	Total \$000
<b>Type of Good or Service</b>				
Sale of equipment	9,710	-	-	9,710
Installation services	-	2,301	-	2,301
Sale of Software & Maintenance Agreements	-	-	1,894	1,894
<b>Total revenue from contracts with customers</b>	<b>9,710</b>	<b>2,301</b>	<b>1,894</b>	<b>13,905</b>
<b>Geographical Markets</b>				
Australia/New Zealand	4,801	553	526	5,880
North America	3,867	1,435	930	6,232
Europe	584	282	121	987
Asia	458	31	317	806
<b>Total revenue from contracts with customers</b>	<b>9,710</b>	<b>2,301</b>	<b>1,894</b>	<b>13,905</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	9,710	-	762	10,472
Services transferred over time	-	2,301	1,132	3,433
<b>Total revenue from contracts with customers</b>	<b>9,710</b>	<b>2,301</b>	<b>1,894</b>	<b>13,905</b>

# Notes to the Interim Consolidated Financial Statements

## Note 3. Other Income

### Consolidated Entity

	31 December 2021 \$'000	31 December 2020 \$'000
<b>Other income</b>		
- Interest Received	8	1
- Grant Income	660	281
- Proceeds from Legal Settlement	-	491
- Foreign Exchange Gain/(loss)	(5)	(45)
<b>Total Other Income</b>	<b>663</b>	<b>728</b>

## Note 4. Segment Information

Management has determined the operating segments based upon reports reviewed by the Board and executive management that are used to make operational and strategic decisions. The Group focuses on providing electronic communications in healthcare and development of nurse call and care management systems for the hospitals and aged care markets. The Group is segmented into four geographic regions consisting of Australia/New Zealand, Asia, Europe and North America.

\$'000	Australia / NZ	Asia	Europe	North America	Total	Eliminations Intercompany	Corporate	Group Total
<b>31 December 2021</b>								
Revenue - external	4,981	1,507	1,126	8,339	15,953	-	-	15,953
Revenue - intersegment	49	-	5	6,879	6,933	(6,933)	-	-
Interest Revenue	42	-	-	6	48	(40)	-	8
<b>Total Revenue</b>	<b>5,072</b>	<b>1,507</b>	<b>1,131</b>	<b>15,224</b>	<b>22,934</b>	<b>(6,973)</b>	<b>-</b>	<b>13,961</b>
EBITDA	1,506	(14)	(86)	1,956	3,362	(1,577)	655	2,440
Depreciation	(48)	(50)	(26)	(172)	(296)	-	-	(296)
Amortisation	(17)	-	-	(335)	(352)	-	-	(352)
<b>EBIT</b>	<b>1,441</b>	<b>(64)</b>	<b>(112)</b>	<b>1,449</b>	<b>2,714</b>	<b>(1,577)</b>	<b>655</b>	<b>1,792</b>
Interest	(2)	(2)	(4)	(62)	(70)	49	-	(21)
Income Tax	(260)	-	-	-	(260)	-	-	(260)
<b>NPAT</b>	<b>1,179</b>	<b>(66)</b>	<b>(116)</b>	<b>1,387</b>	<b>2,384</b>	<b>(1,528)</b>	<b>655</b>	<b>1,511</b>

\$'000	Australia / NZ	Asia	Europe	North America	Total	Eliminations Intercompany	Corporate	Group Total
<b>31 December 2020</b>								
Revenue - external	5,880	806	987	6,232	13,905	-	-	13,905
Revenue - intersegment	21	-	1	3,146	3,168	(3,168)	-	-
Interest Revenue	40	-	-	-	40	(39)	-	1
<b>Total Revenue</b>	<b>5,941</b>	<b>806</b>	<b>988</b>	<b>9,378</b>	<b>17,113</b>	<b>(3,207)</b>	<b>-</b>	<b>13,906</b>
EBITDA	1,421	(210)	405	234	1,850	(1,014)	734	1,570
Depreciation	(56)	(50)	(27)	(144)	(277)	-	-	(277)
Amortisation	-	-	-	(206)	(206)	-	-	(206)
<b>EBIT</b>	<b>1,365</b>	<b>(260)</b>	<b>378</b>	<b>(116)</b>	<b>1,367</b>	<b>(1,014)</b>	<b>734</b>	<b>1,087</b>
Interest	(3)	(5)	(5)	(51)	(64)	41	-	(23)
Income Tax	(182)	-	(56)	-	(238)	-	-	(238)
<b>NPAT</b>	<b>1,180</b>	<b>(265)</b>	<b>317</b>	<b>(167)</b>	<b>1,065</b>	<b>(973)</b>	<b>734</b>	<b>826</b>

Segment Assets								
30/06/2021	29,218	2,133	1,894	15,212	48,437	(32,965)	11,709	27,181
31/12/2021	29,709	1,641	1,651	20,103	53,104	(35,160)	11,552	29,496
<b>Segment Liabilities</b>								
30/06/2021	7,580	1,430	785	22,401	32,196	(24,317)	6	7,885
31/12/2021	7,006	1,005	622	25,987	34,620	(26,441)	16	8,196

# Notes to the Interim Consolidated Financial Statements

## *Results of Segment*

Segment revenues and expenses are those directly attributable to the segments and include revenue and expenses where a reasonable basis of allocation exists. The Board assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of expenses from the operating segments such as depreciation, amortisation, net interest and impairment to non-current assets which is disclosed.

## *Inter-segment pricing*

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Company. These transfers are eliminated on consolidation.

## **Note 5. Dividends**

The Company resolved not to declare any dividends in the period ended 31 December 2021.

## **Note 6. Capitalisation of research & development**

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's analysis that technological and economic feasibility is confirmed once a product development project has reached defined milestones according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, product life cycle and expected period of benefits.

At December 2021, the carrying amount of capitalised development costs was \$4.159 million (June 2021: \$3.614 million).

## **Note 7. Contingent Liabilities and Assets**

There have been no changes in contingent liabilities and assets reported since the last annual reporting date.

## **Note 8. Net Tangible Assets**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Net Tangible Assets	<b>15,790</b>	14,172
Closing Shares	<b>284,188,951 shares</b>	284,188,951 shares
Net Tangible Assets	<b>5.56 cents</b>	4.99 cents

Consistent with the recent ASIC interpretation, we have excluded the right-of-use asset from the Net Tangible Assets calculation but have included the Lease Liabilities.

## **Note 8. Events after the reporting date**

No matters or circumstances have arisen since the end of the reporting date, not otherwise disclosed in this report, 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 subsequent financial years.

# Directors' Declaration

The Directors of Austco Healthcare Limited declare that in the Directors' opinion:

- (a) the financial report and notes of Austco Healthcare Limited for the half year ended 31 December 2021 are in accordance with the Corporation Act 2001, including:
  - (i) giving a true and fair view of consolidated entity's financial position as at 31 December 2021 and of its performance, for the half year ended on that date; and
  - (ii) complying with Australian Accounting Standards and Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they became due and payable.

Signed in accordance with a resolution of the directors.



Clayton Astles  
Chief Executive Officer  
Dated 24 February 2022

## Auditor's Independence Declaration

### To the Directors of Austco Healthcare Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Austco Healthcare Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Michael Climpson  
Partner

Melbourne, 24 February 2022

# Independent Auditor's Review Report

To the Members of Austco Healthcare Limited

## Report on the review of the half-year financial report

### Conclusion

We have reviewed the accompanying half-year financial report of Austco Healthcare Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Austco Healthcare Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibility for the half-year financial report

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



### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Michael Climpson  
Partner

Melbourne, 24 February 2022