Austco Healthcare Limited
Appendix 4E – Year End Financial Report
For the Year Ended 30 June 2024
Results for Announcement to the Market

Current Reporting Period - Year Ended 30 June 2024
Previous Reporting Period - Year Ended 30 June 2023

	% Change Up/(down)	**30 June 2024 $'000**	**30 June 2023 $'000**
Revenue from activities	**38.5%**	58,153	41,978
Foreign Exchange gain/(loss)		(65)	38
Other Income		14	2
Interest income		63	39
Revenue excluding interest income	**38.3%**	**58,102**	**42,018**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**126%**	**8,050**	**3,561**
Depreciation and amortisation expenses		(2,314)	(1,717)
Earnings before interest and tax (EBIT)	**211%**	**5,736**	**1,844**
Net interest expense		(86)	(29)
Profit before income tax expense	**211%**	**5,650**	**1,815**
Income tax (expense)/credit		1,426	443
Net Profit after tax for the period attributable to members of Austco Healthcare Limited	**213%**	**7,076**	**2,258**
Other comprehensive income:			
Exchange difference arising on translation of foreign operations (movement in equity reserves)	(140%)	(159)	396
Total comprehensive income for the period attributable to members of Austco Healthcare Limited	**161%**	**6,917**	**2,654**
Net Tangible Asset per Security (cents per security – including ROU)		9.03	6.00
Earnings per share attributable to the ordinary equity holders of the company (cents per security):			
Basic Earnings per Share		2.328	0.780
Diluted Earnings per Share		2.293	0.775
Record date for determining entitlements to the dividend			Not Applicable

Dividends (distribution)	**Amount per Security**	**Franked Amount per Security**
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a

Explanation of the above information:
In addition to the acquisition of Teknocorp and Amentco which are explained in note 28 of the financial statements, also refer to the Directors' Report - Review of Operations for further information on the Company's operations over the past 12 months.

Austco Healthcare Limited

ABN 67 108 208 760

Financial Statements
For the year ended 30 June 2024

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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 year ended 30 June 2024.

Directors

The names of the Directors in office during the financial year and at the end of the year were:

Mr Clayton Astles (Chief Executive Officer & Executive Director)

Since his appointment as CEO and Executive Director in July 2015, Mr Astles has helped position Austco Healthcare as a global leader in the nurse call and clinical software solutions market. Under his leadership, Austco established a Software Development Centre in the United States, which developed the company's next-generation products and positioned Austco as a leader in the healthcare technology industry.

Prior to his current role, Mr Astles served as President of Austco Marketing & Services (USA) Ltd., where he played a key role in establishing and expanding Austco's operations in the United States. As CEO, Mr Astles has been committed to building high-performing, collaborative teams that drive the company's innovation and growth.

Mr Astles has over 20 years of leadership experience in the healthcare technology industry and holds a diploma in Electronics Engineering.

Mr Graeme Billings (Non-Executive Chairman)

Mr Billings was appointed Chairman in October 2015. He has been a Chartered Accountant since 1980 and retired from PriceWaterhouseCoopers in 2011 after 34 years. He is a former head of the Melbourne assurance practice as well as heading the firm's Australian and global industrial products business. He has had extensive experience providing assurance, transaction and consulting services to multinational and national companies across a variety of industries.

Mr Billings is Chairman and Non-Executive Director of Amotiv Limited (formerly GUD Holdings Limited) and Non-Executive Director of Clover Corporation Limited. Graeme also serves as the Chairman of the audit and compliance committee of Clover Corporation Limited.

Mr Brett Burns (Non-Executive Director)

Mr Burns is a corporate governance and legal professional with over 25 years of experience in the field. He has been serving as a Non-Executive Director since October 2015, bringing a wealth of expertise and strategic insight to his role. Mr Burns is the Managing Partner of CBW Partners, a boutique corporate law firm known for its specialization in mergers and acquisitions, debt and equity capital markets, and governance for ASX-listed companies.

Throughout his extensive career, Mr Burns has held significant roles including Company Secretary and General Counsel for an ASX top-20 company, senior positions in private practice with prominent national and international law firms, as well as regulatory roles with the Australian Securities and Investments Commission. In addition to his work at Austco and CBW Partners, Mr Burns contributes his expertise as a Non-Executive Director with other companies including a leading Australian tapware manufacturer. Reflecting Mr Burns' commitment to governance, he is a graduate of the Australian Institute of Company Directors.

Mr Anthony Glenning (Non-Executive Director)

Mr Glenning was appointed Non-Executive Director in September 2018. Mr Glenning is a seasoned Chief Executive and Non-Executive Director with a career spanning 25 years in the software development industry, 14 of those years living and working in Silicon Valley. In 1999, he founded Tonic Systems, a web application development company which he built up over 8 years and sold to Google in 2007 as part of the Google doc suite of products. He transferred to Google post acquisition where he worked as Senior Software Engineer for two years. From 2010 to 2018, Mr Glenning was an Investment Director for Starfish Ventures, based in Melbourne, a venture capital firm that specialises in Australian high growth technology businesses, and during that time held directorships at Aktana, Atmail, DesignCrowd, MetaCDN and Nitro Software. Currently, Mr Glenning is the Fund Manager at Skalata Ventures, investing in early stage companies, preparing them to scale and grow into significant and sustainable businesses.

Mr Glenning is a Non-Executive Director of ASX listed companies Pro Medicus (PME) and Iress (IRE). He holds a Bachelor of Engineering (Electrical) and a Bachelor of Computer Science from The University of Melbourne and a Master of Science (MSEE) from Stanford University in California.

Company Secretary

The following persons held the position of Company Secretary during and at the end of the financial year:

Mr Brendan Maher (Company Secretary)

Mr Maher was appointed Company Secretary in October 2018, joining Austco as a qualified Chartered Accountant with 30 years' experience gained both in Australia and overseas with Arthur Andersen, National Westminster Bank, Skilled Group and Adslot Limited. Mr Maher has extensive experience in financial reporting, corporate transactions and was Chief Financial Officer at Adslot as well as Company Secretary of Skilled Group and Adslot prior to joining Austco. Mr Maher is a member of the Institute of Chartered Accountants in Australia and New Zealand and is a graduate of the Australian Institute of Company Directors.

Directors' Interests in the shares and options of the Company

The following table sets out each director's relevant interest in shares, options or performance rights in shares of the Company at the date of this report.

	# of ordinary shares	# of options over ordinary shares	# of performance rights over ordinary shares
Clayton Astles	3,565,993	2,700,000	677,486
Graeme Billings	530,776	-	-
Brett Burns	1,281,941	-	-
Anthony Glenning	1,058,870	-	-

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Director Meetings		Audit & Risk Management Committee		Nomination & Remuneration Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Graeme Billings	11	11	2	2	2	2
Brett Burns	11	10	2	2	2	2
Clayton Astles	11	11	2	2	2	2
Anthony Glenning	11	10	2	2	2	2

Mr Billings is Chairman of the Company's Board of Directors and of the Audit & Risk Management Committee. Mr Burns is Chairman of the Nomination & Remuneration Committee.

Directors' Report

Principal Activities

The principal activities of the Group during the financial year were:

- Development of software and manufacture of hardware relating to healthcare and electronic communications systems.
- Global marketing and sales of electronic healthcare communication systems to established and new customers.

Operating and financial review

Austco Healthcare Limited (Austco), a global leader in clinical communications solutions, announces a 39% increase in revenue from customers over the prior comparative period (pcp) to $58.2 million for FY24.

The revenue growth of $16.2 million was driven by a combination of organic growth from existing operations of $7.0 million or 17% growth, together with revenues from the two acquisitions made through the year, being Teknocorp (purchased 27 November 2023) with $6.5 million revenue and Amentco (purchased 1 May 2024) with $2.7 million revenue.

The combination of double digit organic revenue growth and the successful integration of the two acquired businesses into the group provides for record FY24 results and sets a platform for future growth and success.

Software and SMA revenues were up 9% or $0.8 million to $9.3 million. Although this growth wasn't directly influenced by the recent acquisitions, it presents a key opportunity to integrate and expand software and SMA revenues within the acquired businesses.

The Gross Margin for FY24 was $30.7 million, an increase of 37% or $8.2 million from FY23. The increase was driven by increased top line revenues. The Gross Margin percentage declined slightly from 53.4% to 52.7% for FY24 as a result of acquiring the two lower margin businesses through the year; however, we expect that our strategic initiatives, including those that relate to the acquisitions, will bolster margins over the medium term.

Overhead expenses increased by $4.3 million to $25.0 million in FY24. The two acquired businesses represented $2.1 million of that increase and one-off M&A costs were $0.5 million for FY24.

EBITDA was $8.1 million, exceeding the top end of our guidance announced to the ASX in early July. EBITDA was up 126% as compared to the $3.6 million reported in FY23.

Demonstrating strong operating leverage, we were able to convert strong revenue growth into robust growth in reported NPBT of 211%, which is a record for the Company. NPBT was up $3.9m from $1.8 million in FY23 to $5.7 million in FY24.

NPAT also increased significantly to $7.1 million in FY24, which is a record for the company, which is $4.8 million or 213% above FY23. Income tax expense was more than offset by bringing to account the last of the unrecognised income tax losses and offsets held in the group.

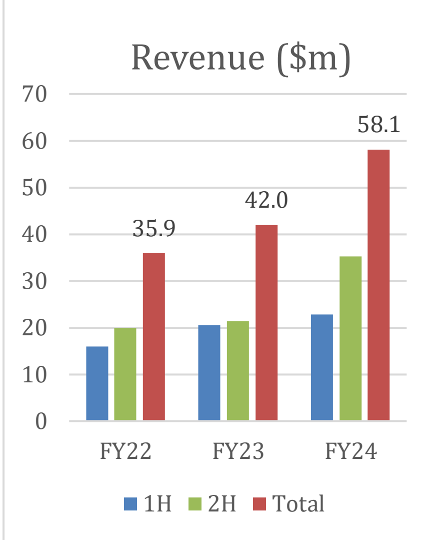
Our investments in talent, infrastructure, and innovation over the past few years have positioned Austco Healthcare to achieve this record result, laying a strong foundation for future success for both our customers and shareholders.

Revenues from customers

Total FY24 revenues of $58.2 million were up $16.2 million or 39% on FY23. This is the highest reported revenue over the last 11 years.

Revenue growth was driven by a combination of organic growth from existing operations of $7.0 million or 17% growth, together with additional revenue from the acquisitions through the year being Teknocorp (purchased 27 November 2023) with $6.5 million revenue and Amentco (purchased 1 May 2024) with $2.7 million revenue.

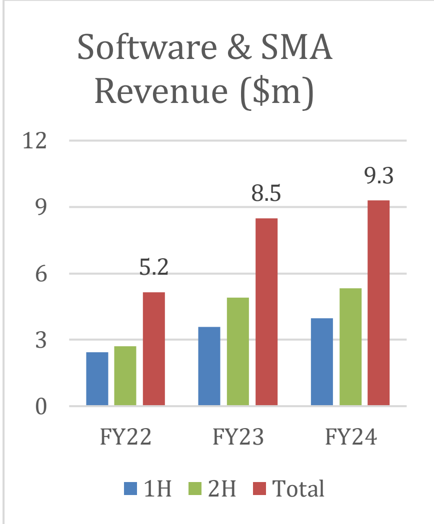
Organic revenue growth was driven by the North American and Asia markets. Australia and NZ made up 35% of group revenues in FY24 and we expect this to increase as the full year impact of the acquisition comes to account in FY25.



Software and SMA revenues from customers

Software and SMA revenues were up 9% or $0.8 million to $9.3 million.

Although this growth wasn't directly influenced by the recent acquisitions, it presents a key opportunity to integrate and expand software and SMA revenues within the acquired businesses.



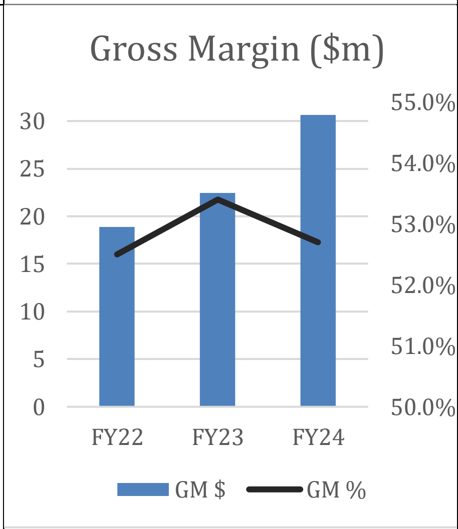
Gross Margins on revenues from customers

The Gross Margin for FY24 was $30.7 million, an increase of 37% or $8.2 million from FY23.

The increase was driven by increased top line revenues.

Gross Margin percentage declined slightly from 53.4% to 52.7% for FY24 as a result of acquiring the two lower margin businesses through the year; however, we expect that our strategic initiatives, including those that relate to the acquisitions, will bolster margins over the medium term.

