Anteo Diagnostics Limited

ABN: 75 070 028 625

Consolidated Entity

Financial Statements for the year ending 30 June 2013

ANNUAL REPORT
30 JUNE 2013

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CORPORATE DIRECTORY

Directors	Mr Mark Bouris	Non-Executive Chairman
	Dr Geoffrey Cumming	CEO, Executive Director
	Mr Richard Martin	Executive Director
	Mrs Sam Andersen	Non-Executive Director
	Dr John Hurrell	Non-Executive Director

Company Secretary Shane Hartwig

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145 Ann Street, Brisbane QLD 4000

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Bankers Australia and New Zealand Banking Group Limited
3 Sherwood Road, Toowong QLD 4066

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to report that 2013 has been another year of solid progress for Anteo Diagnostics and the ongoing commercialisation of our Mix&Go™ technology. Our proven and licensed technology continues to gain significant traction in numerous healthcare markets, including *in vitro* diagnostics (IVD), life science research (LSR) and point of care (POC) diagnostics. Through Mix&Go, Anteo's aim is to enable earlier detection of disease and assist in the rapid development of novel clinical tests.

Anteo has made substantial progress in the 2013 financial year with the company achieving a number of developments on the commercial front with global healthcare companies and the financial front through the award of a prestigious government grant.

The details of the significant the key commercial events are set out in Operating and Financial Review.

I would like to take this opportunity to comment on the considerable technical progress made during the year. Our technical team have continued strongly along the quality assurance path needed by our industry. A result of their endeavours is an ability to address a broader range of demands successfully and receive greater respect from their peers for the data and reports they submit. In turn our customers are more willing to welcome our capabilities beyond the laboratory into the manufacturing environment.

Anteo continues to be well funded to meet our objectives and following the appointment of Dr John Hurrell to the Board as Non-Executive Director, the company has now completed the Board renewal program which commenced in 2011.

I would like to thank Geoff and our very dedicated team for their efforts in the past year. The Board has full confidence in where the leadership team is taking the company, and we look forward to continued growth in 2014.

I would also like to thank our shareholders for their continued support in what has been a year of substantial progress in very challenging markets. Anteo is in excellent shape and the Board has every confidence that 2014 will be a significant year for the company.

Mark Bouris

Mr Mark Bouris
Non-Executive Chairman
19th August 2013

OPERATING AND FINANCIAL REVIEW

Anteo Diagnostics Ltd is a company specialising in the development of proprietary surface coatings primarily for the *in vitro* diagnostics (IVD) and life science research (LSR) industries but with the potential to find application in a broad array of other industries. Our coatings, generically known as Mix&Go™, utilise a completely novel approach to coating synthetic surfaces that is based on multiple, weak, binding forces that together bind molecules gently yet firmly. The Mix&Go concept is embodied in a large number of formulations from which the most suitable for a given application can be chosen. The concept is protected by an ever increasing suite of patents.

REVIEW OF OPERATIONS

Our focus for Mix&Go has been on three large sectors of the global healthcare market: *in vitro* diagnostics (IVD testing), Point of Care (PoC testing) and Life Science Research (LSR). We have concentrated on these sectors because we believe we can resolve an intractable problem that is common to all three sectors.

The Problem

Attaching fragile proteins to synthetic surfaces is often required in modern drug discovery research, life science R&D as well as for the development of therapeutic and diagnostic products. Depending on the particular method and application, many different synthetic materials – magnetic beads, various plastics, glass, metals, and porous membranes - are used. The surface characteristics of these materials vary enormously as do the type, size, and number of biomolecules to be immobilized. Maintaining the activity of biomolecules on these synthetic surfaces continues to be an industry challenge. Standard chemistries tend to damage a large percentage (up to 80%) of the biomolecules attached to the synthetic surface. Damage results in reduction or loss of function of the biomolecule requiring the manufacturer to either use a large excess of these expensive molecules or suffer reduced performance in their tests.

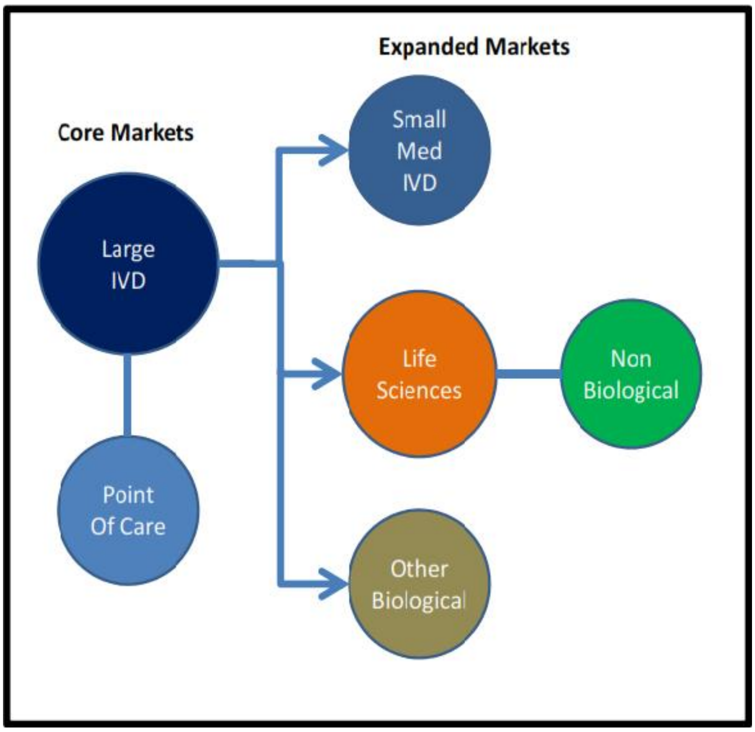
Mix&Go was designed to address this challenge by applying a principle found in nature. Mussels need to attach themselves to rocks very securely and flexibly in order to dissipate the energy of the crashing waves. To achieve this, mussels use multiple, firm stretchy threads, that can break and reform, to keep them firmly but flexibly attached. Mix&Go employs the same principle by acting like a double sided "molecular Velcro" firmly yet flexibly binding biological molecules to synthetic surfaces.

The Markets

Mix&Go is applicable in situations where biological materials and synthetic surfaces interface and consequently has uses in many fields of application, e.g. immunoassays, protein/cell separation and purification, protein arrays, drug screening.

Anteo has divided the markets it is addressing into two broad groups:

- **Core Market** – Large IVD and Point of Care companies developing immunoassays for pathology tests; and
- **Expanded Markets**
  - Small and medium sized IVD and Point of Care companies,
  - Life Sciences R&D, incl. biotech/life science, companies and large academic and governmental research institutes (e.g. NICTA, NIH, etc.),
  - Other Biologicals; including bioseparations, biosensors, chips and biofilms,
  - Non Biological applications.



The Core Market of large companies promises sizable returns but is slow to commit to a novel technology or product. The value Mix&Go can contribute to technical and economic outcomes is recognized by the large companies Anteo works with. Anteo is interacting with the multiple stakeholders that influence decisions within these companies. The area of biosensors, within Point of Care has proven to be particularly exciting for Anteo and work with a major global healthcare company has resulted in a functioning point-of-care prototype instrument, the development of which had not been achieved with traditional approaches. Following this outcome a 12 month paid Feasibility Study was entered into. This project is considerably further advanced than was anticipated in the project plan. Initial work with a global leader in lateral flow POC testing has lead to the commencement of two further paid projects each of which is expected to result in Mix&Go being incorporated into commercial products on completion of the projects.

The Expanded Markets **compliment** the Core Market and provide risk mitigation with a portfolio approach by diversifying revenue streams, leveraging capabilities and skills developed for the Core Market and broadening the application of Mix&Go into additional markets in the future. As our skill base grows we are continually being sought to resolve problems for different platforms and applications that are directly connected but in slightly different sectors. The most recent example is in the area of bioseparations, where the use of magnetic particles from existing suppliers is considered to be too costly and the current approach requires multiple steps to achieve the desired result. We are finding that Mix&Go can bring significant savings in this area. In non-biological areas we also see a range of potential applications for the use of Mix&Go in fertile fields such as clean technology.

The focus for sales is international, with the world's market for IVD products being substantially in the US (44%) and Europe (30%). Anteo has started to address the emerging markets, specifically China, which has a forecast CAGR in IVD of 20%. Interactions with an established Chinese firm have shown significant savings in test development and manufacture, crucial in this price sensitive market.

Anteo is also engaging with Australian companies having complimentary assets to broaden its product offerings.

In summary, the markets Anteo is addressing are large and feedback from partners is encouraging. For a high level overview, market data are provided in the table below.

Market	Size/CAGR*	Comment
Total IVD	$58.6 B [1], 6% CAGR	Forecast 2014, CAGR vary widely by segment and geography
POC testing	$22.5 B in 2013, 10.9% CAGR	28% of IVD market in 2013
Biosensors	$16.8B[2]	2018 forecast, incl. drug discovery, biodefense, environmental monitoring, and narcotic detection
Immunoassay Systems	$8.85 B[3]	2015 forecast, incl. diagnostic tests
ELISA assays	$850M	2012 numbers

Nature of Revenues
Revenues per customer for Anteo will vary depending on customer and product types. Based on Anteo's business model it expects an upfront licensing fee from customers. Anteo's main source of revenue will be royalties paid on products containing Mix&Go sold by its licensees. Royalty rates vary widely by sector and are subject to "kit clauses" and other contractual agreements.

Market Penetration
Anteo is currently actively engaged in interactions with significant companies from IVD, POC, LSR along with smaller companies from each of these sectors. We anticipate that we will achieve successful transactions in each sector.

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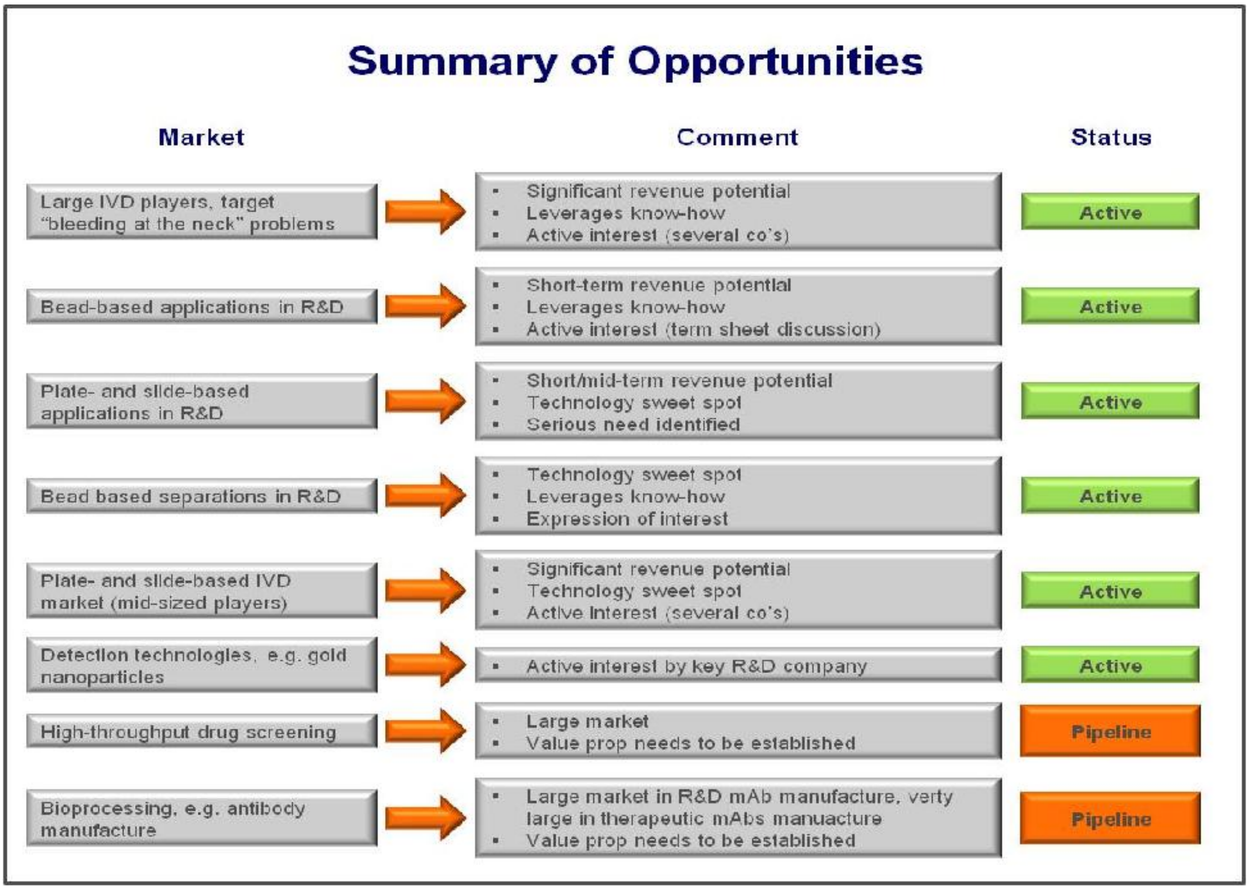
[1] Kalorama Information, http://www.genengnews.com/gen-articles/ivd-market-grows-by-adapting-to-change/3406/
[2] Source: Market Research Report, "Biosensors - A Global Market Overview,"
[3] Source: http://www.strategyr.com/Immunoassay_Systems_Market_Report.asp

Once these initial transactions are achieved a follow on effect is expected across the sectors. Typical annual revenue from deals in the Expanded Markets can be expected to commence from small bases and grow over time. By comparison in the Core Markets where a single test can have more significant revenues; the revenue earned by Anteo can commence from a more substantive level and grow stepwise when Mix&Go is utilised broadly across a range of products.

