Anteo Diagnostics Limited

ABN: 75 070 028 625

Consolidated Entity

Financial Statements
for the year ending
30 June 2014

ANTEO DIAGNOSTICS LIMITED – CONSOLIDATED ENTITY
ABN 75 070 028 625

ANNUAL REPORT
30 JUNE 2014

CORPORATE DIRECTORY

Directors	Mr Mark Bouris	Non-Executive Chairman
	Dr Geoffrey Cumming	CEO, Executive Director
	Mr Richard Martin	CFO, Executive Director
	Mrs Sandra (Sam) Andersen	Non-Executive Director
	Dr John Hurrell	Non-Executive Director
Company Secretary	Mr Shane Hartwig	
Registered Office	4/26 Brandl Street, Eight Mile Plains QLD 4113	
Mailing Address	4/26 Brandl Street, Eight Mile Plains QLD 4113	
E-mail	contact@anteodx.com	
Website	www.anteodx.com	
Legal Advisors	ClarkeKann Lawyers 300 Queen Street, Brisbane QLD 4000	
Auditors	Grant Thornton 145 Ann Street, Brisbane QLD 4000	
Patent Attorneys	Freehills Patent Attorneys 101 Collins Street, Melbourne Victoria 3000	
Share Registry	Boardroom Pty Limited Level 7, 207 Kent Street, Sydney NSW 2000	
Insurance advisors	IC Frith & Associates Level 1, 175 Melbourne Street, South Brisbane QLD 4101 Yellow Brick Road Wealth Management Pty Limited 1 Chifley Square, SYDNEY, 2001	
Bankers	Australia and New Zealand Banking Group Limited 3 Sherwood Road, Toowong QLD 4066	

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to report on the progress of Anteo Diagnostics through 2014. It has been a positive year in which we have made significant progress with our existing commercial partnerships. Through the process we have identified additional opportunities for the application of Mix&Go™ with key global healthcare companies.

The company has performed well in the 2014 financial year and there have been frequent and constructive interactions with management and technical teams at the global healthcare companies with whom we are partnering. We are working closely and collaboratively with them to refine techniques and applications for our technology within their portfolio products with a view to optimising outcomes. Despite a few delays, the feedback has been overwhelmingly positive and has strengthened the company's position to establish longer term partnerships with a number of these key companies. Anteo has achieved commercial traction and a reputation for entrepreneurial and dynamic problem-solving.

On the home-front, we have expanded our expert team and both the head office and satellite offices are operating efficiently. We are well primed to successfully manage a year of accelerated growth in 2015.

The details of the scientific developments and commercial events are set out in Operating and Financial Review.

When I wrote to you last year there were three Mix&Go formulations. Today there are more than 50. Each proven formulation has a targeted application that has been developed to respond directly to existing and foreseen customer needs. Many are already in use in the commercial environment. This enables us to provide better than expected outcomes for customers.

The benefit of continuing to realise the broad capabilities of Mix&Go is that we can demonstrate clearly to the marketplace that Mix&Go is more than a range of products – it is a technology platform. Mix&Go delivers *the surface you want on the surface you have*.

As our scientific team tests and proves additional formulations and applications, we move closer to commercial realization of our previously stated aims: to assist earlier detection of disease and to contribute to the rapid development of novel clinical tests.

This progress is certainly encouraging from a commercial viewpoint It is increasingly gratifying as it becomes obvious that there is growing awareness of our products and technology and the unique benefits delivered across a variety of applications in industry circles.

Anteo's core business remains healthcare markets, including in vitro diagnostics (IVD), life science research (LSR) and point of care (POC) diagnostics. However, because our patented technology is unique and versatile we see numerous opportunities beyond the healthcare markets. Our researchers are paving the way for us to move into other sectors in the future.

The profile of Anteo has been raised through a considered marketing plan and well-received presence at a number of international conferences and trade fairs. The company has applied for two new patents that continue to build the value of the technology platform, extend the life of the technology and give greater confidence to our customers. The company now holds a total of eight patent families, including four families related to Mix&Go technology. More are expected in the future.