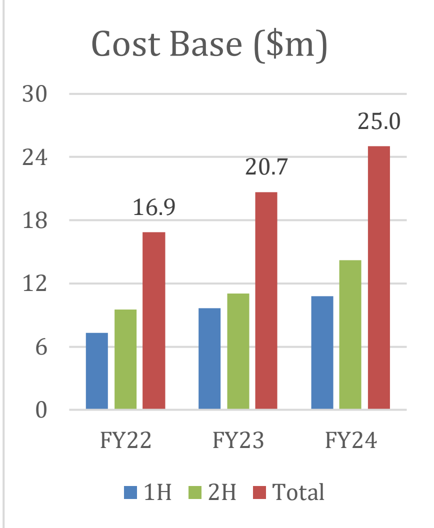
In 2HFY24, we saw relief in the cost of manufacturing, both in the costs of raw materials and freight, which will assist in gross margin gains in the future.



Indirect Cost Base

Austco's overhead expenses increased by $4.3 million to $25.0 million in FY24. The two acquired businesses represented $2.1 million of that increase and one off M&A costs were $0.5 million for FY24.

Our investment in Research and Development remains consistent at $4.5 million in FY24 (compared to $4.6 million in FY23), with $1.7 million being capitalised in FY24 and $1.5 million of R&D amortisation expense in FY24.

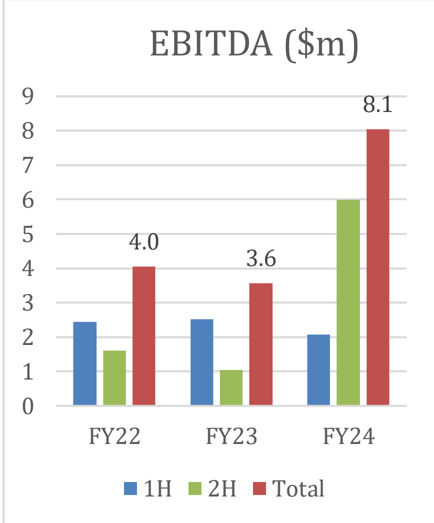


EBITDA

EBITDA of $8.1 million in FY24 was 126% up on the $3.6 million reported in FY23.

This exceeded the top end of our $7.5 million to $8.0 million guidance announced to the ASX in early July 2024.

Of the $4.5m increased EBITDA in FY24 $3.3 million arose from the growing organic business whilst the two acquired businesses contributed $1.2 million of the increased EBITDA.

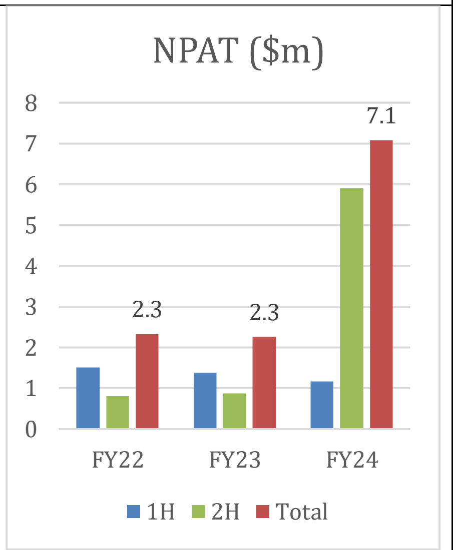


Statutory Net Profit after Tax

Demonstrating strong operating leverage, we were able to convert strong revenue growth into robust growth of 213% in reported NPAT.

Reported NPAT of $7.1 million in FY24 is $4.8 million above FY23.

NPAT also increased significantly as income tax expense was more than offset by the bringing to account of the last of the unrecognised income tax losses and offsets as held in the group.

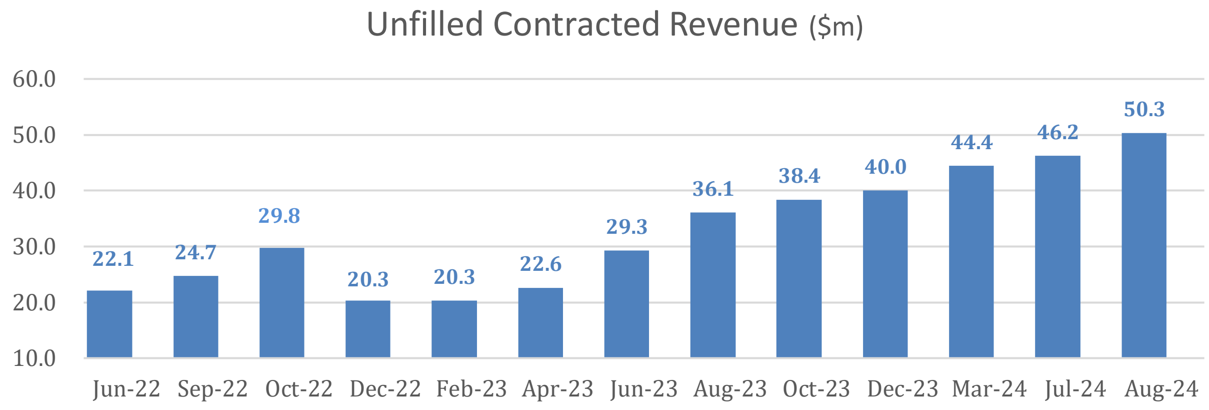


Unfilled Contracted Revenue

Recent large contract wins in Canada and Singapore and growth in most other regions across the group have contributed to the continued growth of Austco's Unfilled Contracted Revenue (UCR). Our UCR book now stands at $50.3 million at 15 August 2024, up from $29.3 million or 72% at 30 June 2023.

UCRs represent confirmed contracted orders from customers that have not yet been fulfilled and, as such, no revenue recognised.

Despite record revenues being delivered in FY24, our new sales wins have outpaced revenue delivery, which has given rise to our consistent growth in UCR.

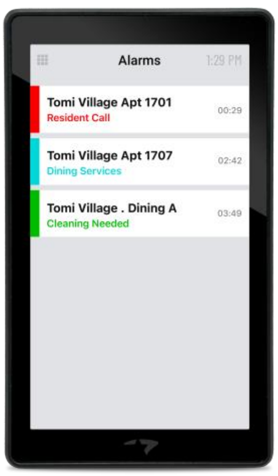


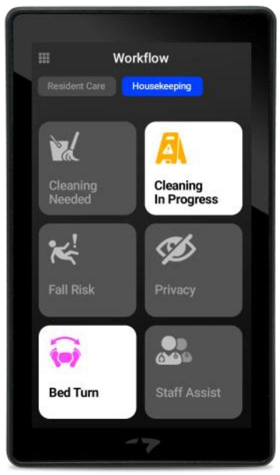
Research & Development

In the reporting period, the Company invested $4.5 million (FY23; $4.6 million), of which $2.3 million was capitalised (FY23; $1.4 million) in the development of its innovative nurse call and clinical communications platform, Tacera. Austco involves healthcare staff of all levels in the design process, ensuring our products meet the requirements of nurses, patients and healthcare administrators.

The profit and loss impact of capitalising $2.3 million of the FY24 R&D investment is partly offset by $1.5 million of R&D amortisation expense in FY24.

Our latest major product release, Touchpoint, is a versatile compact touchscreen that can be customized as a Room Information Board, Workflow Terminal, or Active Alarms Display. It offers tones and visuals for remote locations, supports two-way VOIP calling, and runs our entire Pulse suite of applications.





By utilising Austco's state-of-the-art Real-time Locating Technology, caregivers can streamline their workflows with greater efficiency. This includes automating essential tasks such as automatic presence tracking, alarm cancellation, and detailed logging of completed rounds. Moreover, our one-touch mobile assistance feature enables caregivers to receive precise location notifications instantly on their iPhone and Android devices via Austco's innovative Pulse Mobile platform.

Globally, our Tacera and Pulse brands are recognised as top-tier solutions for healthcare communications and clinical workflow.

Cash and Working Capital Position

Cash on hand was $13.6 at 30 June 2024, up from $4.7 million at June 2023. Cash generated from operating activities of $11.3 million reflected underlying profitability and decreases in our working capital needs, mainly inventory and receivables, despite absorbing two new businesses. The operating cashflow and proceeds from capital raises of $9.6 million funded the two business acquisitions and continued investment in R&D.

Significant changes in the state of affairs

In the opinion of the Directors, other than the acquisitions of Teknocorp and Amentco, which are outlined in note 28 of the financial statements, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review not otherwise disclosed in this Annual Report.

Events after the reporting date

There were no material events after the reporting date.

Likely future developments and expected results of operations

The likely developments in the Group's operations, to the extent that such matters can be commented upon, are covered in the Directors' Report contained elsewhere in this Annual Report.

Austco Healthcare is well-positioned for continued growth and success in the coming years. The Company has strategically enhanced its sales and marketing capabilities, particularly in high-growth markets, to capitalize on the new opportunities within the healthcare technology sector. These investments in sales resources and product development are expected to be significant drivers of sustained growth.

The Company's strategic roadmap focuses on launching innovative products, forming strategic partnerships, and exploring potential mergers and acquisitions. These initiatives are expected to further strengthen the Company's market position and contribute to long-term growth and profitability.

The fulfillment of the Company's highest ever order backlog, currently at $50.3 million, will allow us to maintain momentum and drive further revenue growth. Austco Healthcare is dedicated to pursuing its growth-focused strategies, ensuring the Company continues its growth trajectory well into the future.

Environmental regulation

The Group's operations are not significantly impacted by any environmental regulation under a law of the Commonwealth or of a State or Territory of Australia.

Dividends

No dividend has been declared for the year ended 30 June 2024 (2023: Nil).

Shares under option

As at the date of this report, there were 7,205,500 unissued ordinary shares under options (7,205,500 at reporting date). Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

During the year ended 30 June 2024 some 3,512,330 performance rights were issued to senior management as detailed in the Remuneration Report. These performance rights remain unvested as at the date of this report.

Shares issued on the exercise of options

During the year ended 30 June 2024 some 3,295,465 ordinary shares of Austco Healthcare Limited were issued on the exercise of options granted (2023: Nil). No further shares were issued up to the date of this report on the exercise of options granted.

No shares were issued during the year ended 30 June 2024, or up to the date of this report, in relation to performance rights.

Insurance and indemnifying directors and officers

The Group has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Group, other than conduct involving a wilful breach of duty in relation to the Group. Under the Company's Constitution, the Company indemnifies the Directors and officers of the Company and its wholly owned subsidiaries to the full extent permitted by law against any liability and all legal costs in connection with proceedings incurred by them in their respective capacities.

The Group has a Directors & Officers Liability Insurance policy in place for all current and former officers of the Group and its controlled entities. The policy affords cover for loss in respect of liabilities incurred by Directors and Officers where the Group is unable to indemnify them and covers the Group for indemnities provided to its Directors and Officers. This does not include liabilities that arise from conduct involving dishonesty. The Directors have not included the details of the premium paid with respect to this policy as this information is confidential under the terms of the policy.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to 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 part of those proceedings.

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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 audit of Austco Healthcare Limited for the year ended 30 June 2024, 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 audit; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 28 August 2024

Indemnification of auditors

The Company has agreed to indemnify its auditors, to the extent permitted by law, Grant Thornton Audit Pty Ltd (Grant Thornton) as part of the terms of its audit engagement agreement. The indemnity covers claims made by third parties against Grant Thornton arising from any advice or opinion Grant Thornton provides to the Company which the Company provides to that third party without the consent of Grant Thornton.

No payment has been made to indemnify Grant Thornton during or since the financial year.

Non audit services

The following non-audit services were provided by the entity's auditor, Grant Thornton. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Grant Thornton Australia received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance services	51,088
Due diligence services	103,000
Total	154,088

Taxation compliance services totalling $57,201 were paid to Grant Thornton and its overseas affiliates (Note 26).

Rounding of amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 applies and, accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars.

REMUNERATION REPORT (Audited)

The remuneration report is set out under the following headings:

Section 1: Remuneration report overview
Section 2: Remuneration policy
Section 3: Executive employment agreements
Section 4: Details of directors' and key management personnel fees and remuneration
Section 5: Share based compensation
Section 6: Equity holdings and transactions
Section 7: Other transactions with key management personnel

1. Remuneration report overview

The Directors of Austco Healthcare Limited present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2024. This Report forms part of the Directors' Report and has been audited in accordance with section 200A of the *Corporations Act 2001*. The Report details the remuneration arrangements for the Group's key management personnel (KMP):

- Non-executive directors (NEDs); and
- Executive directors and senior executives (collectively the executives).

KMP are those persons who have authority and responsibility for planning, directing and controlling the major activities of the Group. The table below outlines the KMP of the Group and their movements during FY24:

Name	Position	Term as KMP
Non-executive directors		
Graeme Billings	Non-executive Chair	Full financial year
Brett Burns	Non-executive Director	Full financial year
Anthony Glenning	Non-executive Director	Full financial year
Executive directors		
Clayton Astles	Managing Director/Chief Executive Officer	Full financial year
Senior executives		
Brendan Maher	Chief Financial Officer, Chief Operating Officer ANZ	Full financial year

2. Remuneration policy

The remuneration policy of the Group has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results.

The Board of Austco Healthcare Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Board's policies for determining the nature and amount of remuneration for Board members and senior executives of the Group are detailed below.