The following summary of opportunities sets out the state of activity and rationale for different sectors.

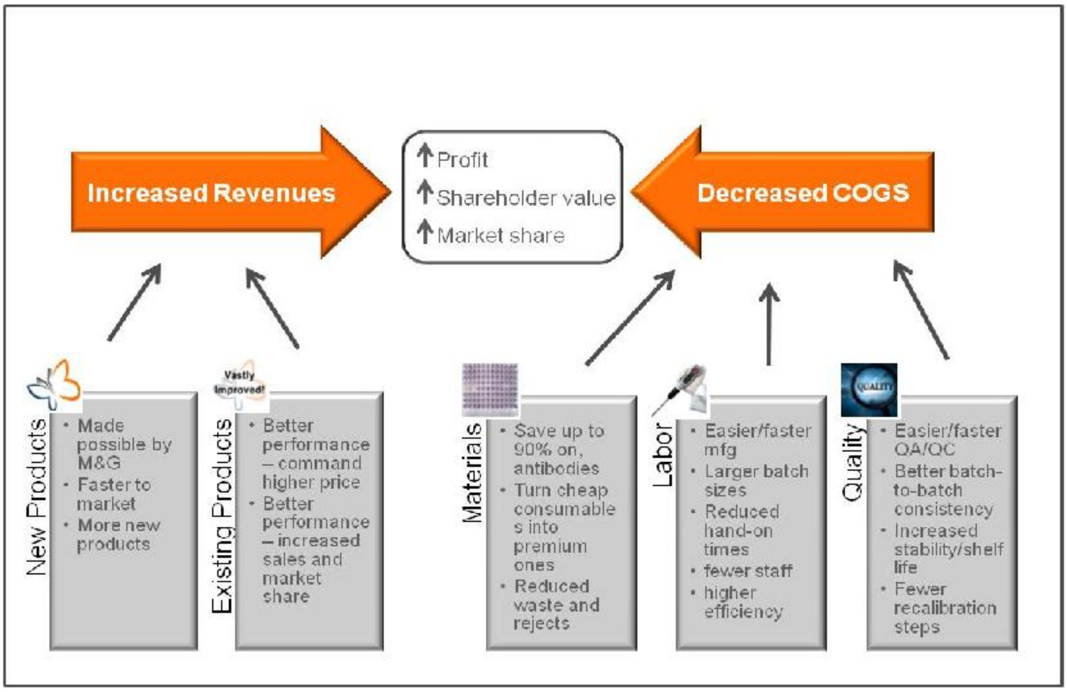


IP Protection

Mix&Go and the underlying concepts are protected in all the important geographies including all of Anteo's target markets. Claims broadly cover a range of applications that extend far beyond Anteo's areas of current activity. Anteo's approach is to retain the option to either explore certain additional applications itself, e.g. high throughput drug screening, or create value by out-licensing, e.g. in non-biological applications. Anteo uses a nested approach to provide greater security for its IP. The patents are structured in such a manner that they support each other and are more difficult to break. The first set of patents cover methods for screening and identifying surfaces using high throughput approaches; the second are metal complex libraries useful for identifying surfaces for binding proteins; and the third are metal polymers useful for binding proteins on surfaces. It is envisaged that there will be additional patent filings through the remainder of 2013.

Customer Needs and Value Drivers

The key value drivers for Mix&Go customers are summarised in the diagram on the next page.



In summary Mix&Go provides a novel way to attach biomolecules to synthetic surfaces that is not only technically superior, easier and faster to use, but also has significant economic benefits for the user. Hence Mix&Go provides a superior solution to customers in cases where technical challenges need to be overcome as well as in cases where economic challenges dominate.

Competitive Advantage
Chemistries to attach biomolecules to synthetic surfaces have existed for some time. These standard chemistries have a number of significant disadvantages compared to Mix&Go and are summarized in the table below.

Characteristics	Mix&Go	Amide coupling	Passive Adsorption
Compatible Surfaces	Beads, microtiter plates, glass/plastic slides, metal oxides, ceramic surfaces, colloidal gold, etc.	Requires a carboxylic group on surface.	Polystyrene and similar plastics
Preparation Requirement	Forms a stable, storable pre-activated surface.	Need to activate acid group via organic reagents immediately before use.	An unreactive surface.
Binding Characteristics	Multiple, weak chelation	Covalent	Non-specific hydrophobic and/or ionic interactions
Required coupling time	15 to 60 min. For same protein conc, 3 to 5 times faster than amide.	60 min to overnight depending on reagents used.	Overnight
Binding Efficiency	Excesses not required for quantitative coupling	Large excess of protein used	Large excess of protein used
Outcome	**Comparative Ratings out of 5[4]**		
Ease of Use	5	3	3
Reproducibility	5	3	3
Reagent Economy	5	2	2
Sensitivity	5	4	4

[4] Anteo assessment by Dr J. Maeji

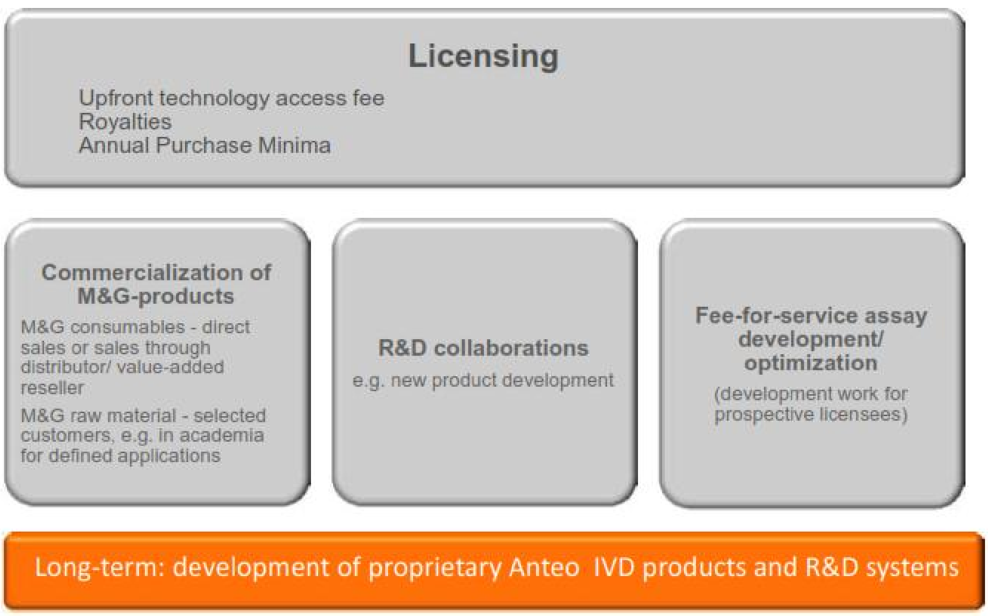
Attachment of proteins to solid surfaces is a universal need in the life sciences and diagnostic industries and represents an interesting market opportunity; hence competition in this field is to be expected. What sets Anteo apart are the facts that Mix&Go can be so universally applied, is an aqueous, extremely stable, solution and forms but the thinnest layer on the surface and hence does not interfere with biomolecule–surface interactions (critical e.g. in surface plasmon resonance and other label-free measurement approaches). The mechanism underlying Mix&Go is simple, yet elegant.

Business Model and Revenue Sources
The table below provides an overview of parameters following different routes to market:

	Business Model: (Diagnostic) Test Developer	Business Model: R&D Assay Developer	Business Model: Licensing (Anteo)
Development time	Long term (several years)	Mid-term (12 months plus)	Mid-term (12 months plus)
Regulatory Requirements	Approval required, expensive and time consuming	For RUO no approval required	No approval requirement for Anteo
Quality Systems	Require (ISO 13485, GMP)	Optional	Optional
Challenges	Regulatory approval Uncertainty of market adoption “All eggs in one basket”, no portfolio diversification	Sales and marketing time and cost intensive High R&D cost Customer service and support infrastructure needed	Delayed deal making due to long lead times
Upsides	Significant revenue potential if approved and successful in the market	Many products = portfolio diversification	Participation via royalties in licensees success Key account approach Limited marketing & sales Moderate R&D cost

Anteo’s business model is one of out-licensing its proprietary Mix&Go surface chemistry and thus **Anteo’s revenues are based on a combination of research and collaboration payments, one time upfront technology access fee and ongoing revenues based on royalties**. The diagram below depicts how different revenue streams fit into this approach.

Revenue Sources for Anteo



The licensing model is highly suited for Anteo. Mix&Go is not a high cost product to manufacture either at Anteo or at a customer's facility.

REVIEW OF FINANCES

The Company had a cash balance of $2.62 M at the end of the reporting period. Through the period the Company received $1.16 M through the Commonwealth R&D Tax Incentive Scheme. The Company will, again, lodge an application under this scheme for the period to 30 June 2013 and would expect to receive payment by January 2014. Subsequent applications can be made quarterly and the first application can be made in January 2014 to cover the July to December 2013 period.

The Company announced that it had been successful in being awarded in June 2013 a $1.7 M Commercialisation Australia – Early Stage Commercialisation Grant with the funds being paid over two years.

Through the period under review the Company has been engaged in two paid projects from companies operating in the global POC market. The payments are intended to only cover the fully absorbed costs of the projects thereby leaving the greatest returns to come through revenue sharing of eventual commercial returns.

Royalty returns from existing licensees remain at low levels but, with the announcement by Affymetrix at the end of June that they had launched a further 32 products containing Mix&Go, our expectation is that we will start to see these increase.

The Company forecasts current cash reserves will last through 2014 without any further contracts being executed.

NOTEWORTHY OPERATIONAL EVENTS

Through the period the company has announced that it has entered into two distribution agreements. The first with San Diego, USA, based One World Laboratories (OWL) and the second with a Spanish company, Gennova Scientific. The company expects to commence direct sales of Mix&Go based products in the second half of this calendar year.

We are now four months into a twelve month Feasibility Study with a global healthcare company that is developing a novel POC device. We feel we have made excellent progress in this project and expect that some significant decisions will be made on the future direction of the project well before the scheduled conclusion of the project.

We are currently in discussions with a second major participant in the POC market in relation to two further paid collaborative projects. The first of these is anticipated to take 3-4 months and is expected to commence in mid-September 2013. The second project will have two stages and we will only move into the second stage if the first stage is successful. The first, optimisation, stage is scheduled to take between 6 and 8 months. With success the second, scale-up, stage is expected to take 3-6 months.

