GlyTherix Ltd

ABN 66 621 291 996

Annual Report - 31 December 2020

GlyTherix Ltd
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2020.

Directors

Dr Brad Walsh (Chairman) (Appointed 24 August 2017)	Dr Brad Walsh is Chief Executive Officer and a Director of GlyTherix Ltd, a Sydney-based biotechnology company specialising in immuno-oncology. He founded GlyTherix to bring to market an innovative antibody for treatment of solid tumours from cancers such as prostate, bladder, pancreas and esophageal. Dr Walsh has led the company's scientific and business development, raising capital to bring the company to successful completion of a First-in-Human safety study of Miltuximab®, its lead compound. The company is currently planning a Phase1 trial to be conducted in Australia.
Mr David Burdis (Appointed 24 August 2017)	Mr Burdis was a non-executive director of Minomic International Ltd (GlyTherix's previous holding company) from 2009 until 2013 when he commenced full time employment with Minomic. He was reappointed to the Board of Minomic in June 2020. Prior to this he was Chief Executive of Qualita Management, a company providing management services to professional service firms and government. He has also held various senior and board positions, for both listed and unlisted companies, in Australia, the UK and Hong Kong, including Swire Blanch Limited and OAMPS Limited.
Mr Raymore Millard (Appointed 24 June 2020)	Mr Millard is a consultant with extensive experience in providing strategic advice to both listed and unlisted companies in Australia and overseas. He has assisted various companies in raising seed capital and with their ultimate listing. He is similarly assisting the Company.
Dr Stewart Washer (Resigned 1 March 2019)	Dr Washer has 20 years of senior executive and Board experience in digital health, regenerative medicine, drug development and agrifood companies. He was a founder of a NZ$120m New Zealand based life science fund. He is currently the Investment Director with Bioscience Managers who manage Australian and UK life-science funds.

As at the date of this report, the interests of the directors in the shares and options of GlyTherix International Ltd are:

Director	Number of shares held directly and through related entities
Dr Brad Walsh	14,954,086
Mr David Burdis	10,371,852
Mr Raymore Millard	10,292,393

Directors	No of meetings held possible to attend	No of meetings attended
Dr Brad Walsh	4	4
Mr David Burdis	4	4
Mr Raymore Millard	4	4

Company Secretary
Mr David Burdis is Company Secretary at the date of this report.

Principal activities
GlyTherix Ltd is a clinical stage immuno oncology company developing therapies for a number of cancers that have unmet clinical needs. The Company has recently completed a First in Human study using its proprietary antibody, Miltuximab®. Mituximab® is a 'first in class' antibody that targets Glypican-1. The company is currently manufacturing additional Miltuximab® that will used in its planned Phase 1b clinical trial of patients shown to have Glypican-1 expressing tumours.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the company after providing for income tax amounted to $292,291 (31 December 2019: $1,102,364).

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 December 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.

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

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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

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

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.

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

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

16 December 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GLYTHERIX LTD

I declare that, to the best of my knowledge and belief during the period ended 31 December 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director

Melbourne, 16 December 2021

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General information

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

GlyTherix Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Suite 2, Ground Floor
75 Talavera Road
Macquarie Park NSW 2113

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 16 December 2021. The directors have the power to amend and reissue the financial statements.

GlyTherix Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	2020 $	2019 $
Revenue		
Research and development credits	237,891	840,854
Interest	-	45
Consulting Fees	70,000	-
Grants	673,053	-
	980,944	840,899
Expenses		
Corporate and administration expense	(276,567)	(699,405)
Asset usage charge	(7,323)	(13,754)
Amortisation of intellectual property	(497,325)	(495,966)
Research & development expenses	(426,321)	(693,830)
Finance costs	(65,699)	(40,308)
Loss before income tax expense	(292,291)	(1,102,364)
Income tax expense	-	-
Loss after income tax expense for the year attributable to the owners of GlyTherix Ltd	(292,291)	(1,102,364)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the owners of GlyTherix Ltd	(292,291)	(1,102,364)

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

GlyTherix Ltd
Statement of financial position
As at 31 December 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents		2,246	1,601
Trade and other receivables	3	237,890	291,335
Total current assets		240,136	292,936
Non-current assets			
Investments		2	2
Intangibles	4	6,863,211	7,360,536
Total non-current assets		6,863,213	7,360,538
Total assets		7,103,349	7,653,474
Liabilities			
Current liabilities			
Trade and other payables		112,598	26,534
Borrowings	5	2,123,508	2,396,145
Accrued expenses		105,744	184,025
Total current liabilities		2,341,850	2,606,704
Total liabilities		2,341,850	2,606,704
Net assets		4,761,499	5,046,770
Equity			
Issued capital	6	7,273,090	7,266,070
Accumulated losses		(2,511,591)	(2,219,300)
Total equity		4,761,499	5,046,770