Remuneration Report

The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the Nomination & Remuneration Committee and approved by the Board. All senior executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and are entitled to options and performance rights incentives if performance targets are met and incentives are approved by the Directors. The Nomination & Remuneration Committee reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of executives is measured against criteria agreed annually with each executive and is based predominately on the forecast growth of the Group's profits and shareholder value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, options and performance rights, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre executives and reward them for performance that results in long term growth in shareholder wealth.

Executives are also entitled to participate in the employee share incentive plan.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black Scholes methodology and performance rights are valued using a zero price performance options methodology.

The Board’s policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Nomination & Remuneration Committee (excluding those being assessed) determine payments to the Non-Executive Directors and review their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align the directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee share plan.

Principles used to determine the nature and amount of remuneration

a) Executive Compensation

The objective of the Group’s executive remuneration and reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation. This comprises fixed remuneration, cash bonuses and a share ownership incentive plan.

The fixed remuneration includes base salary, superannuation or its overseas equivalent and other non-monetary benefits and is set with reference to comparable roles in similar companies and is designed to reward for:

- the scope of the executive’s role;
- the executive’s skills, experience and qualifications; and
- individual performance.

Variable incentive – cash

Executives have the opportunity to earn annual incentive awards which are delivered as cash bonuses and/or allocations of Options or Performance Rights under the company's Employee Share Incentive Plan.

Annual cash incentives are awarded based on performance against objectives set at the beginning of each year. The objectives vary depending on the role of the executive but are chosen as they reflect the core drivers of short-term performance and also provide a framework for delivering sustainable value to the Company, its shareholders and customers. They cover both financial and non-financial Group and business unit measures of performance.

Financial measures include:	**Non-Financial measures include:**
Net Profit after Tax	Product Development
Revenue targets	Process Improvements
Gross Margin targets	Safety & Regulatory Compliance
	Leadership and team contribution

The final award is determined after the end of the financial year following a review of the performance over the year against the objectives by the CEO, and in the case of the CEO by the Remuneration Committee. The Board approves the final award based on this assessment of performance.

Variable incentive – equity

Executives also have the opportunity to be awarded annual incentive awards which prior to 2024 were an allocation of Options and from 2024 are an allocations of Performance Rights under the company's Employee Share Incentive Plan.

In addition to a continuous employment test, the vesting conditions currently are:

	EPS Growth Targets (60% of award)		**Indexed TSR (iTSR) (40% of award)**	
	CAGR in EPS (3 years)	Percent of Award	Company's TSR Compared to Movement in an Index	Percent of Award
Minimum	5%	25%	= Index Movement	25%
Target	8%	50%	Index Movement +5%	50%
Stretch	>12%	100%	Index Movement +10%	100%

Currently the Indexed TSR benchmark is the S&P ASX small industrials index.

The remuneration and reward strategy of the Group seeks to align executives and shareholders' interests which:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering a constant return on assets as well as focusing the executive on key non-financial value drivers; and
- attracts and retains high calibre executives.

Remuneration Report

The remuneration and reward strategy of the Group seeks to align program participants' interests which:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

b) Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The maximum fees payable to Non-Executive Directors as agreed to by the Company's members at a previous Annual General Meeting are $450,000.

Overview of Group performance

The following table shows the gross revenue, profits and dividends for the last five years as well as the share price at the end of each year.

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue from customers	58,153	41,978	35,882	31,250	31,598
Profit/(Loss) for the year	7,076	2,258	2,328	3,424	2,504
Overall Earnings Per Share (cents)	2.33	0.78	0.82	1.20	0.96
Share price at year end	$0.180	$0.170	$0.100	$0.125	$0.075
Dividends paid (cents per share)	0.00	0.475	0.00	0.00	0.00

Performance payments, in the form of cash bonuses or share based payments, to Key Management Personnel are disclosed in the report and table below and are paid in accordance with employment agreements and on achievement of set milestones which may be based on financial and non-financial outcomes. Payment of cash bonuses and options or shares are assessed on an annual basis by the board of directors and payment of incentive bonuses is at the discretion of the board of directors.

Voting at the Company's 2023 Annual General Meeting ("AGM")

At the 2023 AGM the majority of shareholders votes cast, 99.78%, were in favour of adopting the 2023 Remuneration Report.

3. Executive employment agreements

The employment conditions of the key executives are formalised in contracts of employment or service agreements. Contractual terms for most executives are similar but do, on occasions, vary to suit different needs. The following table summarises the key contractual terms for all key management personnel.

Fixed Remuneration	Remuneration comprises salary and statutory superannuation contributions where the executive is employed in Australia
Incentive Plans	Eligible to participate. Incentive criteria and award opportunities vary for each executive.
Notice Period	The Chief Executive Officer has a 1-year notice period and the Chief Financial Officer has a 3-month notice period.
Resignation	Employment may be terminated by giving notice consistent with the notice period.
Retirement	There are no financial entitlements due from the Group on retirement of an executive.
Termination by the Group	The Group may terminate the employment by providing notice consistent with the notice period or payment in lieu of the notice period.
Redundancy	There are no contractual commitments to pay redundancy over and above any statutory entitlement.
Termination for serious misconduct	The Group may terminate the employment agreement at any time without notice, and the executive will be entitled to payment of remuneration only up to the date of termination.

Remuneration Report

4. Details of directors' and key management personnel fees and remuneration

2024	Short Term Employee Benefits			Long Term Benefits	Share Based Payments		Post Employment Expenses		Performance Related
	Salaries, Fees and Commissions	Cash Bonus	Other Benefit	Annual and long service leave	Equity settled Options	Performance Rights	Super-annuation	Total	%
	$	$	$	$	$	$	$	$	
Directors									
Clayton Astles	564,299	285,812	49,592	-	36,000	18,800	-	954,503	30%
Graeme Billings	76,577	-	-	-	-	-	8,423	85,000	0%
Brett Burns	63,063	-	-	-	-	-	6,937	70,000	0%
Anthony Glenning	63,063	-	-	-	-	-	6,937	70,000	0%
Other key management personnel:									
Brendan Maher	338,992	80,000	-	14,706	26,000	11,417	27,000	498,115	16%
	1,105,994	**365,812**	**49,592**	**14,706**	**62,000**	**30,217**	**49,297**	**1,677,618**	

2023	Short Term Employee Benefits			Share Based Payments	Post Employment Expenses		Performance Related
	Salaries, Fees and Commissions	Cash Bonus	Other Benefit	Equity settled Options	Super-annuation	Total	%
	$	$	$	$	$	$	
Directors							
Clayton Astles	559,120	240,748	45,611	69,514	-	914,993	26%
Graeme Billings	76,923	-	-	-	8,077	85,000	0%
Brett Burns	63,348	-	-	-	6,652	70,000	0%
Anthony Glenning	63,348	-	-	-	6,652	70,000	0%
Other key management personnel:							
Brendan Maher	336,754	64,000	-	45,975	27,000	473,729	14%
	1,099,493	**304,748**	**45,611**	**115,489**	**48,381**	**1,613,722**	

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable			Cash bonus forfeited	
	2024	2023		2024	2023
Clayton Astles	100%	85%		0%	15%
Brendan Maher	100%	80%		0%	20%

5. Share Based Compensation

During the year ended 30 June 2024 Austco commenced issuing Performance Rights and paused the issuing of further Options to senior management. The services and performance criteria set to determine share-based compensation under the shareholder approved Employee Share Incentive Plan are discussed under remuneration policy in section 2 of the Remuneration Report.

5 (a). Share Based Compensation - Options

All options were granted by Austco Healthcare Limited over ordinary shares for Nil consideration. The following table shows the grants of share-based compensation in the form of Options to KMP during the year ended 30 June 2024. No Options have been granted to Non- Executive Directors:

Name	Balance at beginning of the year	Granted during the year	Expired during the year	Exercised during the year	Balance at the end of the year	Total Unvested
Clayton Astles	4,096,276	-	-	1,396,276	2,700,000	1,350,000
Brendan Maher	3,047,207	-	-	1,047,207	2,000,000	1,000,000
	7,143,483	**-**	**-**	**2,443,483**	**4,700,000**	**2,350,000**

The options are valued using the Black-Scholes pricing model and are subject to the employees meeting continuity of service conditions. No options were granted during the year ended 30 June 2024.

The following table shows the grants of share-based compensation in the form of Options to KMP during the year ended 30 June 2023. No Options have been granted to Non- Executive Directors:

Name	Balance at beginning of the year	Granted during the year	Expired during the year	Exercised during the year	Balance at the end of the year
Clayton Astles	5,492,552	-	(1,396,276)	-	4,096,276
Brendan Maher	4,094,414	-	(1,047,207)	-	3,047,207
	9,586,966	**-**	**(2,443,483)**	**-**	**7,143,483**

The options are valued using the Black-Scholes pricing model and are subject to the employees meeting continuity of service conditions. No options were granted during the year ended 30 June 2023.

Details of Options over ordinary shares in the Company provided as remuneration of Key Management personnel are set out below. No Options have been granted to Non- Executive Directors:

	2024 Number	**2024 $**		**2023 Number**	**2023 $**
Clayton Astles	2,700,000	$36,000		4,096,276	$69,514
Brendan Maher	2,000,000	$26,000		3,047,207	$45,975
	4,700,000	**$62,000**		**7,143,483**	**$115,489**

The assessed fair value at issue date of the options granted to the executive are allocated equally over the period from issue date to vesting date and the amount is included in the remuneration tables above.

Shares issued on exercise of compensation options

Some 3,295,465 options were exercised during the year ended 30 June 2024.

5 (b). Share Based Compensation – Performance Rights

All performance rights were granted by Austco Healthcare Limited over ordinary shares for Nil consideration. The following table shows the grants of share-based compensation in the form of Performance Rights to KMP during the year ended 30 June 2024. No Performance Rights have been granted to Non- Executive Directors:

Name	Balance at beginning of the year	Granted during the year	Expired during the year	Conversion during the year	Balance at the end of the year
Clayton Astles	-	677,486	-	-	677,486
Brendan Maher	-	411,429	-	-	411,429
	-	**1,088,914**	**-**	**-**	**1,088,914**

The performance rights were valued using a zero price performance options methodology and are subject to the employees meeting performance criteria and continuity of service conditions (as set out in section 2 of the Remuneration Report). The model inputs for Performance Rights granted during the year ended 30 June 2024 included:

Model Inputs	**Series 2026**	**Model Inputs**	**Series 2026**
Grant date	27 September 2023	Share price at grant date	18.5 cents
Expiry date	30 September 2026	Expected dividend yield	0%
Exercise price	Nil	Discount Rate	8.0%

Details of Performance Rights over ordinary shares in the Company provided as remuneration of Key Management personnel are set out below. No Performance Rights have been granted to Non- Executive Directors:

	2024 Number	**2024 $**		**2023 Number**	**2023 $**
Clayton Astles	677,486	$18,800		-	-
Brendan Maher	411,429	$11,417		-	-
	1,088,914	**$30,217**		**-**	**-**

The assessed fair value at issue date of the options granted to the executive are allocated equally over the period from issue date to vesting date and the amount is included in the remuneration tables above.

Shares issued on conversion of compensation performance rights

No performance rights converted to shares during the year ended 30 June 2024.

6. Equity holdings and transactions

Number of shares held by Directors and Key Management Personnel:

	Balance 1 July 2023	Received on Options Exercise	Other changes during the year	Balance 30 June 2024
Graeme Billings	507,698	-	23,078	530,776
Brett Burns	1,226,204	-	55,737	1,281,941
Clayton Astles	3,569,717	1,396,276	(1,400,000)	3,565,993
Anthony Glenning	1,012,833	-	46,037	1,058,870
Brendan Maher	2,887,865	1,047,207	(1,027,285)	2,907,787
	9,204,317	**2,443,483**	**(2,302,433)**	**9,345,367**

7. Other transactions with key management personnel

	2024 $'000	2023 $'000
Legal fees paid to CBW Partners, a firm controlled by Mr Brett Burns, for legal services rendered at rates equal to or less than usual commercial rates in respect of legal services provided.	179	75

Signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2)(a) of the Corporations Act 2001.