Early work undertaken in collaboration with a broad based Chinese healthcare solutions company indicated that we could allow them to improve outcomes on an instrument that they have in development through the use of Mix&Go. We have now received beads manufactured by this company for us to activate with Mix&Go. If the resultant product performs to expectations Mix&Go will be a component part of a complete range of Chinese FDA registered tests. We feel this precedent would have a positive impact amongst other IVD companies that are assessing the merits of Mix&Go.

The "Use of Metal Complexes" patent was granted by the European Patent Office in June. This patent is very important for the protection of Mix&Go and was the final outstanding case for this patent. Several additional patent applications are currently being prepared. When granted, these patents will provide us with rights beyond those currently held and extend the period through which we have exclusive rights to our technology. We anticipate that one of the patents will be lodged in collaboration with another group and will cover a non-biological application of our technology.

CORPORATE GOVERNANCE

The Board of Anteo Diagnostics Limited aims for best practice in the area of corporate governance and supports the governance practices contained in the ASX Corporate Governance Council's ("ASX CGC") Corporate Governance Principles and Recommendations (2nd edition).

The statement below indicates the degree of conformance to the ASX CGC recommendations as at the date of this report.

Checklist of Corporate Governance Principles and Recommendations

Principles and Recommendations	Compliance
Principle 1 – Lay solid foundations for management and oversight	
1.1 Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	☑
1.2 Disclose the process for evaluating the performance of senior executives.	☑
1.3 Provide the information indicated in Guide to reporting on Principle 1.	☑
Principle 2 – Structure the Board to add value	
2.1 A majority of the board should be independent directors.	☑
2.2 The chair should be an independent director.	☑
2.3 The roles of the chair and chief executive officer should not be exercised by the same individual.	☑
2.4 The board should establish a nomination committee.	☑
2.5 Disclose the process for evaluating the performance of the board, its committees, and individual directors.	☑
2.6 Provide the information indicated in Guide to reporting on Principle 2.	☑
Principle 3 – Promote ethical and responsible decision-making	
3.1 Establish a code of conduct and disclose the code or a summary of the code as to: - the practices necessary to maintain confidence in company's integrity - the practice necessary to take into account their legal obligations and the reasonable expectations of stakeholders; and - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	☑
3.2. Companies should establish a policy concerning diversity and disclose the policy.	☑
3.3. Companies should disclose in each annual report the measurable objectives for achieving gender diversity.	☑
3.4. Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	☑
Principle 4 – Safeguard integrity in financial reporting	
4.1 The board should establish an audit committee.	☑
4.2 Structure the audit committee so that it: - consists only of non-executive directors - consists of a majority of independent directors - is chaired by an independent chair, who is not the chair of the board; and - has at least three members	☒
4.3 The audit committee should have a formal charter.	☑
4.4 Provide the information indicated in Guide to reporting on Principle 4.	☑
Principle 5 – Make timely and balanced disclosure	
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	☑
5.2 Provide the information indicated in Guide to reporting on Principle 5.	☑

Principle 6 – Respect the rights of shareholders
6.1 Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of the policy ☑
6.2 Provide the information indicated in Guide to reporting on Principle 6. ☑

Principle 7 – Recognise and manage risk
7.1 Establish policies for the oversight and management of material business risks and disclose a summary of those policies ☑
7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. ☑
7.3 The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks. ☑
7.4 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. ☑
7.5 Provide the information indicated in Guide to reporting on Principle 7. ☑

Principle 8 – Remunerate fairly and responsibly
8.1 The board should establish a remuneration committee. ☑
8.2 The remuneration committee should be structured so that it: ☒
- consists of a majority of independent directors
- is chaired by an independent chair
- has at least three members

8.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. ☑
8.4 Provide the information indicated in Guide to reporting on Principle 8. ☑

Structure of the Board

Directors at the date of this annual report and their skills, experience and expertise relevant to the position they hold are on page 17 in the Directors' Report.

The Board of Directors should comprise a majority of Independent Directors. When determining whether a Non-Executive Director is independent the Director must not fail any of the following:

- Less than 5% of Company shares are held by the Director and any entity or individual directly or indirectly associated with the Director.
- Has not held an executive position within the Company within the last three years.
- Has not held a position as a principal in any firm providing material professional advice to the Company within the last three years.
- Has no material contractual relationship with the Company or Group other than being a Director.

Anteo Diagnostic's Board consists of three independent and two executive directors. The Company now meets the requirements of the ASX CGC in relation to the majority of the Board being independent.

The ASX CGC recommendations require the materiality threshold that was used to determine whether a Director is independent to be disclosed. Notwithstanding there are no contracts outside those disclosed in the Annual Report, a level of materiality of 5% of the Independent Directors' annual income has been set for any non-remuneration based consulting or other financial arrangements.

The ASX Corporate Governance Principles recommend that the Chairperson should be an independent director. The Chairman of Anteo Diagnostics is an independent director.

Directors may access or request such information as they consider necessary to diligently fulfil their responsibilities. Independent professional advice may be sought on Company related matters, at the Company's expense, subject to prior approval by the Chairman.

Directors are required to comply with their legal, statutory and other duties and obligations when acting in their capacity as Directors of the economic entity, including acting in good faith and with due diligence and care. Directors are required to avoid conflict of interests with the companies within the economic entity. Any actual or potential conflict of interest is required to be disclosed immediately to the Board and those conflicted parties do not take part in the decision making processes regarding the conflict of interest.

The Board annually revisits its objectives and duties and evaluates the effectiveness of its performance taking these into account. A formal evaluation was undertaken during the year. Remuneration of Directors, including retirement benefits (superannuation) and entitlements under equity-based remuneration schemes are set out in the Directors' Report under "Remuneration Report".

The Directors annually review the Company's requirements for skills and experience within the board of Directors, and consider the skills and experience of existing Directors. Should any skill gaps be evident, the Nomination & Remuneration Committee will make recommendations to the Board taking into account:

- The size of the Board will be limited to encourage efficient decision making.
- The selection process will be formal and transparent.
- When a new Director is required, the current Directors (with the assistance of external advisors if necessary) will identify potential candidates who have the following attributes:
  - are able to contribute to the ongoing effectiveness of the board
  - are able to exercise sound business judgment
  - are able to think strategically
  - have demonstrated leadership ability
  - have high levels of professional skill
  - have appropriate personal skills.
- Nominees' competencies and qualifications.
- A talented and diverse workforce is a key competitive advantage and Anteo is committed to seeking out and retaining the finest human talent to ensure top business growth and performance.

Performance evaluation of executive Directors and executives was carried out during the reporting period and was in accordance with the process disclosed.

The matters reserved for the Board and those delegated to senior executives described in the Board Charter and Company Governance Policies are publically available on the Company's website at www.anteodx.com.

Ethical standards and corporate code of conduct

The Board has adopted a corporate code of conduct to ensure that each of its members and all employees are aware of the requirement to adhere to best principles of ethical standards which encompass:

- The management of conflicts of interest to ensure that Directors and executives act in the best interests of all stakeholders in the business.
- Compliance with all laws and regulatory requirements.
- Adoption of acceptable standards of custodianship and use of Company assets.
- Ensuring that all Company information remains confidential except where disclosure is either authorised by the Board or legally mandated.
- Enforcement of accountabilities and the fostering of an environment in which all officers and employees can identify and bring to the attention of Directors any unlawful or unethical behaviour.

A full copy of the Company's Code of Conduct is publically available on the Company's website at www.anteodx.com.

The Board has adopted a Diversity Policy which is publically available on the Company's website at www.anteodx.com.

Anteo Diagnostics recognises its talented and diverse workforce as a key competitive advantage. Our business success is a reflection of the quality and skill of our people. Our diversity policy encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience, and education and our policy encompasses both recruitment and management of human resources on the basis of diversity.

Anteo Diagnostics is committed to seeking out and retaining the finest human talent to ensure top business growth and performance and to employing the best people to do the best job possible at all levels within the Company.

Anteo Diagnostics' workforce is diverse across many dimensions.

Ethnic Diversity

Total	Australian	European	Asian	Americas	African
18	6	3	7	1	1

Gender Diversity	Male	Female
Total Staff	8	9
Senior Executives/Directors	4	1
Non-Executives Directors	2	1

Languages Spoken: English, Portuguese, Cantonese, Mandarin, Malay, Japanese, Russian, German, Spanish, Zulu, and Afrikaans.

Education Diversity

Total	PhD	Masters	Bachelor	Other Qualifications
18	6	-	12	

Anteo is committed to maintaining diversity within its workforce at all levels, and to this end sets a minimum target of 15% of women in board and senior executive positions to encourage gender diversity. Such targets are important but the overriding factor will be the employment of the best person for the role.

Audit & Risk Committee

The Company has a formally constituted Audit & Risk Committee comprising two Directors. The Audit & Risk Committee must meet at least twice each reporting year. Other Directors and executives may be invited to attend meetings at the discretion of the Chairman of the Committee.

The composition of the Audit & Risk Committee and its conformance to ASX CGC Principle 4 is as below:

Rec.No	Description	Conform	Comments
4.1	The Board should establish an Audit Committee	Yes	5 Audit & Risk Committee meetings were held during the financial year
4.2	Audit committee should comprise:	Yes	Mrs Sandra Andersen - Independent - Attended all 5 meetings
	Only Non-Executive Directors	No	Mr Richard Martin - Executive Director

Rec.No	Description	Conform	Comments
			- Attended all 5 meetings Mr Martin as CFO undertakes the preparation of monthly management accounts and statutory reporting. Given the nature of his role the Board considers Mr Martin is an appropriate member.
	A majority of Independent Directors	No	Given the background and financial acumen of the committee members, it is the Board's view that these two Directors should form the Audit & Risk Committee.
	An independent chairperson, who is not chairperson of the Board	Yes	
	At least three members	No	The Audit & Risk Committee has only two members. It is the Board's view that two members are adequate to perform the duties required by the Audit & Risk Committee.
4.3	Audit Committee to have formal charter	Yes	The Audit & Risk Committee Terms of Reference is available on the Company website at www.anteodx.com.

The Company requests the external auditor to attend the Annual General Meeting and to be available to answer shareholder questions about the conduct of the audit and preparation and content of the auditor's report. The Audit & Risk Committee annually revisits its objectives and duties and evaluates the effectiveness of its performance taking these into account.

The Audit & Risk Committee is responsible for the selection and recommendation of the Company's external auditor. The Audit & Risk Committee has recommended the external audit service be put out to tender on a triennial basis.

A full copy of the Audit & Risk Committee Terms of Reference is made publically available on the Company website at www.anteodx.com.

Continuous Disclosure

The Company's shares are traded on the ASX and the Company is subject to the ASX Listing Rules.

The responsibility for ensuring that the continuous disclosure requirements of ASX Listing Rule 3.1 are complied with is vested in the Board and the Company Secretary.

All meetings of the Board incorporate a standing agenda item advising the Directors of any disclosure that is required prior to the next scheduled meeting. Confirmation is provided of the release of any items since the previous meeting.

In addition the Directors are asked to consider whether they have become aware of information concerning the Company that could reasonably be expected to have an impact on the price or value of the Company's securities.

This includes new information that has arisen or, if necessary, amendments to information previously disclosed to the market.

The responsibility for deciding what information is disclosed to the market rests with the Chairman of the Board. Where appropriate all disclosure articles are approved by the Board of Directors prior to release to the market.

All Directors and executives have been made aware of their obligations to ensure that the Company complies at all times with the ASX Listing Rules.

A full copy of the Company's continuous disclosure policy is made publically available on the Company's website, www.anteodx.com.

Business Risk Management

The Board has adopted a formal risk management policy.

The identification and management of risk inherent to the operation of the economic entity is managed by the Directors on a day-to-day basis. Where necessary individual Directors do, through the forum of regular Board meetings, bring matters before the Board collectively who will review, evaluate and deal with any matters arising in a manner that serves the best interests of the Company and its shareholders. This is in addition to the role of the Audit & Risk Committee which ensures the Company maintains effective risk management and internal control systems.

