

Island Pharmaceuticals Pty Ltd

ABN 12 345 678 901

Annual Report - 30 June 2020

Island Pharmaceuticals Pty Ltd
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the company for the period ended 30 June 2020.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Review of operations

The loss for the company after providing for income tax amounted to \$658.

Significant changes in the state of affairs

The Company was incorporated on 25 May 2020

There were no other significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

There were no meetings of directors held during the period ended 30 June 2020.

Shares under option

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

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2020 and up to the date of this report.

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.

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

On behalf of the directors



Paul MacLeman
Director

21 September 2020

Island Pharmaceuticals Pty Ltd
Contents
30 June 2020

Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Notes to the financial statements	7
Directors' declaration	11
Independent auditor's review report to the members of Island Pharmaceuticals Pty Ltd	12

General information

The financial statements cover Island Pharmaceuticals Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Island Pharmaceuticals Pty Ltd's functional and presentation currency.

Island Pharmaceuticals Pty Ltd is Unlisted, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/o K&L Gates Lawyers
Level 25, 525 Collins Street
Melbourne, VIC 3000

Principal place of business

345 Loch Poowong Road
Loch, VIC 3945

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 September 2020. The directors have the power to amend and reissue the financial statements.

Island Pharmaceuticals Pty Ltd
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2020

	Note	2020 \$
Expenses		
Preliminary Expenses		(658)
Loss before income tax expense		(658)
Income tax expense		-
Loss after income tax expense for the period attributable to the owners of Island Pharmaceuticals Pty Ltd	6	(658)
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period attributable to the owners of Island Pharmaceuticals Pty Ltd		<u>(658)</u>

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

	Note	2020 \$
Assets		
Current assets		
Cash and cash equivalents		1
Trade and other receivables	2	16
Total current assets	3	<u>17</u>
Total assets		<u>17</u>
Liabilities		
Current liabilities		
Trade and other payables		674
Total current liabilities	4	<u>674</u>
Total liabilities		<u>674</u>
Net liabilities		<u>(657)</u>
Equity		
Issued capital	5	1
Accumulated losses	6	<u>(658)</u>
Total deficiency in equity		<u>(657)</u>

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

Island Pharmaceuticals Pty Ltd
Statement of changes in equity
For the period ended 30 June 2020

	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 July 2019	-	-	-	-
Loss after income tax expense for the period	-	-	(658)	(658)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(658)	(658)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 5)	1	-	-	1
Balance at 30 June 2020	<u>1</u>	<u>-</u>	<u>(658)</u>	<u>(657)</u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Current and non-current classification

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

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

Note 1. Significant accounting policies (continued)

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

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

Cash and cash equivalents

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

Trade and other receivables

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Island Pharmaceuticals Pty Ltd
Notes to the financial statements
30 June 2020

Note 2. Current assets - cash and cash equivalents

	2020 \$
Petty Cash	1
	<u>1</u>

Note 3. Current assets - trade and other receivables

	2020 \$
GST receivable	16
	<u>16</u>

Note 4. Current liabilities - Trade and other payables

	2020 \$
Payable	674
	<u>674</u>

Note 5. Equity - issued capital

	2020	
	Shares	\$
Ordinary shares - fully paid	1	1
	<u>1</u>	<u>1</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

Note 6. Equity - accumulated losses

	2020 \$
Retained profits at the beginning of the financial period	-
Loss after income tax expense for the period	(658)
	<u>(658)</u>
Accumulated losses at the end of the financial period	<u>(658)</u>

Island Pharmaceuticals Pty Ltd
Notes to the financial statements
30 June 2020

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current financial period.

Note 8. Related party transactions

Parent entity

Island Pharmaceuticals Pty Ltd is the parent entity.

Transactions with related parties

There were no transactions with related parties during the financial period.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

Note 9. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Island Pharmaceuticals Pty Ltd
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Paul MacLeman
Director

21 September 2020

Independent Auditor's Report

To the Members of Island Pharmaceuticals Pty Ltd

Report on the review of the financial report

Conclusion

We have reviewed the accompanying financial report of Island Pharmaceuticals Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Island Pharmaceuticals Pty Ltd does not give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the period ended on that date, in accordance with the *Corporations Act 2001*, including complying with Australian Accounting Standards.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Director's responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2020 and its performance for the period ended on that date, and complying with Australian Accounting Standards and the *Corporations Regulations 2001*. As the auditor of Island Pharmaceuticals Pty Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner – Audit & Assurance

Melbourne, 21 September 2020