Clayton Astles

Chief Executive Officer
Dated this 28th day of August 2024, Melbourne

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	Group 2024 $'000	Group 2023 $'000
Revenue	2	58,153	41,978
Materials and direct labour		(27,481)	(19,544)
Gross Profit		**30,672**	**22,434**
Other income	3	**12**	**79**
Employee Benefits Expense	4	(16,200)	(14,033)
Motor Vehicle Expenses		(203)	(35)
Occupancy Expenses		(530)	(388)
Depreciation and Amortisation Expenses	4	(2,314)	(1,717)
Accounting, Audit, Legal and Advisor Fees		(1,457)	(974)
Allowance for expected credit loss		93	56
Finance Costs	4	(149)	(68)
Travel Expenses		(1,870)	(1,466)
Software subscriptions		(489)	(395)
Insurances		(431)	(387)
Other Expenses		(1,484)	(1,291)
Total Overhead Expenses		(25,034)	(20,698)
Profit Before Income Tax		**5,650**	**1,815**
Income Tax (Expense)/Credit	6	1,426	443
Net Profit after income tax		7,076	2,258
Net Profit attributable to members of Austco Healthcare Limited		**7,076**	**2,258**
Other Comprehensive Income			
Items that may be reclassified subsequently to Profit or Loss			
Exchange difference arising on translation of foreign operations		(159)	396
Total Comprehensive Income for the Year		**6,917**	**2,654**
Earnings per share		**Cents**	**Cents**
Basic per share	19	2.328	0.780
Diluted per share	19	2.293	0.775

* The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	Group 2024 $'000	Group 2023 $'000
Current Assets			
Cash and cash equivalents	7	13,556	4,673
Trade and other receivables	8	13,128	12,219
Inventories	9	10,669	10,829
Other assets	10	3,214	2,065
Total Current Assets		**40,567**	**29,786**
Non-Current Assets			
Plant and equipment	11	1,834	482
Right-of-use assets	12	1,648	366
Deferred tax assets	6 (c)	3,905	1,721
Goodwill	13	14,488	-
Intangible assets	14	6,262	5,455
Total Non-Current Assets		**28,137**	**8,024**
Total Assets		**68,704**	**37,810**
Current Liabilities			
Trade and other payables	15	10,373	8,972
Contract liabilities	2 (c)	2,670	2,300
Short term borrowings		80	24
Other financial liabilities	28 (a)	967	-
Current tax liabilities		867	61
Lease liabilities	16	493	377
Provisions	17	1,609	902
Total Current Liabilities		**17,059**	**12,636**
Lease liabilities	16	1,205	123
Other financial liabilities	28 (c)	5,947	-
Provisions	17	115	52
Total Non-Current Liabilities		**7,267**	**175**
Total Liabilities		**24,326**	**12,811**
Net Assets		**44,378**	**24,999**
Equity			
Contributed Equity	18	54,465	42,189
Option and Rights Reserves	18(b)(c)	325	295
Foreign Exchange Reserve		214	373
Accumulated Losses		(10,626)	(17,858)
Total Equity		**44,378**	**24,999**

* The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Issued Capital	Option & Rights Reserve	Accumulated Losses	Foreign Exchange Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	41,720	296	(18,901)	(23)	23,092
Profit after income tax expense for the year	-	-	2,258	-	2,258
Other comprehensive income for the year, net of tax	-	-	-	396	396
Total comprehensive income for the year	-	-	2,258	396	2,654
Transactions with owners in their capacity as equity holders:					
Issue of Shares (note 18)	469	-	-	-	469
Share based payments	-	152	-	-	152
Dividends paid	-	-	(1,368)	-	(1,368)
Transfer to Accumulated Losses	-	(153)	153	-	-
Balance at 30 June 2023	**42,189**	**295**	**(17,858)**	**373**	**24,999**
Balance at 1 July 2023	42,189	295	(17,858)	373	24,999
Profit after income tax expense for the year	-	-	7,076	-	7,076
Other comprehensive income for the year, net of tax	-	-	-	(159)	(159)
Total comprehensive income for the year	-	-	7,076	(159)	6,917
Transactions with owners in their capacity as equity holders:					
Issue of Shares (note 18)	12,276	-	-	-	12,276
Share based payments	-	186	-	-	186
Dividends paid	-	-	-	-	-
Transfer to Accumulated Losses	-	(156)	156	-	-
Balance at 30 June 2024	**54,465**	**325**	**(10,626)**	**214**	**44,378**

* The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Notes	Group 2024 $'000	Group 2023 $'000
Cash Flows from Operating Activities			
Receipts from Customers (includes GST and VAT)		57,707	38,294
Payments to Suppliers and Employees (includes GST and VAT)		(46,115)	(37,404)
Grant Income received		14	2
Interest Received		52	32
Finance Costs Paid		(48)	(22)
Income Tax Paid		(263)	(582)
Net Cash From/(used) by Operating Activities	22(a)	**11,347**	**320**
Cash Flows from Investing Activities			
Payments for Acquisition of Property, Plant, Equipment	11	(1,629)	(198)
Payments for Acquisition of Intangible Assets	14	(2,272)	(1,375)
Proceeds from disposal of Property, Plant & Equipment		3	-
Acquisition costs - expensed		(542)	-
Acquisitions net of cash acquired		(6,625)	-
Net Cash From/(used) in Investing Activities		**(11,063)**	**(1,573)**
Cash Flows from Financing Activities			
Proceeds from Issue of Shares		9,576	-
Dividends paid (net of dividends reinvested)		-	(897)
Proceeds from borrowings		1,600	
Repayment of borrowings		(1,609)	(25)
Payment of lease liabilities		(727)	(661)
Net Cash Provided/(used) by Financing Activities		**8,840**	**(1,583)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**9,124**	**(2,836)**
Cash and Cash Equivalents at Beginning of the Year		4,673	7,628
Effects of exchange rate changes on cash		(241)	(119)
Cash and Cash Equivalents at End of the Year	7	**13,556**	**4,673**

* The accompanying notes form part of these financial statements

GENERAL INFORMATION

The consolidated financial statements of Austco Healthcare Limited and controlled entities (collectively, the Group or the Company) were authorised for issue in accordance with a resolution of the directors on 28 August 2024. Austco Healthcare Limited is a for profit public Company listed on the ASX, incorporated and domiciled in Australia. The principal activities of the business are the manufacture, service, supply and distribution of Healthcare communications equipment and software.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 as is appropriate for profit oriented entities.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian Accounting Standards ensures the consolidated financial statements and notes comply with International Financial Reporting Standards.

New Accounting Standards adopted by the Group

There were no new accounting standards materially impacting the Group in the current reporting period.

Going Concern

These financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of its business, realisation of assets and settlement of liabilities in the normal course of business.

Basis of Preparation and Historical Cost Convention

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values. Cost is based on the fair values of the consideration given in exchange for assets. The financial report is presented in Australian dollars, unless otherwise noted.
The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated:

(a) Critical accounting estimates and judgements

In the application of Australian Accounting Standards management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Judgments made in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed where applicable in the relevant notes to the financial statements.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS

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 30 June 2024, the carrying amount of capitalised development costs was $6.262 million. (2023: $5.455 million). Refer to Note 14 for further information.

GOODWILL IMPAIRMENT

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in the notes to the accounts. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

The carrying amount of Goodwill at 30 June 2024 was $14.488 million (2023: nil). Refer to note 13 for further information.

ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Group assesses expected credit loss regularly. The allowance for expected credit loss represents management's estimate of the Group's credit loss risk as at 30 June 2024 based on age of debt, past experience, current information at hand and management's assessment of forward-looking factors specific to the debtors and the economic environment and subsequent collectability. At 30 June 2024, the allowances for doubtful debts was $173,873. (2023: $52,282).

ALLOWANCE FOR WARRANTY PROVISION

The Group has a policy in relation to return of products and claims for warranty purposes which can be found here: http://www.austco.com/legal/. The Group has made an allowance for future warranty claims based on historical claims experience and management's estimate of the Group's potential claims as at 30 June 2024. At 30 June 2024, the allowance for warranty provision was $278,366 (2023: $210,173). Refer to Note 17 for further information.

SHARE BASED PAYMENTS

Share based payments are accounted for at fair value using the Black-Scholes model for options and a zero price performance options methodology for performance rights, see Note 20 for the underlying assumptions used and further discussion.

ESTIMATION OF USEFUL LIVES OF ASSETS

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

RECOGNITION OF DEFERRED TAX ASSET

The Group has carried forward tax losses available to offset future tax obligations in the of tax jurisdictions of Australia and the United States of America. In those jurisdictions with carried forward losses where there is a track record of sustained taxable profits, and an outlook of expected future taxable profits, the Group recognises a Deferred Tax Asset. In the year to 30 June 2024 the Group recognised additional Deferred Tax Assets of $1,111,591 in relation to its operations in the USA and Australia (2023: $804,148).

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Austco Healthcare Limited ('Parent Entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Austco Healthcare Limited and its subsidiaries together are referred to in these financial statements as the 'Company' or the 'Group'.

Subsidiaries are all those entities over which the Company 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 deconsolidated 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 aligned 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.

(c) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired, and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree. The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer. Fair value adjustments in the value of pre-existing equity holdings are taken to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable.

Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit or loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income except in separate financial statements where transaction costs should be capitalised.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) 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 changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

CURRENT TAX - Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

DEFERRED TAX - Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax assets and liabilities are recognised for temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

CURRENT AND DEFERRED TAX FOR THE PERIOD - Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly to equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or bargain on acquisition.

TAX CONSOLIDATION REGIME

Austco Healthcare Limited and its wholly owned Australian subsidiaries (as indicated below), have formed an income tax consolidated group under the tax consolidation regime, a group allocation approach, under which the current and deferred tax amounts for the tax consolidated group are allocated among each entity in the group. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The tax consolidated group has entered into tax funding and sharing agreements whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

Austco Healthcare Limited has formed a tax consolidated group with all of its Australian incorporated subsidiaries as outlined in note 23. Austco Healthcare Limited's overseas subsidiaries are not part of its tax consolidated group as they have been incorporated overseas and are not Australian resident taxpayers.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Financial Assets and Liabilities

(e) (i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15. Refer to the accounting policies in note 1 (m) Revenue from contracts with customers.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and cash equivalents and trade receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

***(e) (i) Financial assets* (continued)**

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(e) (ii) Financial liabilities

Financial liabilities are classified, as amortised cost or financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

The Group has not designated any financial liability as at fair value through profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 15.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, freight and labour.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Leases – Right-of-use assets and Lease Liabilities

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 lease term 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 right-of-use asset is depreciated over its useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. Variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method.

The carrying amounts of lease liabilities are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee amount; lease term; assessment to purchase the underlying asset and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below $5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of two to three years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group has not included the renewal period as part of the lease term for leases of rented properties due to the expected availability of replacement right-of-use assets in the future at competitive rates. The non-discounted future cash outflows relating to options to renew for extended lease terms the Group is potentially exposed to that are not reflected in the measurement of lease liabilities is estimated to be $539,548.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment, if any.

DEPRECIATION

The depreciable amount of all fixed assets including capitalised leased assets are depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold Improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	20.00% - 50.00%
Plant and Equipment	12.50% - 50.00%
Motor Vehicles	18.75% - 22.50%
Furniture and Fittings	7.50% - 30.00%
Office Equipment	7.50% - 50.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. At the current and prior financial year there has been no material change. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit and loss.

(i) Intangibles

RESEARCH AND DEVELOPMENT COSTS

Where the criteria to capitalise costs in relation to internally generated intangible assets is not met, expenditure on research activities is recognised as an expense in the period in which it is incurred.

An intangible asset arising from development expenditure is recognised if, and only if all of the following are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project. The life of an average project is estimated between 6 and 8 years.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Foreign Currency Transactions and Balances

FOREIGN CURRENCY

The individual financial statements of each entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Austco Healthcare Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

FOREIGN OPERATIONS

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average monthly exchange rates. Exchange differences arising on translation of foreign operations, are recognised in the foreign exchange reserve in the statement of financial position. These differences are recognised in the statement of profit or loss on disposal of the foreign operation.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) 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 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 as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments

Share based compensation benefits are provided to employees.

Equity settled transactions are awards of shares, or options (including zero priced performance rights) over shares that are provided to employees in exchange for the rendering of services.

The cost of equity settled transactions is measured at fair value on grant date. Fair value is determined using the Black-Scholes option pricing model for options and using a zero price performance options methodology for performance rights. that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If the non vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

If equity awards are made subject to future shareholder approval, fair value is estimated at the time of the award and remeasured upon shareholder approval.

(l) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Revenue

Revenue from customers is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from the sale of equipment is recognised at the point in time when control of the asset is transferred to the customer.

The Group offers warranties for its nurse call products ranging from one year to five years, and estimates a related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the group's productivity and quality initiatives, as well as parts and labour costs. As at 30 June 2024, this particular provision had a carrying amount of $278,366 (2023: $210,173). If claims costs were to differ by 10% from management's estimates, the warranty provisions would be an estimated $27,837 higher or lower (2023 – $21,017 higher/lower).

Revenue from the rendering of a service, primarily the installation of the nurse call systems is recognised upon the delivery of the service to the customer as the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from software contracts or service and maintenance agreements (SMA's). Revenue for software sold with a perpetual right is recognised in full on the sale of the software as no future performance obligations are required. Revenue for SMA's and Software sold as a licence over a finite time period, and are recognised proportionally over that period as the customer simultaneously receives and consumes the benefits provided by the Group. Note 2(d) includes deferred revenue (Contract Liabilities) relating to these SMA's and finite time period Software sales.

(n) Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(o) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its Goodwill, fixed and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cashflows 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 cashflows are grouped together to form a cash generating unit.

(p) Share Based Payment Arrangements

Goods or services received or acquired in a share based payment transaction are recognised as an increase in equity if the goods or services were received in an equity settled share based payment transaction or as a liability if the goods and services were acquired in a cash settled share based payment transaction.

For equity settled share based payments, goods or services received are measured directly at fair value of the goods and services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Borrowing Costs

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

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

(r) Dividends

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(s) Earnings per share (EPS)

BASIC EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit attributable to the members of Austco Healthcare Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding 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.