The identification and effective management of risks is critical in achieving the Company's corporate goals. The Company focuses on effective management of the following material risks:

- business risks.
- operating risks.
- financial risks.
- organisational risks.
- corporate risks.
- occupational health and safety risks.

Anteo Diagnostics Limited believes that risk should be managed on a continuous basis and optimises its ability to achieve business objectives by maintaining a system that assists appropriate management and provides early warning of risks.

The Company identifies, assesses, monitors and manages risk throughout the organisation in accordance with the Company's Risk Management Policy which is made publically available on the Company's website, www.anteodx.com.

The Board has required management to design and implement a risk management and internal control system to manage the entity's material business risk and continually receives reports from the executive team as to the effectiveness of the Company's management of its material business risks. The Board has received assurance from the Chief Executive Officer and Finance Director that the declaration on page 55 of the annual report provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Shareholder Communication

The Company communicates with shareholders through the following media:

- All announcements that may affect the price of the Company's securities are released to the market through the ASX.
- Following this all announcements are placed onto the Company's website: www.anteodx.com.
- Any press releases are also placed on the Company's website www.anteodx.com.
- It is Company policy that updates are made available to all shareholders at regular intervals.

- It is Company policy to encourage shareholder attendance at the annual general meeting.

A full copy of the Company's policy on shareholder communication is made publically available on the Company's website, www.anteodx.com.

Trading in Company Shares

The Company's policy regarding Directors, officers and employees trading in its securities, is set by the Board of Directors. The policy restricts Directors, officers and employees from acting on material information until it has been released to the market.

The period in which Directors, officers and employees can deal in the Company's securities provided the market is fully informed, is not later than 30 days, after the release of each quarterly cash flow report, the yearly or half yearly profit announcement to the ASX, any disclosure document offering securities in the Company, and after the Annual General Meeting of the Company.

Outside this period, in the current environment by which companies are required to maintain a continuously informed market, Directors, officers or employees may buy or sell subject to specific approval by the Chairman or by the Board.

A full copy of the of the Company's policy for trading in the Company's shares is publically available on the Company website, www.anteodx.com.

Nomination & Remuneration Committee

The Company's Constitution contains specific provisions for the remuneration of Non-Executive Directors. There has been no change to these specific provisions since the incorporation of the Company.

The Board has a formally constituted Nomination & Remuneration Committee comprising two Directors. The Nomination & Remuneration Committee meets as required during the year. Other Directors and executives may be invited to attend meetings at the discretion of the Chairman of the Committee. The composition of the Nomination & Remuneration Committee and its conformance to ASX CGC Principles 2.4 and 8.1 is as below:

Rec.No	Description	Conform	Comments
2.4 & 8.1	Remuneration Committee should comprise:		
	A minimum of three members	No	The Nomination & Remuneration committee only has two members. It is the Board's view that two members are adequate to perform the duties required by the Nomination & Remuneration Committee.
	A majority of independent Directors	No	Mr Mark Bouris - Independent - Attended 2 of 2 meetings Mr Richard Martin - Executive - Attended 2 of 2meetings

Rec.No	Description	Conform	Comments
	A chairperson who is an independent Director	Yes	Mr Mark Bouris

The Nomination & Remuneration Committee has approved a long-term incentive component for the executive and senior management remuneration packages (equity based). The policy includes the prohibition on recipients entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under an equity based remuneration scheme.

The Director's attendance at meetings of the committee is contained on page 23 of the Annual Report.

The Committee annually revisits its objectives and duties and evaluates the effectiveness of its performance taking these into account. A formal evaluation was undertaken this year. A description of the policy for the nomination and appointment of directors and a copy of the Nomination & Remuneration Committee Charter is publically available on the Company's website, www.anteodx.com.

Remuneration Policies

The Company's policy for remuneration and performance evaluation of Directors and executives has been stated in the Directors' Report under "Remuneration Report".

There are no schemes for retirement benefits, other than superannuation, for any Director.

Other Information

The Company's corporate governance practices and policies are publicly available at the Company's registered office. These policies have also been posted on the Company's website (www.anteodx.com).

Your Directors present their report on the Company and its controlled entity for the financial year ended 30 June 2013.

DIRECTORS

Persons holding the position of Directors at any time during or since the end of the year are:

Mr Mark Bouris
Dr Geoffrey Cumming
Mr Richard Martin
Mrs Sandra Andersen
Dr John Hurrell - Appointed 25 February 2013

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

The Directors of the Company at the date of this report are set out below, together with details of their qualifications, experience and interests in the Company.

<table>
<tr><th colspan="2">Mr Mark Bouris BCom(UNSW), MCom(UNSW), Hon DBus(UNSW), Hon DLitt(UWS), F.S.A.</th><th>Chairman</th></tr>
<tr><td></td><td colspan="2">In addition to his chairmanship with Anteo, Mark Bouris is the Executive Chairman of Yellow Brick Road Wealth Management, the Executive Chairman of global technology company TZ Limited, and a Non-Executive Chairman of Serena Resources. Mark is an Adjunct Professor at the University of New South Wales Australian School of Business and he sits on boards for the University of NSW Business Advisory Council and the University of Western Sydney Foundation Council. Mark holds a Bachelor and Master of Commerce from the University of New South Wales and has doctorates from the University of New South Wales and the University of Western Sydney. Mark is also a Fellow of the Institute of Chartered Accountants and the author of three business books, Wealth Wizard, The Yellow Brick Road to Your Financial Security, and What It Takes.

Responsibilities: Chairperson of Nomination & Remuneration Committee.

Interest in options: 5,000,000 (exercise price of 12 cents, expiry date of 24/10/2015, all vested)</td></tr>
<tr><th colspan="2">Dr Geoffrey Cumming B.App.Sc, B.Sc.(Hons.), MBA, PhD, MAICD</th><th>Chief Executive Officer - Executive Director</th></tr>
<tr><td></td><td colspan="2">Dr Cumming has over 20 years experience in the healthcare and biotechnology market. Geoff's roles have progressed from pure research to sales and marketing roles through to Managing Director level and Board seats. Previously Managing Director of Roche Diagnostic Systems – Oceania Regional Centre, where he transformed a loss making business to one achieving over 30% compound annual growth over a four year period and the highest profitability levels in Roche's global organisation. Geoff was also Managing Director and CEO of an Australian based biotechnology company commercialising a range of products in cancer diagnosis and treatment. During his tenure he was responsible for taking research from Sydney University through to product registration. This involved capital raising, managing Intellectual Property, investor relations and forging links with relevant international partners.

Dr Cumming has been a Director of Anteo since April 2009 and is a Non-Executive Director of ASX listed Medical Australia Limited.

Responsibilities: Chief Executive Officer of the Company

Interest in shares: 8,500,000 ordinary fully paid
Interest in options: 13,000,000 (exercise price of 7 cents, expiry date of 8/11/2014; 6,500,000 of these options are vested and the remainder vest on an annual basis upon the condition that the movement of share price of the Company is positive and in the top 50% of the healthcare sector).</td></tr>
</table>

Mr Richard Martin BBus	Executive Director

Mr Martin holds a Bachelor of Business. He practised as a Chartered Accountant for 16 years, 11 as a partner in a medium sized Sydney practice. Mr Martin has been involved with the Company since it was founded by Dr Maeji. He has considerable experience both operationally and advising corporate entities, his work has included complex business structuring and financing, the establishment of international hotels from conception, public listing of companies, management of foreign currency exposure, establishing and operating start up technology companies and the negotiation and implementation on the purchase and sale of enterprises. Mr Martin is a former director of Boulder Steel Ltd.

He has been a Director of Anteo since September 2005.

Responsibilities: Chief Financial Officer; Member of the Audit & Risk Committee and Nomination & Remuneration Committee.

Interest in options: 3,000,000 (1,400,000 exercise price of 7 cents, expiry date of 8/11/2014; 1,600,000 exercise price of 12 cents, expiry date of 24/10/2015. 2,300,000 of these options are vested and the remainder vest on an annual basis upon the condition that the movement of share price of the Company is positive and in the top 50% of the healthcare sector).

Mrs Sandra (Sam) Andersen LLB, CPA, FFinsia, FAICD	Non-Executive Director

Mrs Sandra (Sam) Andersen is a Certified Practicing Accountant, and holds a Bachelor of Laws. She is a Fellow of Finsia and the Australian Institute of Company Directors.

Sam Andersen was appointed as a Director in May 2011 and is Chair of the Audit & Risk Committee. Mrs Andersen is a Member of the Board and Chair of the Risk Committee for Melbourne Convention and Exhibition Trust, and a Director and the Chair of the Audit & Risk Management Committee for Victrack.

She began her career with a law degree and subsequently held senior executive positions with ANZ Bank, Commonwealth Bank of Australia and National Australia Bank. Following a career change from banking and finance into industry, Mrs Andersen was the Chief Financial Officer at Lumacom Ltd and Chief Operating and Financial Officer of Multi-Emedia.com Ltd. She led the initial public offering for and became the Managing Director of Eyecare Partners Limited, a company which trebled in size in its first 2 years of operation. Mrs Andersen is a former director of Victorian Funds Management Corporation, Superpartners Pty Ltd, Rural Finance Corporation, Eyecare Partners Limited, and Grain Growers Limited.

Responsibilities: Chairman of the Audit & Risk Committee.

Interest in options: 3,000,000 (exercise price of 12 cents, expiry date of 24/10/2015, all are vested)

Dr John Hurrell B.Sc, M.Sc (Qual), PhD, Fulbright Fellow	Non-Executive Director

Dr. John Hurrell has 30 years of experience in the biotechnology and life science industries. He has a strong track record of success in starting, building, growing and improving the profitability, performance and value of life science and healthcare companies. Currently Dr. Hurrell works as Senior Executive Vice President at Seegene, Inc. where he is responsible for the International Business Division. Previous roles included: President and General Manager at Focus Diagnostics, VP of Business Development at Quest Diagnostics as well as senior positions at Genzyme, Boehringer Mannheim, Merck Serono, and a number of other companies.

Dr Hurrell was appointed on 25 February 2013.

COMPANY SECRETARY

The position of Company Secretary has been held by Mr Shane Hartwig since 24 May 2010. Mr Hartwig's experience is set out below.

Mr Hartwig is a Certified Practising Accountant and Chartered Company Secretary and holds a Bachelor of Business degree, majoring in Accounting and Taxation from Curtin University of Technology in Western Australia.

Mr Hartwig is involved in the areas of IPOs, capital raisings, prospectus and information memorandum preparation and project management, company assessments and due diligence reviews, mergers and acquisitions and providing general corporate advice and is currently Company Secretary of ASX listed Forge Resources; and a Non Executive Director/Company Secretary of ASX listed Exalt Resources Limited. Mr Hartwig has over 20 years experience in the finance industry both nationally and internationally with exposure in both the debt and equity capital markets.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the year were the development and commercialisation of specialised surfaces used in life sciences, and the research & development of surfaces for specific binding of proteins ("abiotics"). The Company is applying capability in surfaces and binding of proteins to the development of invitro diagnostic tests.

There were no significant changes in the nature of the Company's principal activities during or after the end of the financial year.

CONSOLIDATED OPERATING RESULT

The net consolidated operating loss of the economic entity for the financial year, after providing for income tax, amounted to $2,179,223 compared with a loss for the 2012 year of $2,380,199.

As at 30 June 2013, the Company maintained cash reserves of $2,621,072 (2012: $4,883,174) which will be used in the further development and commercialisation of Anteo Diagnostics Limited's proprietary technology.

DIVIDENDS PAID OR RECOMMENDED

No dividend has been paid during the year and the Directors do not recommend payment of a dividend.

REVIEW OF OPERATIONS

The review of operations is set out in the Operating and Financial Review.

AFTER BALANCE DATE EVENTS

There are no after balance date events that the Directors believe should be reported to shareholders.

OPERATIONS AND FUTURE DEVELOPMENTS

Going forward the Company will focus on progressing its business strategy in the diagnostic market places, as outlined in the Operating and Financial Review.