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

GlyTherix Ltd
Statement of changes in equity
For the year ended 31 December 2020

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 January 2019	7,186,042	(1,116,936)	6,069,106
Loss after income tax expense for the year	-	(1,102,364)	(1,102,364)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(1,102,364)	(1,102,364)
Transactions with owners in their capacity as owners:			
Issue of shares	80,028	-	80,028
Balance at 31 December 2019	7,266,070	(2,219,300)	5,046,770

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 January 2020	7,266,070	(2,219,300)	5,046,770
Loss after income tax expense for the year	-	(292,291)	(292,291)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(292,291)	(292,291)
Transactions with owners in their capacity as owners:			
Issue of shares	7,020	-	7,020
Balance at 31 December 2020	7,273,090	(2,511,591)	4,761,499

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

GlyTherix Ltd
Statement of cash flows
For the year ended 31 December 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		70,000	-
Payments to suppliers and employees		(116,498)	98,489
Proceed from grant income		910,944	579,157
Interest received		-	45
Payment of finance costs		(65,699)	(40,308)
Other Expenses		(426,321)	(698,182)
Net cash from/(used in) operating activities	13	372,426	(60,799)
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		7,020	80,028
Glytherix Loan Drawdowns Received		562,500	2,433,000
Glytherix Loan Repayments Paid		(941,301)	(2,455,628)
Net cash from/(used in) financing activities		(371,781)	57,400
Net increase/(decrease) in cash and cash equivalents		645	(3,399)
Cash and cash equivalents at the beginning of the financial year		1,601	5,000
Cash and cash equivalents at the end of the financial year		2,246	1,601

The above statement of cash flows 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

Going concern
These financial statements have been prepared on a going concern basis, notwithstanding that for the period ended 31 December 2020 the Company generated a net loss of $292,291. As at 31 December 2020 the Company owed $2,123,508 to related entity, Minomic International Ltd which is classified as a current liability.

These conditions give rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Directors believe that the Company is a going concern on the basis that the Company will continue its track record of building intellectual property assets and reducing commercial risk which, in turn, will further enhance its ability to successfully issue share capital to new and existing shareholders. The Directors will continue to prudently manage the Company's cash outflows and contractual commitments whilst maintaining their ability to scale back research and development expenditure, if required. This includes the ability to settle liabilities owing to directors and director-related entities through the issue of share equity.

These financial statements do not include any adjustments to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, which might be necessary should the Company not be able to continue as a going concern.

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 liabilities at fair value through profit and loss, applying the going concern basis of accounting.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
The company recognises revenue as follows:

Research and Development costs
Research costs for the development of the intellectual property are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

Note 1. Significant accounting policies (continued)

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants and research and development credits
Government grants including research and development incentives are recognised at fair value when there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to research and development expenditure are recognised as income over the periods necessary to match the grant costs they are compensating. The incentive is recognised as income as it is not tied to offsetting assessable income in tax.

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. As the Company has yet to formally conduct any significant capital raising activities, the entity has elected to not a carry a deferred tax asset balance.

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.

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.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

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

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

Trade and other payables

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost with the exception of the first loan tranche from Minomic International Limited which was designated at inception at fair value (with changes in fair value taken to the profit or loss) as disclosed in Note 5.

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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

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 31 December 2020. The adoption of these standards and interpretations had no material impact upon these financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Assessment of fair valuation of borrowings from Minomic Ltd
The directors of GlyTherix Ltd exercised significant judgement when valuing the consideration to be paid by Glytherix Ltd in exchange for Minomic's therapeutic intellectual property, including recognising a 30% discount on the debt to reflect the repayment risk. Further detail into the transaction with Glytherix Ltd is outlined in note 5.

Note 3. Current assets - trade and other receivables

	2020 $	2019 $
Research and development credits receivable	237,890	261,697
GST receivable	-	29,638
	237,890	291,335

Note 4. Non-current assets - intangibles

	2020 $	2019 $
Intellectual property - at cost	8,101,088	8,101,058
Less: Accumulated amortisation	(1,237,877)	(740,522)
	6,863,211	7,360,536

The patent rights acquired have an expiry dates ranging from October 2034 to April 2036. They are amortised over the minimum life of the patents.

The directors considered whether any indicators of impairment existed over the intellectual property, which is amortizing over its useful life. Based upon the directors' evaluation of the intellectual property, coupled with the latest indicative enterprise value of the Company based upon the last arms-length capital raising price, the Directors have concluded that no indicator of impairment exists.

Note 5. Current liabilities - borrowings

Minomic International Ltd was demerged from the Company in September 2018. Prior to this transaction, Minomic sold to GlyTherix intellectual property (consisting of a body of research and development and related patent rights), which was determined to have a fair valuation of $8,101,088.

The purchase was in part funded through debt, with a face value of $1,500,000. This debt has been discounted back to its fair value as at transaction date by 30% ($1,050,000) allowing for the following specific assumptions:

• The unsecured debt has nil% interest bearing terms; and
• It is only repayable (the entire face value) only upon GlyTherix successfully receipting an appropriate amount from third party investors
in the form of either debt or issued capital.