(t) Rounding Amounts

The parent entity has applied the relief available to it under ASIC Legislative Investment 2016/191 and accordingly, amounts within this financial report have been rounded off to the nearest $1,000, unless otherwise stated.

(u) New and Revised Accounting Standards Not Yet Effective

At the date of authorisation of these financial statements, several new, but not effective Standards and amendments to existing Standards, and Interpretations have been published by the AASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

NOTE 2: REVENUE

(a) Revenue from customers

		2024	2023
Continuing Operations		**$'000**	**$'000**
Revenue from contracts with customers	2 (b)	58,153	41,978
Total Revenue		**58,153**	**41,978**

(b) Revenue from contracts with customers

Revenue from Contracts with Customers, 12 months to June 2024	**Equipment**	**Installation**	**Software/SMA**	**Total**
Type of Good or Service	**$000**	**$000**	**$000**	**$000**
Sale of equipment	38,060	-	-	38,060
Installation services	-	10,792	-	10,792
Software & Maint. Agreements	-	-	9,301	9,301
Total	**38,060**	**10,792**	**9,301**	**58,153**
Geographical Markets				
Australia/New Zealand	15,288	2,956	2,349	20,593
North America	16,391	5,068	4,592	26,051
Europe	2,017	1,222	495	3,734
Asia	4,364	1,546	1,865	7,775
Total	**38,060**	**10,792**	**9,301**	**58,153**
Timing of revenue recognition				
Goods transferred at a point in time	38,060	-	4,183	42,243
Services transferred over time	-	10,792	5,118	15,910
Total	**38,060**	**10,792**	**9,301**	**58,153**

NOTE 2: REVENUE (continued)

Revenue from Contracts with Customers, 12 months to June 2023	Equipment	Installation	Software/SMA	Total
Type of Good or Service	**$000**	**$000**	**$000**	**$000**
Sale of equipment	25,007	-	-	25,007
Installation services	-	8,474	-	8,474
Software & Maint. Agreements	-	-	8,497	8,497
Total	**25,007**	**8,474**	**8,497**	**41,978**
Geographical Markets				
Australia/New Zealand	9,523	527	1,056	11,106
North America	9,726	6,398	5,822	21,946
Europe	2,039	763	408	3,210
Asia	3,719	786	1,211	5,716
Total	**25,007**	**8,474**	**8,497**	**41,978**
Timing of revenue recognition				
Goods transferred at a point in time	25,007	-	4,236	29,243
Services transferred over time	-	8,474	4,261	12,735
Total	**25,007**	**8,474**	**8,497**	**41,978**

(c) Assets and liabilities related to contracts with customers

	2024	2023
	$'000	**$'000**
Current contract assets relating to installation contracts	156	6
Total Contract Asset	**156**	**6**
Contract liabilities – unearned revenue	2,670	2,300
Total Contract Liabilities	**2,670**	**2,300**

(d) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	2024	2023
	$'000	**$'000**
Amounts included in contract liabilities at the beginning of the year or partially satisfied in previous year	2,335	1,867

NOTE 3: OTHER INCOME

	2024 $'000	2023 $'000
Other income		
- Interest Received	63	39
- Grant Income (refunded)	14	2
- Foreign Exchange Gain/(loss)	(65)	38
Total Other Income	**12**	**79**

NOTE 4: EXPENSES FOR THE YEAR

	2024 $'000	2023 $'000
Finance Costs		
- interest expense on financing activities	48	22
- interest expense on lease liabilities	101	46
Total Finance Costs	**149**	**68**
Depreciation and Amortisation of Non Current Assets		
- depreciation of plant and equipment	268	179
- depreciation of right-of-use assets	549	439
- amortisation of development costs	1,462	1,099
- amortisation of borrowing costs	35	-
Total Depreciation and Amortisation	**2,314**	**1,717**
- (Gain) / Loss on Disposal	7	(1)
	2,321	**1,716**
Foreign currency translation gain/(loss)	(64)	38
Occupancy Expenses on Operating Leases		
- variable lease payments *(body corp etc)*	462	297
- minimum lease payments	68	91
Employee Expenses		
Direct Labour Wages (included in Cost of Sales)	761	394
Other employees' wages and benefits expense	15,325	13,518
Superannuation contributions	689	363
Share based payment	186	152
Total Employee Expenses excluding direct labour	**16,200**	**14,033**
Research and development expenditure before Capitalisation	4,511	4,580
Capitalisation of development costs	(2,272)	(1,375)
Net research and development expense	2,239	3,205
Increase in warranty provision	155	127
Increase (decrease) in inventory provision	76	(20)
Increase (decrease) in expected credit loss provision	(93)	(56)

NOTE 5: SEGMENT REPORTING

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 hospitals and the aged care market. The Group is segmented into four geographic regions consisting of Australia/New Zealand, Asia, Europe and North America.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in previous years.

(b) Intersegment transactions

An internally determined transfer price is set for all intersegment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements. Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries. Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans and accounts receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(c) Segment assets

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

(d) Segment liabilities

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

(e) Unallocated items

The following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Impairment of assets and other non recurring items of revenue or expense;
- Income tax expense, Current tax liabilities, and Deferred tax assets and liabilities;
- Other financial liabilities, Intangible assets and Discontinued operations.

Results of Segments

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 separately.

NOTE 5: SEGMENT REPORTING (CONTINUED)

Inter-segment pricing

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

Revenue earned from external customers in Australia (the Group's country of domicile) for the year ended 30 June 2024 is $14,130k (2023: $4,941k).

	Aust & NZ $'000	Asia $'000	Europe $'000	North America $'000	Total $'000	Eliminations Inter Company $'000	Eliminations Corporate $'000	Company Total $'000
2024								
Revenue – external	20,593	7,775	3,734	26,051	58,153	-	-	58,153
Revenue – intersegment	319	-	-	12,621	12,940	(12,940)	-	-
Total Revenue	20,912	7,775	3,734	38,672	71,093	(12,940)	-	58,153
EBITDA	3,528	1,446	308	4,211	9,493	(721)	(722)	8,050
Depreciation	(283)	(112)	(61)	(396)	(852)	-	-	(852)
Amortisation	(73)	-	-	(1,389)	(1,462)	-	-	(1,462)
EBIT	3,172	1,334	247	2,426	7,179	(721)	(722)	5,736
Net Interest	0	(10)	(8)	(74)	(92)	6	-	(86)
Income Tax	603	(44)	(3)	870	1,426	-	-	1,426
Net Profit After Tax	3,775	1,280	236	3,222	8,513	(715)	(722)	7,076
2023								
Revenue – external	11,106	5,716	3,210	21,946	41,978	-	-	41,978
Revenue – intersegment	26	-	-	9,282	9,308	(9,308)	-	-
Total Revenue	11,132	5,716	3,210	31,228	51,286	(9,308)	-	41,978
EBITDA	1,941	839	568	2,075	5,423	(1,204)	(659)	3,561
Depreciation	(98)	(101)	(51)	(367)	(617)	-	-	(617)
Amortisation	(60)	-	-	(1,039)	(1,099)	-	-	(1,099)
EBIT	1,783	738	517	669	3,707	(1,204)	(659)	1,844
Net Interest	87	(15)	(3)	(104)	(35)	6	-	(29)
Income Tax	(171)	-	(37)	651	443	-	-	443
Net Profit After Tax	1,699	723	477	1,216	4,115	(1,198)	(659)	2,258
Segment Assets								
30/06/2023	32,682	2,878	1,659	30,598	67,817	(40,745)	10,738	37,810
30/06/2024	68,215	3,664	1,620	33,746	107,245	(61,345)	22,804	68,704
Segment Liabilities								
30/06/2023	6,603	1,909	693	35,808	45,013	(32,270)	67	12,811
30/06/2024	35,631	1,878	641	35,683	73,833	(49,543)	37	24,327

NOTE 6: INCOME TAX EXPENSE

	2024 $'000	2023 $'000
(a) Income Tax Recognised in Profit or Loss		
Current tax expense	901	321
Deferred tax benefit	(2,335)	(781)
Prior year under / over	8	17
Total Income Tax Expense / (Credit)	**(1,426)**	**(443)**

The prima facie income tax expense on pre-tax accounting profit for the continuing operations reconciles to the income tax expense in the financial statements as follows:

	2024 $'000	2023 $'000
Profit from continuing operations	5,650	1,815
Income tax expense calculated at 25% (2023: 25%)	1,413	454
Non-deductible expenses	90	41
Non-assessable income	(8)	(1)
Other	(62)	11
Effect of different tax rates of subsidiaries operating in other jurisdictions	(70)	19
Utilisation of prior year losses and R&D offsets previously not recognised	(781)	(93)
Current year carry forward losses for which no DTA is recognised	-	15
Origination and reversal of other timing differences	(896)	(85)
	(314)	361
Less : Recognition of DTA on carried forward losses	1,112	804
Total Income Tax Expense / (Credit)	**(1,426)**	**(443)**

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by the Company on taxable profits under Australian tax law. Overseas jurisdictions have differing corporate tax rates.

(b) Group Tax Carry Forward Losses and Tax Credit Offsets

The following summarises the Group's carry forward tax losses and tax credit offsets, all of which have been recognised as an Asset:

	As at 30 June 2024			
Region	**Deferred Tax Asset Recognised for Tax Offset Credits $'000**	**Deferred Tax Asset Recognised for Gross Carry Forward Tax Losses $'000**	**Gross Unrecognised Carry Forward Tax Losses $'000**	**Unrecognised Deferred Tax Asset for Tax Offset Credits $'000**
Australia	932	-	-	-
Canada	-	-	-	-
New Zealand	-	-	-	-
Singapore	-	-	-	-
UK	-	-	-	-
US	505	622	-	-
TOTAL	**1,437**	**622**	**-**	**-**

NOTE 6: INCOME TAX EXPENSE (CONTINUED)

	2024 $'000	2023 $'000
(c) Deferred Tax Balances		
Deferred tax assets comprise temporary differences arising from the following:		
Provisions	302	73
Leases	10	-
Accruals	205	159
Other future deductions	224	7
Deferred revenue	233	46
Capitalised R&D assets	1,375	-
Carried forward Tax Losses	134	858
Non refundable tax offsets	1,437	618
	3,920	**1,761**
Deferred tax liabilities comprise temporary differences arising from the following:		
Other	(15)	(40)
Net deferred tax asset	**3,905**	**1,721**

NOTE 7: CASH AND CASH EQUIVALENTS

	2024 $'000	2023 $'000
Current		
Cash at bank and in hand	13,556	4,673
	13,556	**4,673**

NOTE 8: TRADE AND OTHER RECEIVABLES

	2024 $'000	2023 $'000
Current		
Trade receivables	13,160	12,192
Other receivables	142	79
Less: Allowance for expected credit losses	(174)	(52)
	13,128	**12,219**

Receivables past due but not impaired

The consolidated entity did not consider a significant credit risk on the aggregate balances after reviewing credit terms of customers based on recent collections practices.

The ageing analysis of trade receivables is as follows:

		As at 30 June 2024	
Group	**Gross $'000**	**Expected Credit Loss $'000**	**Net Receivables $'000**
0 - 30 days	11,225	-	11,225
30 - 60 days	785	-	785
60 - 90 days	429	-	429
Over 90 days	721	(174)	547
Closing Balance	**13,160**	**(174)**	**12,986**

		As at 30 June 2023	
Group	**Gross $'000**	**Allowance $'000**	**Net Receivables $'000**
0 - 30 days	10,437	-	10,437
30 - 60 days	514	-	514
60 - 90 days	342	-	342
Over 90 days	899	(52)	847
Closing Balance	**12,192**	**(52)**	**12,140**

Allowance for Expected Credit Losses

	2024 $'000	2023 $'000
Opening balance	52	105
Foreign exchange impact	1	4
Additional provision	172	35
Write off	(7)	(6)
Amounts recovered	(44)	(86)
Closing Balance	**174**	**52**

The Group assesses outstanding receivables in each region on a monthly basis for expected credit losses based on management's estimate of the Group's credit loss risk based on age of debt, past experience, current information at hand, adjusted for forward-looking factors specific to the debtors and the economic environment. Specific allowances are created when outstanding receivables are credit impaired. At 30 June 2024, the allowances for expected credit loss was $173,874 (2023: $52,282).

NOTE 9: INVENTORIES

	2024 $'000	2023 $'000
Current		
Finished goods on hand - at cost	8,796	8,198
Finished goods provision	(611)	(349)
Finished goods on hand at recoverable amount	8,185	7,849
Raw materials on hand – at cost	2,817	3,497
Raw materials provision	(337)	(523)
Raw materials on hand at recoverable amount	2,480	2,974
Work in progress	4	6
Total Inventory carrying amount at end of year	**10,669**	**10,829**

The amount of inventories recognised as an expense during the period is $14.93m (2023: $10.92m).

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items. An inventory item or product line is deemed obsolete if there have been no external sales of that product or item in any region for a period of 24 months prior to the balance date. In this situation all of the inventory for that product or part code will be provided for as obsolete inventory.