ENVIRONMENTAL ISSUES

Anteo is licensed under the Queensland Health (Drugs and Poisons) Regulations 1996 for the use and storage of chemicals for research use. Anteo complies with all Workplace, Health and Safety requirements.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director and relevant Executives of Anteo Diagnostics Limited.

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for Non-executive Directors and Executive Directors and Senior Executives (collectively Executives) of the economic entity is as follows:

The remuneration structure that has been adopted consists of the following components:
- Fixed remuneration being annual salary; and
- Short term incentives, being employee share schemes and bonuses.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.
The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short term incentive (STI)

Anteo performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the company values. The performance measures are set annually after consultation with the directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.
The KPI's for the Executive Team are summarised as follows:
Performance area:
- Financial – completion of agreements, profitability and improvement in share price; and
- Non-financial - strategic goals set by each individual business unit and holistic companywide performance criteria, including human resources, Workplace, Health & Safety and technical outcomes.

The STI program incorporates both cash and share-based components for the executive team and other employees. The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares (if any) attained by Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using methodologies set out in Notes 1(r) and 5 of the Financial Statements.

Executive Directors and Executives (Executives)

The remuneration policy of Anteo Diagnostics Limited currently consists of a base remuneration and in some cases the consideration of a short term cash incentive, and a long term incentive through the issue of options at the Board's discretion. The Board believes the policy is appropriate as it repositions itself in the market, aligning Executive objectives with shareholder and business objectives.

The remuneration policy, setting the terms and conditions for the Executives was developed by the Nomination & Remuneration Committee, and approved by resolution of the Board. All eligible Executives receive a base salary and superannuation with options issued at the discretion of the Board. The Board of Directors, excluding Executive Directors, review Executive packages annually by reference to the economic entity's performance, Executive performance and comparable information from industry sectors and other listed companies in similar industries. Executive performance is evaluated based on achievement of

Business Plan and objectives set by the Board. Performance evaluation of Executives was carried out during the reporting period, in accordance with the remuneration policy.

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Nomination & Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Any changes to 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 performance of the economic entity. However to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan. Non-Executive Directors receive a superannuation guarantee contribution required by the Government, which is currently 9.25%, and do not receive any other retirement benefits.

Details of Directors' Remuneration for the Year Ended 30 June 2013

Parent Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
M Bouris	1	-	-	75,000	-	75,000
R Martin	2	45,000	-	-	1,720	46,720
G Cumming	3	350,000	-	31,500	15,970	397,470
S Andersen	4	50,459	-	4,541	-	55,000
J Hurrell	5	16,664	-	-	-	16,664
Total		**462,123**	**-**	**111,041**	**17,690**	**590,854**

Emoluments of the key management personnel of the group for the Year Ended 30 June 2013

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Other	Total
		$	$	$	$	$	$
J Maeji	6	210,000	-	18,900	2,703	-	231,603
Total		**210,000**	**-**	**18,900**	**2,703**	**-**	**231,603**

A detailed list of Directors including their skills and experience can be found on page 17.

Notes regarding Directors and executive emoluments:

(1) Mr Bouris was a Director for the full year.
(2) Mr Martin was a Director for the full year. Mr Martin is a Director of Shubrick Investments Pty Ltd. Transactions with Shubrick Investments are disclosed as part of related party transactions in the Financial Statements.
(3) Dr Cumming was Chief Executive Officer for the full year.
(4) Mrs Andersen was a Director for the full year.
(5) Dr John Hurrell was appointed on 25th February 2013
(6) Dr Maeji was the Chief Scientific Officer for the full year.

Details of Directors' Remuneration for the Year Ended 30 June 2012

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
M Bouris	1	-	-	68,750	86,500	155,250
R Martin	2	48,750	-	-	29,270	78,020
G Cumming	3	350,000	36,697	34,803	14,768	436,268
S Andersen	4	50,459	-	4,541	51,900	106,900
Total		**449,209**	**36,697**	**108,094**	**182,438**	**776,438**

Emoluments of the key management personnel of the group for the Year Ended 30 June 2012

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
J Maeji	5	178,900	20,000	50,000	3,297	252,197
N Abernethy	6	175,000	-	15,750	1,055	191,805
Total		**353,900**	**20,000**	**65,750**	**4,352**	**444,002**

Notes regarding Directors and executive emoluments:

(1) Mr Bouris was appointed a Director on 1 August 2011.
(2) Mr Martin was a Director for the full year. Mr Martin is a Director of Shubrick Investments Pty Ltd. Transactions with Shubrick Investments are disclosed as part of related party transactions in the Financial Statements.
(3) Dr Cumming was Chief Executive Officer for the full year.
(4) Mrs Andersen was a Director for the full year.
(5) Dr Maeji was the Chief Scientific Officer for the full year.
(6) Dr Abernethy was the Chief Product Development and Research Officer for the full year.

Performance Remuneration as a Proportion of Total Remuneration

During the year no bonuses or STIs were granted to key management personnel.

Options Issued or Vested as Part of Remuneration for the Year Ended 30 June 2013

No options were issued to key personnel. No options held by Directors or key personnel vested during the year. These options did not vest because the increase in share price criteria was not met. These options did not lapse and will vest prior to expiry if the vesting conditions are met.

Options Outstanding as at 30 June 2013

	Options Granted No.	Options Vested No.	Grant Date	Due Vesting Date	Value per Option $	Exercise Price $	Expiry Date
G Cumming	6,500,000	6,500,000	30/11/2010	Vested	$0.0056	$0.0700	8/11/2014
	6,500,000	-	30/11/2010	8/11/2013	$0.0025	$0.0700	8/11/2014
R Martin	700,000	700,000	30/11/2010	Vested	$0.0056	$0.0700	8/11/2014
	700,000	-	30/11/2010	8/11/2013	$0.0025	$0.0700	8/11/2014
	1,600,000	1,600,000	24/10/2011	Vested	$0.0173	$0.1200	24/10/2015
M Bouris	5,000,000	5,000,000	24/10/2011	Vested	$0.0173	$0.1200	24/10/2015
S Andersen	3,000,000	3,000,000	24/10/2011	Vested	$0.0173	$0.1200	24/10/2015
S Hartwig	750,000	750,000	8/11/2010	Vested	$0.0036	$0.0700	8/11/2014
J Maeji	3,125,000	3,125,000	8/11/2010	Vested	$0.0028	$0.0700	8/11/2014
	3,125,000	-	8/11/2010	8/11/2013	$0.0009	$0.0700	8/11/2014
Total	31,000,000	20,675,000					

No options vested during the year. The unvested options expire on 8th November 2014. If the vesting conditions of a takeover or the maintainable share price for Anteo shares is positive and Anteo is in the top 50% of companies in the ASX Health and Biotech sector are prior to maturity are met then the options will vest and be eligible to be exercised.

Employment contracts of Directors and senior executives

The executives of the Company are employed on open-ended employment contracts that provide for termination by either party with notice. For Geoff Cumming and Joe Maeji, the notice period is 3 months. There are no special termination provisions.

There are no terms in any of the above agreements that provide for changes to remuneration for future periods. The Nomination & Remuneration Committee may review these arrangements annually or as required.

This is the end of the Remuneration Report.

MEETINGS OF DIRECTORS

During the financial year, 6 meetings of Directors, 5 meetings of the Audit & Risk Committee and 2 meetings of the Nomination & Remuneration Committee were held. Attendances were as follows:

	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
Director	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
M Bouris	6	4			2	2
R Martin	6	6	5	5	2	2
G Cumming	6	6				
S Andersen	6	6	5	5		
J Hurrell	2	2				

INDEMNIFYING OFFICERS OR AUDITOR

The Company's Constitution provides that the Company will indemnify officers of the Company 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 or officer of the Company other than conduct involving a wilful breach of duty in relation to the Company.

The Company has paid premiums to insure the Directors and officers against such liabilities that may arise. The amount of the premium for the period was $20,776. No premiums were paid for the auditors.

SHARE OPTIONS

At the date of this report, the un-issued ordinary shares of Anteo Diagnostics Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price (Post consolidation value)	Number under Option (Post consolidation number)
30 September 2005	1 September 2013	$0.156	76,786
30 September 2005	18 December 2013	$0.156	3,656,206
30 September 2005	24 May 2014	$0.156	71,643
30 September 2005	1 October 2014	$0.156	71,987
30 September 2005	20 December 2014	$0.156	3,087,902
30 September 2005	20 January 2015	$0.156	105,865
30 September 2005	20 February 2015	$0.156	58,166
31 July 2008	31 July 2013	$0.081	72,329
8 November 2011	8 November 2014	$0.070	13,825,000
30 November 2011	8 November 2014	$0.070	14,400,000
24 October 2011	24 October 2015	$0.120	9,600,000
9 November 2011	24 October 2015	$0.120	3,500,000
25 October 2012	24 October 2015	$0.120	500,000
			49,025,884

All options are on Issue to Employees, Directors, consultants or investors. 24,000,000 options were on issue to Directors and 25,025,884 options to executives, employees, consultants and investors. The weighted average share price during the year was $0.0620.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

There were no fees for non-audit services paid or payable to an associated firm of the external auditors during the year ended 30 June 2013.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 56 which forms part of this report.

Signed in accordance with a resolution of the Board of Directors.

Mark Bouris

Mr Mark Bouris
Chairman
Dated this 19h day of August 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Sales revenue	2	**219,567**	146,700
Cost of sales		**-**	-
Gross profit		**219,567**	146,700
Other revenue	2	**1,623,147**	1,366,468
Selling and distribution expenses		**(963,433)**	(763,058)
Occupancy expenses		**(31,377)**	(35,750)
Administrative expenses		**(557,484)**	(741,780)
Borrowing costs		**(95)**	(1,899)
Research and development expenses		**(2,469,548)**	(2,345,985)
Impairment of financial assets		**-**	(4,895)
Loss before income tax	3	**(2,179,223)**	(2,380,199)
Income tax benefit	4	**-**	-
Loss after income tax	15	**(2,179,223)**	(2,380,199)
Other Comprehensive Income		**-**	-
Total comprehensive income		**(2,179,223)**	(2,380,199)
Total changes in equity other than those resulting from transactions with owners as owners		**(2,179,223)**	(2,380,199)
Basic loss per share (cents)	7	**(0.3)**	(0.3)
Diluted loss per share (cents)	7	**(0.3)**	(0.3)

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 $	2012 $
CURRENT ASSETS			
Cash assets	8	**2,621,072**	4,883,174
Receivables	9	**401,654**	42,712
Other	10	**1,731**	2,767
TOTAL CURRENT ASSETS		**3,024,457**	4,928,653
NON-CURRENT ASSETS			
Property, plant and equipment	11	**250,891**	282,745
TOTAL NON-CURRENT ASSETS		**250,891**	282,745
TOTAL ASSETS		**3,275,348**	5,211,398
CURRENT LIABILITIES			
Payables	12	**299,806**	238,612
Provisions	13	**199,776**	200,221
TOTAL CURRENT LIABILITIES		**499,582**	438,833
TOTAL LIABILITIES		**499,582**	438,833
NET ASSETS		**2,775,766**	4,772,565
EQUITY			
Contributed equity	14	**31,968,536**	31,808,049
Share Option Reserve	14	**329,062**	312,892
Accumulated losses		**(29,521,832)**	(27,348,376)
TOTAL EQUITY		**2,775,766**	4,772,565

The financial statements should be read in conjunction with the accompanying notes.