The directors are of the opinion that the 30% discount is an appropriate adjustment to fair value given that at this stage GlyTherix is yet to formally conduct any significant capital raising activities. As these occur, this risk factor will be adjusted to allow for the probability of the successful capital raising which would precipitate the repayment of the loan.

The residual amount of the purchase, being $7,051,088, was financed through a direct contribution of equity.

The directors consider that both related party transactions, being the sale of the intellectual property and the re-charge arrangement are on appropriate arms-length and market terms. A reconciliation of the movement in the loan account comprising both arrangements for the period is as follows:

	2020 $	2019 $
Opening Loan Balance	2,396,145	1,723,719
Additional advances	562,500	2,433,000
Expenses on-charged from Minomic	709,264	1,226,462
Interest*	65,699	68,363
Repayments to Minomic*	(1,007,000)	(2,523,990)
Contracted research services charged to Minomic	(603,100)	(531,409)
	2,123,508	2,396,145

* Repayments to Minomic comprises interest of $65,699 and principal of $941,301 totalling $1,007,000 as disclosed in the Statement of Cash Flows.

Note 6. Equity - issued capital

	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares - fully paid	254,064,809	254,012,809	7,273,090	7,266,070

During the year the Company issued 52,000 shares at $0.135 per share.

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.

Note 7. Equity - dividends

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

Note 8. Financial instruments

Financial risk management objectives
The Company's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and loan from related party. The Board of Directors are responsible for monitoring and managing financial risk exposures of the Company.

The company's activities is only expose to liquidity risk and interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of ageing analysis for credit risk.

Interest rate risk
The company's main interest rate risk arises from borrowings from Minomic as outlined in note 5. Borrowings obtained at variable rates expose the company to interest rate risk. Borrowings obtained at fixed rates expose the company to fair value interest rate risk. The difference arising from any reasonable movement in interest rates as at report date does not represent a materially significant exposure for the Company.

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

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. With the exception of the portion of the Minomic loan (note 5) contingent upon capital raising, all financial liabilities of the Company were repayable within 14 to 60-day terms as at report date.

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

Note 9. Key management personnel disclosures

Under the terms of the Business and Asset transfer agreement, mentioned in note 5, Minomic agreed to provide contract research services to the company. This includes all staff costs; therefore no key management personnel are paid directly by the GlyTherix.

Details of Key Management Personnel
The following persons were directors of GlyTherix Ltd during the financial year:

Dr Brad Walsh	Chief Executive Officer
Mr David Burdis	Chief Operating and Financial Officer

Note 10. Remuneration of auditors

During the financial year the following fees were paid for services provided by the auditor of the company:

	2020 $	2019 $
Audit services - William Buck		
Audit or review of the financial statements	15,000	20,000
Other services -		
Assistance with preparation of financial statements	3,000	-
	18,000	20,000

Note 11. Contingent liabilities & commitments

The Group currently has no contingent liabilities or commitments as at the date of the signing of the report.

Note 12. Related party transactions

Minomic Limited is deemed to be a related entity to GlyTherix Limited due to the common directorship that they share. The following directors are the common directors that Minomic Limited and GlyTherix Limited share:

- Dr Bradley Walsh
- Mr David Burdis
- Mr Raymore Millard

Key management personnel
Disclosures relating to key management personnel are set out in note 9.

Transactions with related parties
Under the terms of the Business and Asset transfer agreement with Minomic International Ltd agreed to provide contract research services to the Company. These services include staff costs, laboratory consumables, space cost and general overheads including administrative, communications and finance costs. These services are charged at cost. The Company and Minomic may terminate these services at any time without penalty. During the period the Company incurred expenses detailed in Note 5 pursuant to this agreement.

The Company separately has also entered into a Loan agreement with Minomic to fund the contract research activities whilst it seeks additional share capital. This loan is subject to interest which is charged at the benchmark interest rate as prescribed under section 109N(2) of the Income Tax Assessment Act 1936 (Cth).

As of 31 December 2020, the Company had a liability to Minomic in the sum of $2,123,508

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

Note 13. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	2020 $	2019 $
Loss after income tax expense for the year	(292,291)	(1,102,364)
Adjustments for:		
Depreciation and amortisation	497,325	495,966
Net Minomic recharged expenses	106,164	695,054
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	90,993	(291,336)
Increase/(decrease) in trade and other payables	(29,765)	141,881
Net cash from/(used in) operating activities	372,426	(60,799)

GlyTherix Ltd
Directors' declaration
31 December 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 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

16 December 2021

William Buck

GlyTherix Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GlyTherix Ltd (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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* (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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company generated a loss of $292,291 for the year ended 31 December 2020 and owed $2,123,508 to a related entity, Minomic International Ltd which is classified as a current liability. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 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 directors determine 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.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

N. S. Benbow

Melbourne, 16 December 2021