NOTE 10: OTHER ASSETS

		2024 $'000	2023 $'000
Current			
Prepayments		1,286	1,233
Contract retentions		1,239	498
Contract assets	2 (c)	156	6
Sublease receivable		7	107
Other		526	221
		3,214	**2,065**

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Plant and Equipment	Motor Vehicles	Furniture and Fittings	Office Equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost at 1 July 2023	117	532	92	114	907	1,762
Foreign Exchange Difference	-	-	-	-	(2)	(2)
Additions	28	57	103	1	117	306
Acquired by Business Combination	-	45	1,063	63	152	1,323
Disposals	-	(12)	(12)	-	(46)	(70)
Cost at 30 June 2024	**145**	**622**	**1,246**	**178**	**1,128**	**3,319**
Accumulated Depreciation at 1 July 2023	114	320	78	74	694	1,280
Foreign Exchange Difference	-	(1)	-	-	(4)	(5)
Depreciation	20	75	41	20	113	269
Disposals	-	(12)	(11)	-	(36)	(59)
Accumulated Depreciation at 30 June 2024	**134**	**382**	**108**	**94**	**767**	**1,485**
Net Book Value at 30 June 2023	**3**	**212**	**14**	**40**	**213**	**482**
Net Book Value at 30 June 2024	**11**	**240**	**1,138**	**84**	**361**	**1,834**

NOTE 12: RIGHT OF USE ASSETS

Set out below, are the carrying amounts of the Group's right-of-use assets and the movements during the period:

	Properties	Motor Vehicles	Other equipment	Total
	$'000	$'000	$'000	$'000
As at 1 July 2022	618	16	9	643
Additions	124	-	20	144
Derecognition	(24)	-	-	(24)
Depreciation expense	(419)	(11)	(9)	(439)
Foreign Exchange	42	-	-	42
As at 30 June 2023	**341**	**5**	**20**	**366**
As at 1 July 2023	341	5	20	366
Additions	1,816	-	11	1,827
Derecognition	-	-	-	-
Depreciation expense	(538)	(4)	(7)	(549)
Foreign Exchange	6	-	(2)	4
As at 30 June 2024	**1,625**	**1**	**22**	**1,648**

NOTE 13: GOODWILL

	2024	**2023**
	$'000	**$'000**
Cost	14,488	-
Accumulated impairment losses	-	-
Total Goodwill	**14,488**	**-**
Movement in Carrying Amounts		
Balance at beginning	-	-
Additions through business combinations	14,488	-
Foreign exchange variation	-	-
Balance at end of financial year	**14,488**	**-**

Allocation of goodwill to cash-generating units and key assumptions

All goodwill has been acquired during the period and has been allocated for impairment testing over the Teknocorp and Amentco separate cash generating units respectively.

The recoverable amount of both the Teknocorp cash generating unit and Amentco cash generating unit have been determined based on a value in use calculation, which uses cash flow projections based on a financial Budget approved by the board, extrapolated over a further four year period. A pre-tax cashflow effect has been taken using a pre-tax discount rate of 14.15%. The cashflows have been extrapolated using a sales growth rate of 10%, cost of sales growth rate of 7.5% and indirect costs growth rate of 3.5%. No terminal value has been used.

Using the above assumptions no impairment is indicated.

NOTE 14: INTANGIBLE ASSETS

	2024	2023
	$'000	**$'000**
Product development	13,135	10,875
Less: accumulated amortisation	(6,873)	(5,420)
Total Intangibles	**6,262**	**5,455**
Movement in Carrying Amounts		
Balance at beginning	5,455	4,683
Additions	2,272	1,375
Foreign exchange variation	(3)	496
Amortisation	(1,462)	(1,099)
Balance at end	**6,262**	**5,455**

NOTE 15: TRADE AND OTHER PAYABLES

	2024	2023
Current	**$'000**	**$'000**
Trade and other payables	9,324	8,340
Indirect taxes payable	1,049	632
	10,373	**8,972**

Due to their short-term nature trade payables are measured at amortised cost and are not discounted.

NOTE 16: LEASE LIABILITIES

Set out below, are the carrying amounts of the Group's lease liabilities and the movements during the period:

	2024	2023
	$'000	**$'000**
Balance at beginning	**500**	**930**
Additions	1,827	144
Interest expense	101	46
Payments	(727)	(661)
Foreign Exchange	(3)	41
Balance at end	**1,698**	**500**
Represented by:		
Current Lease Liabilities	493	377
Non-Current Lease Liabilities	1,205	123

NOTE 17: PROVISIONS

	2024 $'000	2023 $'000
Current		
Employee Entitlements	1,289	650
Make Good on Premises Leases	42	42
Warranty Allowance (note 1(m))	278	210
	1,609	**902**
Non current		
Employee entitlements	115	52
	115	**52**

(a) Movement in Current Provisions

2024	**Employee Entitlements** **$'000**	**Make Good** **$'000**	**Warranty Allowance** **$'000**	**Total** **$'000**
Carrying amount at 1 July 2023	650	42	210	902
Additional provisions	890	-	155	1,045
Amounts incurred and or charged against provision	(248)	-	(86)	(334)
Foreign Exchange	(3)	-	(1)	(4)
Carrying amount at 30 June 2024	**1,289**	**42**	**278**	**1,609**

(b) Movement in Non Current Provisions

2024	**Employee Entitlements** **$'000**	**Total** **$'000**
Carrying amount at 1 July 2023	52	52
Additional provisions	66	66
Amounts incurred and or charged against provision	(3)	(3)
Carrying amount at 30 June 2024	**115**	**115**

NOTE 18: ISSUED CAPITAL AND OPTION RESERVE

	Note	2024 $'000	2023 $'000
Ordinary shares fully paid	17 (a)	54,465	42,189
		54,465	**42,189**

(a) Movement in Ordinary Shares on Issue

	2024 No. of shares	Price	$'000
At the beginning of the reporting period:	290,790,167		42,189
Acquisition consideration	3,888,889	$0.180	700
Exercise of Options into Shares	3,295,465	$0.130	428
Acquisition consideration	10,256,410	$0.195	2,000
Placement Issue of Shares	37,297,297	$0.185	6,900
Entitlement Offer Issue of Shares	15,240,135	$0.185	2,819
Transaction costs	-		(571)
At Reporting Date	**360,768,363**		**54,465**

	2023 No. of shares	Price	$'000
At the beginning of the reporting period:	287,085,669		41,720
Dividend Reinvestment Plan	2,731,674	$0.130	355
Dividend Reinvestment Plan	972,824	$0.120	117
Transaction costs	-		(3)
At Reporting Date	**290,790,167**		**42,189**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Movement in Options on Issue and Option Reserve

	2024 No. of options	2024 $'000	2023 No. of options	2023 $'000
At the beginning of the reporting period:	10,696,187	295	14,707,374	296
Options exercised during the year	(3,295,465)	-	-	-
Options forfeited during the year	-	-	(869,568)	-
Options lapsed during the year	(195,222)	-	(3,141,619)	-
Transfer to accumulated losses	-	(156)	-	(155)
Share based payment expense	-	95	-	154
At Reporting Date	**7,205,500**	**234**	**10,696,187**	**295**

Nature and Purpose of Reserve

The Share Option Reserve contains amounts received on the issue of options over unissued capital of the Company, or the value of options attributable to share based payments.

NOTE 18: ISSUED CAPITAL AND OPTION RESERVE (CONTINUED)

(c) Movement in Performance Rights on Issue and Perforamance Rights Reserve

	2024		2023	
	No. of rights	$'000	No. of rights	$'000
At the beginning of the reporting period:	-	-	-	-
Rights granted during the year	3,512,330	-		
Rights exercised during the year	-	-	-	-
Rights forfeited during the year	249,600	-	-	-
Transfer to accumulated losses	-	-	-	-
Share based payment expense	-	91	-	-
At Reporting Date	**3,262,730**	**91**	**-**	**-**

Nature and Purpose of Reserve
The Perforamnce Rights Reserve contains amounts received on the issue of performance rights over unissued capital of the Company, or the value of performance rights attributable to share based payments.

(c) Employee Share Scheme

For information relating to the Austco Healthcare Limited Employee Share Scheme, including details of shares issued during the financial year, refer to Note 20.

(d) Capital Management

Management controls the capital of the Group to provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group’s debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.
Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	2024	2023
	$'000	$'000
Total borrowings	80	24
Less cash and cash equivalents	(13,556)	(4,673)
Net (Cash)/Debt	**(13,476)**	**(4,649)**
Total equity	44,378	24,999
Total capital	30,902	20,350

(e) Foreign Currency Reserve

The Foreign Currency Reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

NOTE 19: EARNINGS PER SHARE

	2024	2023
	$'000	**$'000**
Overall operations		
Profit/(Loss) for the year attributable to members of Austco Healthcare Limited	7,076	2,258
	No.	**No.**
(b) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	303,911,066	289,315,786
Effect of dilutive share options	4,633,692	2,170,827
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	308,544,758	291,486,613
Overall Earnings per share		
Basic earnings per share (cents per share)	2.328	0.780
Diluted earnings per share (cents per share)	2.293	0.775

NOTE 19: SHARE BASED PAYMENTS

The Company established a Employee Share Scheme as a means to reward employees for their contribution to the Group. Options were issued to staff until September 2021. All employee options are unlisted and non-transferable. Options are granted pursuant to the Company's employee share incentive plan with the conversion price set at a premium to the share price at grant date. Options have a vesting period ranging between two and three years, with continuity of employment a condition up to vesting date.

From September 2023 the Company commenced issuing performance rights. All employee performance rights are unlisted and non-transferable. Performance Rights are granted pursuant to the Company's employee share incentive plan with a nil conversion price to shares. Performance Rights have performance criteria which determine the number of rights that convert into shares. Performance Rights have a vesting and performance period of three years, with continuity of employment a condition up to vesting date.

Options granted to September 2021

The Black-Scholes valuation model inputs used to determine fair value at grant date of options are as follows:

Series name	Grant Date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk free interest rate	Fair value at grant date
Series 5	10 Sep 2020	11 Sep 2024	$0.078	$0.130	96%	Nil	0.42%	$0.04
Series 6	28 Sep 2021	24 Sep 2025	$0.145	$0.215	96%	Nil	0.52%	$0.07

The expected volatility assumptions used were based on historical volatility.

All options granted to employees (including Key Management Personnel) are over ordinary shares in Austco Healthcare Limited and confer a right to one ordinary share for every option held. A summary of the Options Issued outstanding at 30 June 2024 is:

Options Issued	Grant date	Expiry date	Exercise price	#
Series 5	10 September 2020	11 September 2024	$0.130	3,564,500
Series 6	28 September 2021	24 September 2025	$0.215	3,641,000
			Total	**7,205,500**

Vesting conditions for the options are the following:

Series	Vesting Conditions	Probability of vesting 2024	Probability of vesting 2023
5	• 3 years from the grant date; and • Conditional on remaining employed by the Group	100%	100%
6	• 3 years from the grant date; and • Conditional on remaining employed by the Group	100%	100%

NOTE 20: SHARE BASED PAYMENTS (continued)

Performance rights granted from September 2023

The performance rights were valued using a zero price performance options methodology and are subject to the employees meeting performance criteria and continuity of service conditions. The model inputs for performance rights granted during the year ended 30 June 2024 to determine fair value at grant date are as follows:

Series name	Grant Date	Expiry date	Share price at grant date	Exercise price	Dividend yield	Risk free interest rate	Fair value at grant date
2026	27 Sep 2023	30 Sep 2026	$0.185	$0.00	Nil	8.0%	$0.185

All performance rightss granted to employees (including Key Management Personnel) are over ordinary shares in Austco Healthcare Limited and confer a right to one ordinary share for every performance right held. A summary of the performance rights issued and still outstanding at 30 June 2024 is:

Rights Issued	Grant date	Expiry date	Exercise price	#
2026	27 September 2023	30 September 2026	$0.00	3,262,730
			Total	**3,262,730**

Vesting conditions for the performance rights are the following:

	EPS Growth Targets (60% of award)		**Indexed TSR (iTSR) (40% of award)**	
	CAGR in EPS (3 years)	Percent of Award	Company's TSR Compared to Movement in an Index	Percent of Award
Minimum	5%	25%	= Index Movement	25%
Target	8%	50%	Index Movement +5%	50%
Stretch	>12%	100%	Index Movement +10%	100%

Series	Additional Vesting Conditions	Probability of vesting 2024	Probability of vesting 2023
2026	• 3 years from the grant date; • the Indexed TSR benchmark is the S&P ASX small industrials index; and • Conditional on remaining employed by the Group	60%	-

NOTE 20: SHARE BASED PAYMENTS (continued)

		2024		2023	
	Note	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year		10,696,187	0.159	14,707,374	0.152
Exercised	17	(3,295,465)	0.130	-	-
Granted	17	-	-	-	-
Lapsed	17	(195,222)	0.130	(3,141,619)	0.130
Forfeited	17	-	-	(869,568)	0.147
Outstanding at year end		7,205,500	0.173	10,696,187	0.159
Exercisable at year end		3,564,500	0.130	3,490,687	0.130

The options outstanding at 30 June 2024 have a weighted average exercise price of 17.3 cents and will have all vested by 25 September 2024 and expire by 24 September 2025.