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

	Ordinary Shares	Options	Accumulated Losses	Total
	$	$	$	$
Balance at 30 June 2011	**31,749,967**	**109,384**	**(24,968,177)**	**6,891,174**
Issued during the year	57,500	-	-	**57,500**
Options expense for the period	-	204,090	-	**204,090**
Conversion of employee options into shares	582	(582)		**-**
Profit (Loss) after Income Tax	-	-	(2,380,199)	**(2,380,199)**
Balance at 30 June 2012	**31,808,049**	**312,892**	**(27,348,376)**	**4,772,565**
Balance at 30 June 2012	**31,808,049**	**312,892**	**(27,348,376)**	**4,772,565**
Issued during the year	103,500	-	-	**103,500**
Options expense for the period	-	78,924	-	**78,924**
Reversal of lapsed share options	-	(5,767)	5,767	**-**
Conversion of employee options into shares	56,987	(56,987)	-	**-**
Profit (Loss) after Income Tax	-	-	(2,179,223)	**(2,179,223)**
Balance at 30 June 2013	**31,968,536**	**329,062**	**(29,521,832)**	**2,775,766**

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated 2013 $	2012 $
Cash Flows from Operating Activities:			
Receipts from customers		**288,136**	472,814
Receipts from government grants and rebates		**1,164,415**	910,982
Payments to suppliers and employees		**(3,896,695)**	(3,711,837)
Borrowing costs		**(95)**	(1,899)
Interest received		**173,485**	401,263
Net cash used in operating activities	15 (i)	**(2,270,754)**	(1,928,677)
Cash Flows From Investing Activities:			
Payment for property, plant and equipment		**(94,848)**	(109,242)
Net cash provided by investing activities		**(94,848)**	(109,242)
Cash Flows From Financing Activities:			
Proceeds from share issues		**103,500**	57,500
Net cash provided by (used in) financing activities		**103,500**	57,500
Net increase (decrease) in cash held		**(2,262,102)**	(1,980,419)
Cash at start of year		**4,883,174**	6,863,593
Cash at end of year	8, 15 (ii)	**2,621,072**	4,883,174

The financial statements should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards.

Anteo Diagnostics Limited is a listed public company, incorporated and domiciled in Australia.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013. The financial report has been prepared on an accruals basis, except for cash flow information.

Going Concern

The financial statements have been prepared on the going concern basis.

The Board is continually assessing the capital needs of the Company's business and addressing the alternatives available to fund the operational requirements of the Company. As at the 30th June 2013 the Company had $2,621,072 in cash reserves. The Board believes that based upon current spending forecasts there is adequate funding to provide for the Company's requirements to carry on its strategic plan and in any case beyond 12 months of operation.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments with original maturities of three months or less.

(b) Comparatives

When required by accounting standards or accounting policy, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of the services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) Financial assets

Financial investments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these investments are assessed at each reporting date to determine whether there is any evidence that an investment is impaired. Any such impairment is reported in the Statement of Comprehensive Income.

(e) Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

(f) Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Goodwill

Pursuant to the adoption of AASB3 Business Combinations (reverse acquisitions), goodwill, representing the excess of the cost of combination to Bio-Layer Pty Limited over the fair value of the identifiable assets, liabilities and contingent liabilities acquired of Anteo Diagnostics Limited (formerly BioLayer Corporation Limited and prior to that SSH Medical Limited), was recognised as an asset and not amortised, and was tested for impairment. This impairment was recognised in profit or loss and will not be subsequently reversed.

(h) Government grants

Government grants are assistance by the government in the form of transfers or resources to the consolidated entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the consolidated entity other than the requirement to operate in certain regions or industry sectors.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs.

(i) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible 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.

Goodwill is tested for impairment at each reporting date and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment is treated as a revaluation increase.

(j) Income tax

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 refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary 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 liabilities are recognised for all taxable 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 utilized. 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, branches, associates and joint ventures 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 utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets 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 Company/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 the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in 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.

(k) Intangible assets

Patents, trademarks and licenses

Patents, trademarks and license costs are recognised as an expense in the period in which they are incurred.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(l) Overheads

The Company allocates overheads for the operating entity to their business cost centres. This procedure has been adopted in this period to more accurately represent operating costs of the economic entity.

(m) Payables

Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 Consolidated and Separate Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after assessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the economic entity are eliminated in full.

(o) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

Leasehold improvements	10% - 50%
Plant and equipment	20% - 40%
Furniture and office equipment	20% - 40%
Leased plant and equipment	20%

(p) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(q) Revenue recognition

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when the economic entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

<u>Rendering of services</u>

Revenue for a contract to provide services is recognised by reference to the stage of completion of the contract. Revenue is not recognised until each milestone has been successfully completed under the terms of the contract.

<u>Royalties, grants and licence fees</u>

Royalty, grant and licence fee revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(r) Share-based payments

Share-based payments are measured at fair value at the date of grant. Fair value for options is measured by use of the Black Scholes and Hull White valuation models.

The fair value determined as at the grant date of the share-based payments is expensed on a straight line basis over the vesting period, based on the economic entity's estimate of shares that will eventually vest.

Terms and conditions of Share-based payments are set out in Note 5.

(s) New accounting standards and interpretations

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

AASB 9 Financial Instruments (effective from 1 January 2015)
The AASB aims to replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed. These will have no material impact on the Group. However, we do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

Consolidation Standards
A package of consolidation standards are effective for annual periods beginning or after 1 January 2013. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's consolidated financial statements.

AASB 10 Consolidated Financial Statements (AASB 10)
AASB 10 supersedes the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements (AASB 127) and Interpretation 112 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

AASB 11 Joint Arrangements (AASB 11)
AASB 11 supersedes AASB 131 Interests in Joint Ventures (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. It introduces two accounting categories (joint operations and joint ventures) whose applicability is determined based on the substance of the joint arrangement. In addition, AASB 131's option of using proportionate consolidation

for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method for joint ventures, which is currently used for investments in associates.

AASB 12 Disclosure of Interests in Other Entities (AASB 12)
AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to AASB 127 Separate Financial Statements (AASB 127) and AASB 128 Investments in Associates and Joint Ventures (AASB 128)
AASB 127 Consolidated and Separate Financial Statements was amended to AASB 127 Separate Financial Statements which now deals only with separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.
AASB 13 Fair Value Measurement (AASB 13)
AASB 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.

Amendments to AASB 119 Employee Benefits (AASB 119 Amendments)
The AASB 119 Amendments include a number of targeted improvements throughout the Standard.
The main changes relate to defined benefit plans. They:
• eliminate the 'corridor method', requiring entities to recognise all gains and losses arising in the reporting period in other comprehensive income
• streamline the presentation of changes in plan assets and liabilities
• enhance the disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

The amended version of AASB 119 is effective for financial years beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this revised standard on the Group's consolidated financial statements.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124 Amendments)
AASB 2011-4 makes amendments to AASB 124 Related Party Disclosures to remove individual key management personnel disclosure requirements, to achieve consistency with the international equivalent (which includes requirements to disclose aggregate (rather than individual) amounts of KMP compensation), and remove duplication with the Corporations Act 2011. The amendments are applicable for annual periods beginning on or after 1 July 2013. The Group's management have yet to assess the impact of these amendments.

Amendments to IAS 32 Financial Instruments: Presentation and IFRS 7 Financial Instruments: Disclosures 5
The amendments to IAS 32 add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities. Qualitative and quantitative disclosures have been added to IFRS 7 relating to gross and net amounts of recognised financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position. The amendments are applicable for annual periods beginning on or after 1 January 2014. The Group's management have yet to assess the impact of these amendments.

(t) Critical Accounting Estimates and Judgements

Key Estimates - Impairments

The Company assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Per AASB 136 value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

	Note	2013	2012
		$	$
2. REVENUE			
Revenues from operating activities:			
Sale of goods and services		**219,567**	146,700
Other Revenue			
R&D Tax Concession		**1,164,415**	789,216
Grants		**210,491**	121,766
Rent & Other		**80,236**	136,709
Interest - other corporations		**168,005**	318,777
		1,623,147	1,366,468
Total Revenue		**1,842,714**	1,513,168

3. LOSS FROM ORDINARY ACTIVITIES

The loss from ordinary activities before income tax expense has been determined after:

Amortisation of non-current assets:		
Leasehold improvements	**11,447**	11,477
Total amortisation of non-current assets	**11,447**	11,477
Depreciation of non-current assets:		
Plant and equipment	**100,216**	80,464
Furniture, office equipment and software	**13,229**	16,430
Total depreciation of non-current assets	**113,445**	96,894
Borrowing costs:		
Interest, other persons	**95**	1,899
	95	1,899
Movements in provisions:		
Employee benefits	**(446)**	23,172
	(446)	23,172
Staff Remuneration		
Salaries	**1,457,701**	1,499,466
Superannuation	**206,197**	199,828
Share Based Payments	**35,674**	204,090
	1,699,572	1,903,384
Operating lease rentals	**317,821**	298,592

	Note	2013 $	2012 $
4. INCOME TAX EXPENSE			
(a) The prima facie income tax on the loss from ordinary income tax is reconciled as follows:			
Prima facie tax calculated at 30% on losses from ordinary activities		**(653,501)**	(714,057)
Add/(deduct) tax effect of :			
- other deductible items		**(7,034)**	(39,896)
- options expensed for accounting purposes		**23,677**	61,227
- R&D tax incentive		**453,092**	539,512
Timing differences not brought to account to the extent of income tax losses		**183,765**	153,214
Income tax benefit attributable to ordinary activities		-	-
Weighted Average Effective Tax Rates		**-**	-
(b) Deferred Tax Assets arising from income tax losses not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(j) occur		**9,431,962**	9,232,978
Gross Income Tax Losses		**31,439,875**	30,813,773

5. DIRECTORS' AND EXECUTIVES' REMUNERATION

(a) Directors and Key Management Personnel

Names and positions held of parent entity Directors and key management personnel in office at any time during the financial year have been included in the Directors Report.

(b) Parent Entity Directors' Remuneration and Key Management Personnel

Details of Directors' Remuneration for the Year Ended 30 June 2013

Parent Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
M Bouris	1	-	-	75,000	-	75,000
R Martin	2	45,000	-	-	1,720	46,720
G Cumming	3	350,000	-	31,500	15,970	397,470
S Andersen	4	50,459	-	4,541	-	55,000
J Hurrell	5	16,664	-		-	16,664
Total		**462,123**	**-**	**111,041**	**17,690**	**590,854**

Emoluments of the key management personnel of the group for the Year Ended 30 June 2013

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Other	Total
		$	$	$	$	$	$
J Maeji	6	210,000	-	18,900	2,703	-	231,603
Total		**210,000**	**-**	**18,900**	**2,703**	**-**	**231,603**

A detailed list of Directors including their skills and experience can be found on page 17.

Notes regarding Directors and executive emoluments:

(1) Mr Bouris was a Director for the full year.
(2) Mr Martin was a Director for the full year. Mr Martin is a Director of Shubrick Investments Pty Ltd. Transactions with Shubrick Investments are disclosed as part of related party transactions in the Financial Statements.
(3) Dr Cumming was Chief Executive Officer for the full year.
(4) Mrs Andersen was a Director for the full year.
(5) Dr John Hurrell was appointed on 25th February 2013
(6) Dr Maeji was the Chief Scientific Officer for the full year.

Details of Directors' Remuneration for the Year Ended 30 June 2012

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
M Bouris	1	-	-	68,750	86,500	155,250
R Martin	2	48,750	-	-	29,270	78,020
G Cumming	3	350,000	36,697	34,803	14,768	436,268
S Andersen	4	50,459	-	4,541	51,900	106,900
Total		**449,209**	**36,697**	**108,094**	**182,438**	**776,438**

Emoluments of the key management personnel of the group for the Year Ended 30 June 2012

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
J Maeji	5	178,900	20,000	50,000	3,297	252,197
N Abernethy	6	175,000	-	15,750	1,055	191,805
Total		**353,900**	**20,000**	**65,750**	**4,352**	**444,002**

Notes regarding Directors and executive emoluments:

(1) Mr Bouris was appointed a Director on 1 August 2011.
(2) Mr Martin was a Director for the full year. Mr Martin is a Director of Shubrick Investments Pty Ltd. Transactions with Shubrick Investments are disclosed as part of related party transactions in the Financial Statements.
(3) Dr Cumming was Chief Executive Officer for the full year.
(4) Mrs Andersen was a Director for the full year.
(5) Dr Maeji was the Chief Scientific Officer for the full year.
(6) Dr Abernethy was the Chief Product Development and Research Officer for the full year.

(c) Options

Directors and key management personnel remuneration has been included in the Remuneration Report section of the Directors Report. Further information regarding value of options vested during the year is on page 22 of the Directors Report.

The fair value of options issued to Directors and Executives was determined using the Black Scholes and Hull White methods of valuation as the basis for determining value. Regard was given to the vesting terms of the options and that they are not transferable by halving the nominal calculated amount. The follow parameters were used in the calculation:

i) Expected Volatility – 69%
ii) Share price $0.07
iii) Exercise Price $0.12
iv) Risk Free Rate 3.9%
v) The option life 4 years.
vi) Employee exit rate 30%.

(d) Shares issued on exercise of remuneration options

5,175,000 shares were issued on the exercise of remuneration options during the year ended 30 June 2013 (2012: 2,875,000).

(e) Options holdings

Number of options held by or at the nomination of Parent Entity Directors (who held office during the year) as at 30th June 2013.

	Balance 1 Jul 12	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Net Change	Balance 30 Jun 13	Total Vested 30 Jun 13	Total Exercisable 30 Jun 13
Parent Entity Directors								
M Bouris	5,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000
G Cumming	13,000,000	-	-	-	-	13,000,000	6,500,000	6,500,000
R Martin	3,000,000	-	-	-	-	3,000,000	2,300,000	2,300,000
S Andersen	3,000,000	-	-	-	-	3,000,000	3,000,000	3,000,000
	24,000,000	-	-	-	-	**24,000,000**	**16,800,000**	**16,800,000**

Number of options held by or at the nomination of key management personnel (who held office during the year) as at 30th June 2013:

	Balance 1 Jul 12	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Net Change	Balance 30 Jun 13	Total Vested 30 Jun 13	Total Exercisable 30 Jun 13	Total Unexercisable 30 Jun 13
Specified Executives									
J Maeji	11,352,552	-	-	1,500,000	(1,500,000)	9,852,552	6,727,552	6,727,552	3,125,000
S Hartwig	750,000	-		-	-	750,000	750,000	750,000	-
	12,102,552	-	-	**1,500,000**	**(1,500,000)**	**10,602,552**	**7,477,552**	**7,477,552**	**3,125,000**

Number of options held by or at the nomination of Parent Entity Directors (who held office during the year) as at 30th June 2012.

	Balance 1 Jul 11	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Net Change	Balance 30 Jun 12	Total Vested 30 Jun 12	Total Exercisable 30 Jun 12
Parent Entity Directors								
M Bouris	-	5,000,000	-	-	5,000,000	5,000,000	5,000,000	5,000,000
G Cumming	15,500,000	-	-	2,500,000	(2,500,000)	13,000,000	6,500,000	6,500,000
R Martin	1,400,000	1,600,000	-	-	1,600,000	3,000,000	2,300,000	2,300,000
S Andersen	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	3,000,000
	16,900,000	**9,600,000**	-	**2,500,000**	**7,100,000**	**24,000,000**	**16,800,000**	**16,800,000**

Number of options held by or at the nomination of key management personnel (who held office during the year) as at 30th June 2013:

	Balance 1 Jul 11	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Net Change	Balance 30 Jun 12	Total Vested 30 Jun 12	Total Exercisable 30 Jun 12	Total Unexercisable 30 Jun 12
Specified Executives									
J Maeji	11,410,142	-	57,590	-	(57,590)	11,352,552	8,227,552	8,227,552	3,125,000
N Abernethy	2,372,329	-	-	-	-	2,372,329	1,372,329	1,372,329	1,000,000
S Hartwig	750,000	-		-	-	750,000	750,000	750,000	-
	14,532,471	**-**	**57,590**	**-**	**(57,590)**	**14,474,881**	**10,349,881**	**10,349,881**	**4,125,000**

(f) Shareholdings

Number of shares held by or at the nomination of Directors and key management personnel as at 30th June 2013:

	Balance 1 Jul 12	Received as Remuneration	Rights Issue Alloted	Purchased Non-Remuneration	Sold	Options Exercised	Net Change	Balance 30 Jun 13
Parent Entity Directors								
M Bouris	-				-	-	-	-
R Martin	-	-	-	-	-	-	-	-
G Cumming	8,500,000	-	-	-	-	-	-	8,500,000
S Andersen	-	-	-	-	-	-	-	-
J Hurrell	-	-	-	-	-	-	-	-
	8,500,000	-	-	-	-	-	-	**8,500,000**

(g) Remuneration practices

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for Non-executive Directors and Executive Directors and Senior Executives (collectively Executives) of the economic entity is as follows:

The remuneration structure that has been adopted consists of the following components:

- Fixed remuneration being annual salary; and
- Short term incentives, being employee share schemes and bonuses.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short Term Incentive (STI)

Anteo performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the company values. The performance measures are set annually after consultation with the directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The KPI's for the Executive Team are summarised as follows:
Performance area:

- Financial – completion of agreements, profitability and improvement in share price; and
- Non-financial - strategic goals set by each individual business unit and holistic companywide performance criteria, including human resources, Workplace, Health & Safety and technical outcomes.

The STI program incorporates both cash and share-based components for the executive team and other employees. The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares (if any) attained by Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using methodologies set out in Notes 1(r) and 5 of the Financial Statements.

Executive Directors and Executives (Executives)

The remuneration policy of Anteo Diagnostics Limited currently consists of a base remuneration and in some cases the consideration of a short term cash incentive, and a long term incentive through the issue of options at the Board's discretion. The Board believes the policy is appropriate as it repositions itself in the market, aligning Executive objectives with shareholder and business objectives.

The remuneration policy, setting the terms and conditions for the Executives was developed by the Nomination & Remuneration Committee, and approved by resolution of the Board. All eligible Executives receive a base salary and superannuation with options issued at the discretion of the Board. The Board of Directors, excluding Executive Directors, review Executive packages annually by reference to the economic entity's performance, Executive performance and comparable information from industry sectors and other listed companies in similar industries. Executive performance is evaluated based on achievement of Business Plan and objectives set by the Board. Performance evaluation of Executives was carried out during the reporting period, in accordance with the remuneration policy.

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Nomination & Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Any changes to 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 performance of the economic entity. However to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan. Non-Executive Directors receive a superannuation guarantee contribution required by the Government, which is currently 9.25%, and do not receive any other retirement benefits.

	Note	2013 $	2012 $
6. AUDITORS' REMUNERATION			
Remuneration of the auditors of the company for:			
- Auditing or reviewing financial report		**51,820**	50,767
		51,820	50,767
7. EARNINGS PER SHARE (EPS)			
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS		769,253,509	763,000,430
Weighted number of dilutive options outstanding		50,357,090	52,015,254
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS		819,610,599	815,015,684
8. CASH ASSETS			
Cash on hand		**446**	924
Cash at bank		**2,416,600**	4,727,706
Deposits at call		**204,026**	154,544
		2,621,072	4,883,174
9. RECEIVABLES			
CURRENT			
Trade debtors		**144,100**	143
		144,100	143
Other debtors		**257,554**	42,569
		401,654	42,712

2013	Net Amount	Past Due but not impaired (days overdue) < 30	31-60	61-90	> 90	Within initial trade	Impairment Provision
Trade Debtors	144,100	-	-	-	-	144,100	-
Other debtors	257,554	-	-	-	-	257,554	-
Total	**401,654**	**-**	**-**	**-**	**-**	**401,654**	**-**
2012							
Trade Debtors	143	-	-	-	-	143	-
Other debtors	42,569	-	-	-	-	42,569	-
Total	**42,712**	**-**	**-**	**-**	**-**	**42,712**	**-**

Allowance for Impairment of Receivables

Current trade receivables are non-interest bearing and generally on 14 day terms. Allowance for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in the other expenses item.

No allowance for impairment was made during 2013 nor 2012.

	Note	2013 $	2012 $
10. OTHER ASSETS			
CURRENT			
Prepayments		**1,731**	2,129
Deposits		**-**	638
		1,731	2,767
11. PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment, at cost		**1,279,188**	1,300,651
Accumulated depreciation		**(1,098,906)**	(1,111,197)
		180,282	189,454
Furniture and fittings, office equipment, at cost		**450,308**	494,237
Accumulated depreciation		**(379,699)**	(400,946)
		70,609	93,291
Total Property, Plant and Equipment		**250,891**	282,745

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year is as follows:

2013	Furniture, Office Equipment	Plant and Equipment	Total
	$	$	$
Carrying amount at start of year	93,291	189,454	282,745
Additions	3,465	91,383	94,848
Loss on Assets Written down	-	-	-
Disposals	(1,471)	(339)	(1,810)
Depreciation / amortisation	(24,676)	(100,216)	(124,892)
Carrying amount at end of year	**70,609**	**180,282**	**250,891**

2012	Furniture, Office Equipment	Plant and Equipment	Total
	$	$	$
Carrying amount at start of year	86,179	195,695	281,874
Additions	35,019	74,223	109,242
Loss on Assets Written Down	-	-	-
Depreciation / amortisation	(27,907)	(80,464)	(108,371)
Carrying amount at end of year	**93,291**	**189,454**	**282,745**

	Note	2013	2012
		$	$
12. PAYABLES			
Trade creditors		**144,336**	90,172
Sundry creditors and accrued expenses		**155,470**	148,440
		299,806	238,612
13. PROVISIONS			
CURRENT			
Employee benefits	13(a)	**199,776**	200,221
		199,776	200,221
(a) Aggregate employee benefits		**199,776**	200,221
(b) Number of employees at year end		**15**	15

	Note	2013 $	2012 $
14 (a). CONTRIBUTED EQUITY			
Closing balance contributed equity		**31,968,536**	31,808,049
Balance at beginning of year:			
Opening balance contributed equity		**31,808,049**	31,749,967
Shares issued during the year:			
Issue of shares		**160,487**	58,082
Costs associated with share issues		**-**	-
Balance at the end of year			
Closing balance contributed equity		**31,968,536**	31,808,049
14 (b). SHARE OPTIONS			
Closing balance contributed equity		**329,062**	312,892
Balance at beginning of year:			
Opening balance contributed equity		**312,892**	109,384
Shares issued during the year:			
Issue of options		**78,924**	204,090
Lapsed/Excercised Options		**(62,754)**	(582)
Balance at the end of year			
Closing balance contributed equity		**329,062**	312,892
Ordinary shares at the beginning of reporting period		**765,176,591**	762,301,591
Shares issued during the period		**5,175,000**	2,875,000
Fully paid ordinary shares at reporting date		**770,351,591**	765,176,591
Options on Issue at the beginning of reporting period		**54,205,684**	43,657,940
Options issued during the period		**500,000**	13,600,000
Options converted or lapsed during the period		**(5,679,800)**	(3,052,256)
Options on Issue at reporting date		**49,025,884**	54,205,684

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.

On 26th March 2012 the Company issued 200,000 shares at $0.02 to the holder of options exerciseable at that price.

On 28th March 2012 the Company issued 2,500,000 shares at $0.02 to the holder of options exerciseable at that price.

On 21st June 2012 the Company issued 175,000 shares at $0.02 to the holder of options exerciseable at that price.

Between 25th July 2012 and 27th September 2012 the Company issued 5,175,000 shares at $0.02 to the holders of options exerciseable at that price.

Capital Management

Management controls the capital of the group to ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, options and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

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 cash position and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

	Note	**2013**	2012
		$	$
Total Payables	12	**299,806**	238,614
Less Cash and Cash Equivalents	8	**(2,621,072)**	(4,883,174)
Net Cash Surplus		**(2,321,266)**	(4,644,560)
Total Equity		**2,775,766**	4,772,565
Gearing Ratio		**N/A**	N/A

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

i. Cash Flows from operating activities:

	2013	2012
Net loss	**(2,179,223)**	(2,380,199)
Non-cash items:		
Depreciation and Amortisation	**124,892**	108,371
(Profit) / Loss on disposal of non current assets	**1,810**	-
Share based remuneration	**78,924**	204,090
Changes in assets and liabilities:		
Decrease / (increase) in receivables	**(358,940)**	94,640
Decrease / (increase) in other current assets	**1,036**	(319)
(Decrease) / increase in trade creditors and accruals	**61,193**	21,568
(Decrease) / increase in other current liabilities	**(446)**	23,172
Net cash flows from operations	**(2,270,754)**	(1,928,677)

ii. For the purpose of this statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts, as shown in Note 8.

iii. Credit Facilities. The economic entity has no unused credit facilities with Banks or other financial institutions.