NOTE 21: DIVIDENDS AND FRANKING CREDITS

	2024 $'000	2023 $'000
Amount of franking credits available for subsequent reporting periods:		
- franking account balance as at the end of the financial year at 25% (2023: 25%)	1,918	1,918
The amount of franking credits available for future reporting periods	**1,918**	**1,918**

NOTE 22: CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations with Profit/(loss) After Income Tax

	2024 $'000	2023 $'000
Profit after income tax	7,076	2,258
Non Cash Flows in profit or loss		
Depreciation and amortisation	2,314	1,717
Loss on disposal of property, plant and equipment	7	(1)
Share based payments expense	186	152
Expected credit loss	(93)	(56)
Net foreign exchange difference	241	118
Non Cash Flows in profit or loss	2,655	1,930
Changes in Assets and Liabilities		
Decrease/(Increase) in trade and other receivables	(909)	(4,599)
Decrease/(Increase) in prepayments and other assets	(1,149)	817
Decrease/(Increase) in inventories	160	(1,606)
Decrease/(Increase) in deferred tax assets	(2,141)	(802)
Increase/(Decrease) in trade and other creditors	4,078	2,589
Increase/(Decrease in provisions	771	(22)
Increase/(Decrease) in income taxes payable	806	(245)
Total changes in Assets and Liabilities	1,616	(3,868)
Net Cash Used in Operating Activities	**11,347**	**320**

(b) Credit Standby Arrangements with Banks

The Group does not have access to any financing facilities at reporting date.

NOTE 23: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%) 2024	 2023
Parent Entity:			
Austco Healthcare Limited	Australia		
Subsidiaries of Austco Healthcare Limited			
Austco Communication Systems Pty Ltd	Australia	100%	100%
Austco Services Pty Ltd	Australia	100%	100%
Amentco Group Pty Ltd	Australia	100%	-
Amentco Enterprise Group Pty Ltd	Australia	100%	-
Sedco Communications Pty Ltd	Australia	100%	100%
Austco Marketing & Service (Asia) Pte Ltd	Singapore	100%	100%
Austco Marketing & Service (USA) Ltd	USA	100%	100%
Austco Marketing & Service (Canada) Ltd	Canada	100%	100%
Austco Marketing & Service (UK) Ltd	UK	100%	100%
Austco Communications (NZ) Ltd	New Zealand	100%	100%

NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of Austco Healthcare Limited.

During the year the following persons were key management personal:

Mr Clayton Astles	Chief Executive Officer and Executive Director
Mr Graeme Billings	Non Executive Chairman
Mr Brett Burns	Non Executive Director
Mr Anthony Glenning	Non Executive Director
Mr Brendan Maher	Chief Financial Officer and Company Secretary

	2024 $	2023 $
Summary		
Short term employee benefits	1,521,398	1,449,852
Post employment benefits	49,297	48,381
Long term benefits	14,706	-
Share Based Payments	92,217	115,489
	1,677,618	**1,613,722**

NOTE 25: RELATED PARTY TRANSACTIONS

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

Remuneration of Key Management Personnel are disclosed in Note 23 and the Remuneration Report.

Transactions with related parties:	**2024 $'000**	**2023 $'000**
Legal fees paid to CBW Partners, a firm controlled by Mr Brett Burns, for legal services rendered at rates equal to or better than CBW Partners usual commercial rates in respect of legal services provided.	179	75

NOTE 26: AUDITORS REMUNERATION

	2024 $	2023 $
(a) **Auditors of the Group – Grant Thornton and related network firms**		
Audit and review of financial reports		
- Group	169,950	149,000
- Controlled entities	75,226	36,724
Total audit and review of financial reports	245,176	185,724
Other Services		
- Tax compliance services	57,201	23,837
- Due diligence reviews	103,000	48,925
Total non-audit services	160,201	72,762
Total services provided by Grant Thornton	**405,377**	**258,485**
(b) **Other auditors and their related network firms**		
Audit and review of financial reports		
- Controlled entities	28,223	26,190
Other non-audit services		
- Tax compliance services	4,500	4,086
Total services provided by other auditors	**32,723**	**30,276**

NOTE 27: FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise receivables, payables, bank loans and overdraft, cash and short term deposits. These expose the Group to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Directors meet monthly to monitor and discuss the current market conditions and the impact on the Group. This monthly analysis and review considers the Group's market risk and exposure, credit risk and liquidity risk. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through annual budgets and regular forecasts. The analysis undertaken enables the Board to determine the overseas price list, the level of debt appropriate to the business and other factors which may impact on the Group's risk profile.

The method of monitoring risk has not altered from the previous corresponding period.

Currency risk

		2024	2023
Financial Assets		**$'000**	**$'000**
Current assets (inc. cash and trade receivables)	USD	8,897	7,764
	NZD	2,123	1,640
	CAN	6,747	3,890
	GBP	1,031	960
	SGD	2,929	2,009
Financial Liabilities			
Current liabilities (inc. trade and other payables)	USD	6,808	4,489
	NZD	395	275
	CAN	2,951	1,457
	GBP	220	260
	SGD	908	1,263

Sensitivity Analysis

The Group currently has material exposures to the currencies in the table below.

At 30 June, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2024	2023	2024	2023
Group	**$'000**	**$'000**	**$'000**	**$'000**
AUD/USD +10%	(208)	(126)	(1,605)	(1,418)
AUD/USD -10%	208	126	1,605	1,418
AUD/NZD +10%	(132)	(123)	(186)	(146)
AUD/NZD -10%	132	123	186	146
AUD/CAN +10%	(105)	(65)	(313)	(218)
AUD/CAN -10%	105	65	313	218
AUD/GBP +10%	(15)	(31)	(89)	(81)
AUD/GBP -10%	15	31	89	81
AUD/SGD +10%	(119)	(33)	(169)	(83)
AUD/SGD -10%	119	33	169	83

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments. A movement of + and – 10% is selected because a review of recent exchange rate movements and economic data suggests this range is reasonable. All the amounts in the table above are displayed in $AUD.

NOTE 27: FINANCIAL INSTRUMENTS (CONTINUED)

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average interest rate	Floating interest rate	Non interest bearing		Fixed Interest Rate	Total
			1 year or less	1 to 5 years	1 year or less	
		$'000	$'000	$'000	$'000	$'000
Financial Assets 2024						
Cash and cash equivalents	2.36%	9,384	5	140	4,027	13,556
Trade and other receivables	-	-	13,128	-	-	13,128
Total		**9,384**	**13,133**	**140**	**4,027**	**26,684**
Financial Liabilities 2024						
Trade and other payables	-	-	10,373	-	-	10,373
Contract Liabilities	-	-	2,670	-	-	2,670
Lease liability	11.07%	1,698	-	-	-	1,698
Other current liabilities	-	80	-	-	-	80
Total		**1,778**	**13,043**	**-**	**-**	**14,821**
Financial Assets 2023						
Cash and cash equivalents	0.63%	4,656	-	-	17	4,673
Trade and other receivables	-	-	12,219	-	-	12,219
Total		**4,656**	**12,219**	**-**	**17**	**16,892**
Financial Liabilities 2023						
Trade and other payables	-	-	8,972	-	-	8,972
Contract Liabilities	-	-	2,300	-	-	2,300
Bank loans	5.84%	500	-	-	-	500
Other current liabilities	-	24	-	-	-	24
Total		**524**	**11,272**	**-**	**-**	**11,796**

At 30 June 2024 the Group did not have any material exposures to interest rates. The following table illustrates, with all other variables held constant, if there was a movement of + and – 10% then pre tax profit would have been affected as follows. A movement of + and – 10% is selected because a review of recent exchange rate movements and economic data suggests this range is reasonable

	Cash and Cash Equivalents Higher/(Lower)		Short term liabilities Higher/(Lower)	
	2024	2023	2024	2023
Interest	$'000	$'000	$'000	$'000
+10%	22	3	-	-
-10%	(22)	(3)	-	-

NOTE 27: FINANCIAL INSTRUMENTS (CONTINUED)

Risk Exposure and Responses

The Group's exposure to market interest rates relates primarily to short term deposits and short term borrowings held. The effect of volatility of interest rates within expected reasonable possible movement would not be material.

Fair Value Measurement

The carrying amounts of cash and cash equivalent, trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Credit Risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. It is the Group's policy to consider the credit worthiness of all customers who wish to trade on credit terms. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Price Risk

The Group's exposure to raw material commodities is minimal.

Liquidity Risk

The Group manages liquidity risk by monitoring cash flow, maintaining sufficient liquid assets (mainly cash and cash equivalents) and has maintained borrowing facilities to be able to pay debts as and when they become due and payable.

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.

	Weighted average interest rate	1 year or less $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
			2024			
Non interest bearing						
Trade and other payables		10,373	-	-	-	10,373
Contract liabilities		2,670	-	-	-	2,670
Other current liabilities		80	-	-	-	80
Interest bearing						
Lease liability	11.07%	493	535	368	302	1,698
Total		**13,616**	**535**	**368**	**302**	**14,821**
			2023			
Non interest bearing						
Trade and other payables		8,972	-	-	-	8,972
Contract liabilities		2,300	-	-	-	2,300
Other current liabilities		24	-	-	-	24
Interest bearing						
Lease liability	5.84%	377	116	7	-	500
Total		**11,673**	**116**	**7**	**-**	**11,796**

NOTE 28: BUSINESS COMBINATIONS

(a) Summary of acquisition of Teknocorp and VMS

On 27 November 2023, the Group acquired the businesses of Teknocorp and Victorian Monitoring Systems (VMS) by way of an asset sale. Teknocorp and VMS are a security and healthcare solutions provider and have been a certified Austco Nurse Call reseller for more than 20 years in the Victorian market. Teknocorp specialises in providing integrated nurse call, security, access control and complementary systems to small and medium-scale enterprises in public and private sectors. The acquisition increases Austco's direct sales capability, provides growth opportunities and enhances its range of solutions to better meet the needs of the Australian healthcare market.

Details of the purchase consideration, net assets acquired, and goodwill on a provisional basis are as follows:

Purchase consideration (refer to (b) below):

	$'000
Cash paid	1,900
Ordinary shares Issued (note 17)	700
Contingent consideration	967
Total purchase consideration	3,567

The fair value of the 3,888,889 shares issued as part of the consideration paid for Teknocorp and VMS ($0.7m) was based on the 30-day volume-weighted average price two business days prior to settlement (27 November 2023) of 18 cents per share.

Contingent consideration is based on an earn out due under the sale contract calculated on the annualized EBITDA of Teknocorp and VMS for the period from 27 November 2023 to 31 December 2024 multiplied by 3.5 times, less $2,600,000 (being the upfront cash and ordinary shares consideration). The basis for determining the amount of earnout payable included a weighted value of potential annualised EBITDA outcomes based on due diligence, historical financial performance and the financial performance in the current year with probability assumptions applied.

The assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Cash	333
Accounts receivables	1,930
Other Assets	481
Inventories	1,370
Plant & Equipment	214
Trade payables	(1,236)
Accrued Liabilities	(826)
Employment benefit obligations	(243)
Unearned Revenue	(1,672)
Net identifiable assets acquired	351
Add: Goodwill	3,216
Net assets acquired	3,567

The goodwill is attributable to the workforce and the profitability of the acquired businesses. It will not be deductible for tax purposes.

NOTE 28: BUSINESS COMBINATIONS (continued)

(i) Acquired receivables

The fair value of acquired trade receivables is $1,929,641. The gross contractual amount for trade receivables due is $2,145,873, with a loss allowance of $216,231 recognised on acquisition.

(ii) Acquired Inventories

The fair value of acquired inventories is $1,370,565. The gross amount for inventories is $1,444,355 with a provision for slow moving inventory allowance of $73,790 recognised on acquisition.

(iii) Revenue and profit contribution

The acquired businesses contributed revenues of $6,463,489 and net profit of $807,522 to the group for the period from 27 November 2023 to 30 June 2024.

The disclosure requirement of the revenues and net profit if the acquisition had occurred on 1 July 2023 is impracticable given the material differences in accounting policies between the group and the acquired businesses pre acquisition, specifically with regards to revenue recognition, accounting for inventories, lease liabilities and employment benefit obligations.

(b) Purchase Consideration Teknocorp and VMS – cash outflow

	30 June 2024 $'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	1,900
Less: Balances acquired	333
Net outflow of cash – investing activities	**1,567**

Acquisition-related costs

Acquisition-related costs of $0.268m that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cashflows.

(c) Summary of acquisition of Amentco

On 1 May 2024, the Group acquired the business of Amentco by way of a share purchase. Amentco is a security and healthcare solutions provider and was a certified Austco Nurse Call reseller servicing the south half of the Queensland market. Amentco specialises in providing integrated nurse call, security, access control and complementary systems to small and medium-scale enterprises in public and private sectors. The acquisition increases Austco's direct sales capability, provides growth opportunities and enhances its range of solutions to better meet the needs of the Australian healthcare market.