16. SEGMENT REPORTING

The economic entity operates in the life sciences sector. Furthermore, although activities are conducted in a number of countries, the core business functions supporting the activities of the economic entity are located in Australia. The Company has concluded that there is only one segment at this time and the entire fincanical report reflects the operations and activities of the group.

17. RELATED PARTY TRANSACTIONS

Shubrick Investments Pty Ltd

Richard Martin is a Director of Shubrick Investments Pty Ltd. During the year, Shubrick Investments Pty Ltd invoiced the Company for the following services.

a. Director's fees - $45,000 (2012: $48,750). Note these amounts are included in Directors Remuneration in the Director's Report.

b. Fees for Chief Financial Officer services - $120,000 (2012: $89,250).

Share Transactions of Directors - Directors and Director-related entities holding shares directly, indirectly or beneficially as at the reporting date have the equity interests set out in Note 5.

18. CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial report. This lease relates to the current business premises and expires in November 2012.

	Note	2013 $	2012 $
(a) Operating Lease Commitments			
Payable:			
- Not later than one year		**284,929**	97,560
- Later than one year and not later than five years		**1,032,628**	-
		1,317,557	97,560
(b) Capital Expenditure Commitments			
Plant and Equipment Purchases		**-**	83,577
		-	83,577
Payable:			
- Not later than one year		**-**	83,577
		-	83,577
(c) Operating Lease Receivables			
Receivable:			
- Not later than one year		**74,345**	13,264
- Later than one year and not later than five years		**82,005**	-
		156,350	13,264

19. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries.

The main purpose of non-derivative financial instruments is to finance for Group operations. There are no derivatives used by the Group.

i. Treasury Risk Management

The senior management of the Group regularly analyse the financial risk exposure to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The management strategy seeks to assist the economic entity in meeting its financial targets, whilst minimising potential adverse effects on the financial performance.

The senior management operates under policies approved by the Board of Directors, risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

Interest Rate Risk

There is no significant interest expense rate risk as the Group does not have any external debt. Interest income rate risk is managed by placing cash excess to short term needs on deposit with one of top four banks in Australia. For further details on interest rate risk refer to Note 19 (b) (iii).

Foreign Currency Risk

The economic entity is not exposed to significant financial risks from movements in foreign exchange rates as there are no material financial assets and liabilities denominated in foreign currencies. This is inclusive of both on and off statement of financial position financial instruments. The Group does not participate in any type of hedging transaction or derivatives.

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

Trade debtors that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 9.

(b) Financial Instruments

i. Net Fair Values

For all financial assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

ii. Financial Instruments composition and maturity analysis

The tables below reflect the settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

Trade and sundry payables are expected to be paid as follows:

	Note	2013 $	2012 $
Trade and Sundry Payables are expected to be paid as follows:			
- Less than 6 months		**299,806**	238,612
		299,806	238,612

Consolidated Group	Weighted average effective interest rate		Floating interest rate		Fixed interest rate maturing: Within 1 year		Fixed interest rate maturing: 1 to 5 years		Non-interest Bearing		Total	
	2013 **%**	2012 %	**2013** **$**	2012 $	**2013** **$**	2012 $	**2013** **$**	2012 $	**2013** **$**	2012 $	**2013** **$**	2012 $
Financial Assets												
Cash	**3.50%**	4.75%	**2,503,072**	4,765,174	**118,000**	-	**-**	118,000	**-**	-	**2,621,072**	4,883,174
Receivables	**0.00%**	0.00%	**-**	-	**-**	-	**-**	-	**401,654**	42,712	**401,654**	42,712
Total Financial Assets			**2,503,072**	4,765,174	**118,000**	-	**-**	118,000	**401,654**	42,712	**3,022,726**	4,925,886
Financial Liabilities												
Payables	**0.00%**	0.00%	**-**	-	**-**	-	**-**	-	**299,806**	238,612	**299,806**	238,612
Total Financial Liabilities			**-**	-	**-**	-	**-**	-	**299,806**	238,612	**299,806**	238,612

iii. Sensitivity Analysis

Interest Rate Risk

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 June 2013, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Actual	Increase Rate by 2%	Decrease Rate by 2%
Cash held in 2012	4,883,174	4,883,174	4,883,174
Weighted average interest rate	4.75%	6.75%	2.75%
Estimated interest earned	231,951	329,614	134,287
Movement in Profit		97,664	-97,664
Cash held in 2013	2,621,072	2,621,072	2,621,072
Weighted average interest rate	3.50%	5.50%	1.50%
Estimated interest earned	91,738	144,159	39,316
Movement in Profit		52,422	-52,422

20. CONTROLLED ENTITIES AND PARENT ENTITY DISCLOSURES

	Location	2013	2012
Parent entity:			
• Anteo Diagnostics Limited	Aust		
Subsidiaries:			
• Bio-Layer Pty Limited	Aust	**100%**	100%
• Aged Care Diagnostics Pty Limited	Aust	**100%**	100%

	2013	2012
	$	$
Result of the Parent Entity		
Net Loss	**431,658**	461,931
Financial Position of Parent Entity		
Current assets	9,793,296	10,035,476
Non current assets	3,700,001	3,700,001
TOTAL ASSETS	**13,493,297**	13,735,477
CURRENT LIABILITIES		
Current liabilities	76,157	69,103
TOTAL LIABILITIES	**76,157**	69,103
NET ASSETS	**13,417,140**	13,666,374
EQUITY		
Contributed equity	**53,035,819**	52,859,162
Accumulated losses	**(39,618,679)**	(39,192,788)
TOTAL EQUITY	**13,417,140**	13,666,374

22. AFTER BALANCE DATE EVENTS

There are no after balance date events that the Directors believe should be reported to shareholders

The financial report was authorised for issue on the 19th August 2013 by the Board of Directors.

23. COMPANY DETAILS

The registered office and principal place of business of the Company is:

4/26 Brandl Street
Eight Mile Plains QLD 4113

DIRECTORS' DECLARATION

The Directors of Anteo Diagnostics Limited declare that:

1) The financial statements and notes, as set out on pages 26 to 54 are in accordance with the Corporations Act 2001 and:

   a) comply with Accounting Standards, the Corporations Regulations 2001;and

   b) give a true and fair view of the financial position as at 30 June 2013 and of the financial performance for the year ended on that date of the Consolidated Entity,

2) The Chief Executive Officer and the Chief Financial Officer have declared that :

   a) The financial records for the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   b) The financial statements and notes for the financial year comply with the Accounting Standards; and

   c) The financial statements and notes for the financial year give a true and fair view.

3) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable having regard to the disclosures made in Note 1 to the financial statements.

4) Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Board of Directors

Mark Bouris

Mr Mark Bouris
Chairman
Dated this 19th day of August 2013

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Anteo Diagnostics Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Anteo Diagnostics Limited for the year ended 30 June 2013, 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 S Bell
Partner - Audit & Assurance

Brisbane, 19 August 2013

Grant Thornton

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Independent Auditor's Report
To the Members of Anteo Diagnostics Limited

Report on the financial report

We have audited the accompanying financial report of Anteo Diagnostics Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Anteo Diagnostics Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2013. 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.

GrantThornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Anteo Diagnostics Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M S Bell
Partner - Audit & Assurance

Brisbane, 19 August 2013

SHAREHOLDINGS AS AT 19 AUGUST 2013

Distribution of shareholdings:

Holding From	Holding To	No. of Holders	Total Shares Held	%
1	1,000	1,061	472,305	0.06
1,001	5,000	440	1,100,282	0.14
5,001	10,000	228	1,819,597	0.24
10,001	100,000	902	41,791,224	5.43
Holdings larger than	100,000	769	725,167,840	94.14
TOTAL		**3,478**	**770,351,591**	**100.00**

Voting rights:

In accordance with the Company's constitution, the following rights to vote apply to members holding ordinary shares:

(a) On a show of hands every member present in person or by proxy or attorney or representative will have one vote; and

(b) on a poll every member present in person or by proxy, attorney or representative will have one vote for each fully paid share held.

Holdings less than a Marketable Parcel:
As defined by the ASX Listing Rules a marketable parcel is a parcel of securities of not less than $500 in value based on the closing price on SEATS the date before the issue of the notice. At the date of this report, in relation to ordinary shares in the Company, a marketable parcel equates to 7,463 ordinary shares. The number of shareholders holding less than a marketable parcel and the number of shares held by them were as follows:

No. of holders holding less than a marketable parcel	1,657
No. of shares held	2,679,944

Names and details of substantial shareholders
The following is a listing of Substantial Shareholders as at 19 August 2013.

Name of Substantial Shareholder	Shares held	% of Total Shares
First Cape Management Pty Ltd <FCM Unit A/c>	110,401,278	14.3

Top 20 shareholders

The following is a listing of the 20 largest shareholders at 19 August 2013 together with the number of shares held and the percentage of total shares held.

Shareholder	Shares Held	%
First Cape Management Pty Ltd	77,511,398	10.062
Austcorp No 190 Pty Ltd	32,955,566	4.278
Nimrod Finance Limited	19,867,574	2.579
Mr Ian Andrew Noble & Mrs Annette Joy Noble <Noble Family Retire Fund A/C>	17,000,000	2.207
Mrs Elizabeth Anne Sietsma	17,000,000	2.207
Sietsma Holdings Pty Ltd <The Sietsma Super Fund A/C>	11,000,000	1.428
Masali Pty Ltd	10,750,000	1.395
Mr Thomas David Cumming	10,500,000	1.363
Miss Wei Wei Wai	9,328,863	1.211
Hsbc Custody Nominees (Australia) Limited	7,938,448	1.030
Mr Konstantinos Bagiartakis	7,894,755	1.025
Bt Portfolio Services Limited <Jamelys Super Fund A/C>	7,000,000	0.909
Growsmart Super Fund Pty Ltd <Growsmart S/F A/C>	6,800,000	0.883
Thrillhouse & Thrillhouse Pty Ltd <Charles Logan Invest A/C>	6,337,249	0.823
Mr Nobuyoshi Joe Maeji	6,315,781	0.820
JP Morgan Nominees Australia Limited <Cash Income A/C>	5,768,038	0.749
Mr Adrian Quilter-Harvey & Ms Vanessa Krivograd <Harvey Family S/F A/C>	5,360,000	0.696
Act2 Pty. Limited	5,000,000	0.649
Koranya Pty Ltd <Koranya P/L Super Fund A/C>	4,839,400	0.628
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	4,746,436	0.616
Total Top 20 Shareholders	**273,913,508**	**35.557**

On-market buy-back There is currently no proposal to undertake an on-market buy-back of the Company's securities.

Company Secretary: Mr Shane Hartwig

Company Registered Office: 4/26 Brandl Street,
Eight Mile Plains QLD 4113
(07) 3219 0085

Share Registry: Boardroom Pty Limited
Level 2, 28 Margaret Street
Sydney.NSW 2000
1300 737 760

Stock Exchange Listing: The Company's securities are quoted on the official list of the ASX.
The ASX listing code for the Company's securities is:
Ordinary shares - ADO

Unquoted Securities:

(a) *Employee Option Plan*

The Employee Option Plan last approved by shareholders on 24th October 2011, provides that employees may be issued options to acquire shares in the Company. These options are not quoted on the Australian Stock Exchange. As at 19 August 2013 the total number of Options issued under the Employee Option Plan was 13,700,000 held by nineteen holders.

(b) *Other Unlisted Options*

The following unlisted options to acquire ordinary shares are on issue as at 19h August 2013:

Options issued to the vendors of Bio-Layer	7,128,555
Options issued to Directors	24,000,000
Total other unlisted options to acquire ordinary shares	**31,128,555**

The 7,128,555 vendor options are held by 17 holders. The following entities hold more than 20% of these unlisted options:

Joe Maeji	3,660,142
First Cape Management Pty. Limited	1,543,951
Jason Armstrong	1,543,951

(c) *Unquoted shares*

There were nil unquoted fully paid ordinary shares as at 19th August 2013.