Details of the purchase consideration, net assets acquired, and goodwill on a provisional basis are as follows:

Purchase consideration (refer to (d) below):

	$'000
Cash paid	5,000
Working capital and net cash adjustments paid	1,423
Ordinary shares Issued (note 17)	2,000
Contingent consideration	5,947
Total purchase consideration	14,370

NOTE 28: BUSINESS COMBINATIONS (continued)

The fair value of the 10,256,410 shares issued as part of the consideration paid for Amentco ($2.0m) was based on the 30-day volume-weighted average price two business days prior to settlement (1 May 2024) of 19.5 cents per share.

Contingent consideration is based on an earn out due under the sale contract calculated on the average annual EBITDA of Amentco for the period from 1 July 2023 to 30 June 2025 multiplied by 3.5 times, less $7,000,000 (being the upfront cash and ordinary shares consideration). The basis for determining the amount of earnout payable included a weighted value of potential annualised EBITDA outcomes based on due diligence, historical financial performance and the financial performance in the current year with probability assumptions applied.

The assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Cash	1,366
Accounts receivables	1,319
Inventories	818
Plant & Equipment	1,109
Other Assets	80
Right-of-use-assets	390
Lease Liabilities	(390)
Trade payables	(774)
Accrued Liabilities	(522)
Employment benefit obligations	(298)
Net identifiable assets acquired	3,098
Add: Goodwill	11,272
Net assets acquired	14,370

The goodwill is attributable to the workforce and the profitability of the acquired businesses. It will not be deductible for tax purposes.

(i) Acquired receivables

The fair value of acquired trade receivables is $1,318,788. The gross contractual amount for trade receivables due is $1,329,553, with a loss allowance of $10,765 recognised on acquisition.

(ii) Acquired Inventories

The fair value of acquired inventories is $817,832. The gross amount for inventories is $817,832 with a no provision for slow moving inventory allowance recognised on acquisition due to a pre acquisition rationalisation of inventories.

(iii) Revenue and profit contribution

The acquired businesses contributed revenues of $2,732,503 and net profit of $254,053 to the group for the period from 1 May 2024 to 30 June 2024.

The disclosure requirement of the revenues and net profit if the acquisition had occurred on 1 July 2023 is impracticable given the material differences in accounting policies between the group and the acquired businesses pre acquisition, specifically with regards to revenue recognition, accounting for inventories, lease liabilities and employment benefit obligations.

NOTE 28: BUSINESS COMBINATIONS (continued)

(d) Purchase Consideration Amentco – cash outflow

	30 June 2024
	$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration paid	5,000
Working capital and net cash adjustments paid	1,423
Less: Balances acquired	(1,366)
Net outflow of cash – investing activities	**5,057**

Acquisition-related costs

Acquisition-related costs of $0.234m that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cashflows.

There were no acquisitions in the year ending 30 June 2023.

NOTE 29: EVENTS AFTER THE REPORTING DATE

No matters or circumstances, other than those listed below, 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 30: CONTINGENT LIABILITIES AND ASSETS

Outstanding Bank Guarantees

Outstanding bank guarantees held as at 30 June 2024 amounted to $358,562 (2023: $357,675), being financial guarantees relating:

- performance obligations under a client contract for $340,887 (2023: $340,000); and
- the lease of the registered office at 1/31 Sabre Drive, Port Melbourne $17,675 (2023: $17,675).

NOTE 31: PARENT ENTITY INFORMATION

The following information related to the parent entity, Austco Healthcare Limited as at 30 June 2024. This information has been prepared using consistent accounting policies as presented in Note 1.

	Parent Entity	
	2024	**2023**
	$'000	**$'000**
Current assets	16,888	4,822
Non current assets	5,917	5,917
Total Assets	**22,805**	**10,739**
Current liabilities	37	67
Non current liabilities	-	-
Total Liabilities	**37**	**67**
Net Assets	**22,768**	**10,672**
Issued Capital	54,465	42,189
Accumulated losses	(32,022)	(31,813)
Option and Rights Reserves	325	295
Total Equity	**22,768**	**10,671**
Net Income (Loss) for the year	(365)	(356)
Total comprehensive income for the year	**(365)**	**(356)**

Contingent Liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Consolidated Entity Disclsoure Statement
for the year ended 30 June 2024

Name of Entity	Type of Entity	Trustee, partner or joint venture	% of share capital held	Country of Incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction of foreign residents
Austco Healthcare Limited	Body Corporate	n/a	n/a	Australia	Australian	n/a
Austco Communication Systems Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a
Austco Services Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a
Amentco Group Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a
Amentco Enterprise Group Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a
Sedco Communications Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a
Austco Marketing & Service (Asia) Pte Ltd	Body Corporate	n/a	100%	Singapore	Foreign	Singapore
Austco Marketing & Service (USA) Ltd	Body Corporate	n/a	100%	USA	Foreign	USA
Austco Marketing & Service (Canada) Ltd	Body Corporate	n/a	100%	Canada	Foreign	Canada
Austco Marketing & Service (UK) Ltd	Body Corporate	n/a	100%	UK	Foreign	UK
Austco Communications (NZ) Ltd	Body Corporate	n/a	100%	New Zealand	Foreign	New Zealand

The Directors of Austco Healthcare Limited declare that:

(a) in the Directors' opinion the financial report as set out on pages 3 to 68 and remuneration report as set out on pages 13 to 21, are in accordance with the Corporation Act 2001, including:

(i) giving a true and fair view of consolidated entity's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date;

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(iii) the remuneration disclosures contained in the remuneration report comply with s300A of the Corporations Act 2001.

(b) the financial report also complies with International Financial Reporting standards issued by the International Accounting Standards Board as disclosed in note 1;

(c) the information disclosed in the Consolidated Entity Disclsoure Statement as set out on page 68 is true and correct; and

(d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they became due and payable.

The directors have been given the declarations by the chief executive and chief financial officer for the financial year ended 30 June 2024, required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

Clayton Astles
Chief Executive Officer
Dated this 28th day of August 2024, Melbourne

Grant Thornton

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Independent Auditor's Report

To the Members of Austco Healthcare Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Austco Healthcare Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

b 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 (including Independence Standards)* (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 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 judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Note 2	
Revenue recognised from contracts with customers amounted to $58.153 million for the year ended 30 June 2024. The Group enters into transactions that involve a range of products and services. Revenue includes equipment sales, installation services and software and maintenance agreements (SMA) sales. Revenue is recognised either at a point in time or over time as the Group satisfies its performance obligations in line with AASB 15: *Revenue from Contracts with Customers*. This represents a key audit matter given management judgement is required in determining the appropriate recognition of revenue, and material nature of revenue to the Group's overall performance.	Our procedures included, amongst others: • Documenting the nature of revenue streams and reviewing recognition policies for compliance with AASB 15; • Assessing the design and implementation of relevant controls in relation to accounting for revenue; • Selecting a sample of equipment sales and tracing to invoice, proof of shipment and receipt of funds to verify occurrence and accuracy; • Selecting a sample of installation and SMA revenue transactions and agreeing to supporting invoice/contract, percentage complete judgements and receipt of funds to verify the transaction is accurate and is recorded in the correct period; • Testing sales immediately pre and post year-end for each revenue stream and assessing whether revenue is recognised in the correct period; and • Assessing the adequacy of relevant financial statement disclosures.
Capitalisation of product development costs – Note 14	
As at 30 June 2024, the carrying value of capitalised product development costs was $6.262 million. The Group capitalises costs directly attributable to the development of software related to nurse call and clinical software solutions technology as intangible assets in accordance with AASB 138 *Intangible Assets*. Intangible assets with a finite useful life are required to be assessed for impairment indicators annually in line with AASB 136 *Impairment of Assets*. Assets not yet available for use are subject to an annual impairment test annually regardless of indicators of impairment by comparing the carrying amount with the recoverable amount. This is a key audit matter due to the inherent judgement in determining projects and related costs that satisfy the strict criteria within AASB 138 and estimating the assets' useful lives. In addition, consideration of impairment involving projected future cash flows is subject to management judgement.	Our procedures included, amongst others: • Documenting our understanding of processes and controls including a review of management's capitalisation policy for compliance with AASB 138; • Assessing the design and implementation of relevant controls in relation to accounting for intangible assets; • Testing a sample of costs capitalised to supporting documentation and assessed for compliance with the recognition criteria within AASB 138; • Discussing with management the nature of activities undertaken and status of key projects; • Evaluating management's assessment of impairment indicators for intangible assets previously capitalised; • Assessing management's useful economic life including amortisation charged for consistency with accounting policies adopted; • For intangible assets not yet available for use, assessing the impairment model for compliance with AASB 136 and evaluating the reasonableness of key assumptions through sensitivity analysis including discount rate, growth rates and forecast assumptions; and • Assessing the adequacy of relevant financial statement disclosures.

Business combinations – Note 28

Key audit matter	How our audit addressed the key audit matter
During the year ended 30 June 2024, the Group acquired 100% of the business assets of Teknocorp Australia and Victorian Monitoring Systems and 100% of the shares in Amentco Enterprise Group Pty Ltd. AASB 3 *Business Combinations* requires significant judgement and estimation in relation to: • The fair value of purchase consideration, including any contingent consideration; • The fair value of assets and liabilities acquired, including separately identifiable intangibles assets; and This is a key audit matter due to the high level of management judgement and estimation required in accounting for business combinations.	Our procedures included, amongst others: • Obtaining and reviewing the underlying sale and purchase agreements to understand key terms and conditions of the transaction; • Assessing the design and implementation of relevant controls in relation to accounting for Business Combinations; • Assessing whether transactions have been appropriately accounted for under AASB 3; • Reviewing management's calculation for the acquisition, including tracing inputs to supporting documentation and assessing whether any goodwill arising as a result of the acquisition has been appropriately recognised; • Considering the existence of any identifiable intangible assets that are to be separately from goodwill; • Reviewing material balances from the completion accounts for each acquisition and testing samples to source documentation to verify the accuracy of fair values of amounts recorded at acquisition date; • Reviewing management's assessment of potential earnout over the post-acquisition period; • For goodwill arising from business combinations, assessing the impairment models for compliance with AASB 136: *Impairment of Assets* and evaluating the reasonableness of key assumptions; and • Assessing the adequacy of relevant financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, 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 do 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 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 this 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 Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 this 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: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 13 to 21 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Austco Healthcare Limited, for the year ended 30 June 2024 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 28 August 2024

Corporate Governance Statement

In accordance with Listing Rule 4.10.3, Austco's Corporate Governance Statement can be found at http://www.austcohealthcare.com/

Shareholder Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. This information is correct as at 27 August 2024.

Distribution of Holders In Each Class Of Equity Securities

Fully paid ordinary shares	**Number of shareholders**
1 – 1,000	57
1,001 – 5,000	159
5,001 – 10,000	147
10,001 – 100,000	464
100,001 and over	205
Total Number of shareholders	1,032
Unmarketable parcels	99

Twenty largest Holders Of Quoted Securities	**Number**	**%**
National Nominees Limited	63,930,720	17.72
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	52,412,871	14.53
Asia Pac Holdings Pty Ltd	19,488,748	5.40
Asia Pac Technology Pty Ltd	18,681,085	5.18
HSBC Custody Nominees (Australia) Limited	14,234,856	3.95
Moat Investments Pty Ltd <Moat Investment A/C>	10,131,219	2.81
Dixson Trust Pty Ltd	9,504,433	2.63
Asia Pac Holdings Pty Ltd <Asia Pac Holdings A/C>	8,948,764	2.48
Mast Financial Pty Ltd <A To Z Investment A/C>	7,515,965	2.08
Hestfield Pty Ltd <Neil Eaton Family A/C>	5,029,914	1.39
Gliocas Investments Pty Ltd <Gliocas Growth Fund A/C>	4,612,803	1.28
Sean Elias Family Investments Pty Ltd <Sean Elias Family Inv A/C>	4,348,773	1.21
Bill Brooks Pty Ltd <Bill Brooks Super Fund A/C>	4,305,738	1.19
Mrs Emma Jane Gracey	4,151,987	1.15
Mr Sean Patrick Martin <The Avebury Family A/C>	4,128,484	1.14
Asia Pac Technology Pty Ltd <John Bennetts S/F A/C>	4,083,245	1.13
Rokatel Pty Ltd	3,888,889	1.08
LZ New Century Pty Ltd	3,700,000	1.03
Asia Pac Holdings Pty Ltd	3,502,738	0.97
Mr Erich Gustav Brosell	3,343,403	0.93

Substantial shareholder notices lodged with the Company as at 27 August 2024

Australian Ethical Investment Ltd	41,447,475 shares	17.8%
Asia Pac Holding Pty Ltd	56,897,798 shares	15.77%
Robert Edward Grey	52,839,950 shares	14.65%

Corporate Information

Austco Healthcare Limited
ABN 67 108 208 760

DIRECTORS

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

COMPANY SECRETARY

Mr Brendan Maher

REGISTERED OFFICE

Unit 1, 31 Sabre Drive
Port Melbourne, VIC 3207
Australia

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnson Street
Abbotsford, VIC 3067
Australia

Austco Healthcare Limited shares are listed on the Australian Securities Exchange (ASX:AHC)

BANKERS

Commonwealth Bank of Australia
Level 12, 385 Bourke Street
Melbourne, VIC 3000
Australia

AUDITORS

Grant Thornton
727 Collins Street
Melbourne, VIC 3008
Australia