I would like to take this opportunity to comment on the company's considerable advances in 2014. Anteo has matured as a company. This is clearly demonstrated by our world-class research and development capacity. Our capabilities beyond the laboratory, in the manufacturing environment and commercial world, now match the company's exemplary technical credentials. Anteo has been incorporated in the ASX All Ordinaries Index.

Anteo is one of a small number of Australian companies supported by a government grant from Commercialisation Australia this year. Our grant is one of the largest offered and was awarded following a highly selective process.

Anteo continues to be well funded to meet our objectives.

I would like to thank Dr Geoff Cumming and our very dedicated team for their efforts in the past year. The Board has full confidence in the direction the leadership team is taking.

I would also like to thank our shareholders for their continued support in 2014. Anteo is in a strong position and the Board has every confidence that 2015 will deliver pleasing growth.

Mark Bouris

Mr Mark Bouris
Non-Executive Chairman
25th August 2014

OPERATING AND FINANCIAL REVIEW

Anteo Diagnostics Ltd. is an Australian biotechnology company that delivers cutting-edge solutions based on supramolecular chemistry. Anteo uses its patented technology to develop, manufacture and commercialise proprietary surface coatings for use in healthcare, life sciences and beyond. Its core technology, Mix&Go has an ever increasing range of products.

REVIEW OF BUSINESS OPERATIONS

In Financial Year 2013-2014 Anteo has successfully continued on a commercialisation agenda, built brand awareness, diversified our technology, and recorded good results and data through a variety of established partnerships. Each of these operational areas will escalate in the 2015 year. Because Anteo has strengthened its 'foundations', we are now even better equipped to maximize future growth in new and exciting ways. This has been achieved by following a strategic development plan.

Commercialisation: Following the $5.5 million capital raising in December we have expanded our expert team in Australia and overseas and greatly expanded the range of Mix&Go formulations at our disposal. These strategic steps mean we are in a stronger position to meet the requirements and challenges we will face as we focus on further commercialisation of the Mix&Go technology and accelerating our growth.

In 2014 we announced a number of promising partnerships with key global healthcare companies. In November we announced a partnership with BBI Solutions with the objective of ensuring that Mix&Go become a standard component of BBI's product portfolio. As forecast in the Heads of Terms (HoT) the collaboration has now embarked on its third phase. Both parties remain confident that this will lead to a commercial agreement on successful completion of the project. We're now working collaboratively to extend our commercial viability and relevance. We are achieving superior outcomes from existing technology and developing additional improvements that may be implemented with minimal change in time, based on the Mix&Go technology platform, we may well replace standard technology with better solutions.

While there has been considerable interest in the marketplace regarding the 'promise' of our technology platform for a number of years, the developments over the course of this year mark a significant step forward for the commercial acceptance of Mix&Go. The development of products by our scientific team enables a more intimate level of interaction with potential customers by 'demystifying' the technology and translating it directly into an adaptable product offering. This means we can proactively demonstrate the technology and we can work closely with existing and new partners to identify the Mix&Go formulation and protocols that will enable them to harness the significant efficiencies, savings and advantages associated with Mix&Go.

Companies that have followed Anteo's progress passively are engaging more and expressing greater interest. The context hasn't necessarily changed but the market perspective has. We are receiving increasing numbers of requests from third parties wanting to utilise our products in their laboratories.

> *"For protein coupling, we have great results with Mix&Go Biosensor reagents on label free detection techniques. This could be a breakthrough in biosensor methods. Mix&Go allows one-step simple immobilization of protein on chips and for antibodies even in a right orientation."*
>
> April 2014 European based customer

The scope for Anteo's engagement with global healthcare companies continues to improve. The Feasibility Agreement Anteo entered into with a global healthcare company just prior to the start of the 2014 financial year (previously referred to as PoC 1) is tracking well. There have been welcome developments as a result of this work and we have agreed to develop this work further in the immediate term in order to fully explore the potential. There is now a dedicated core team working on this important partnership at Anteo's headquarters as part of this ongoing and fruitful collaboration.

This team, in conjunction with international counterparts, is looking at the ways that our Mix&Go technology can assist in multiple steps. Because of this development we are likely to extract greater benefits in the short and long term. We anticipate that this collaboration will deliver a product that is best in class internationally.

Operations: In FY 14 we appointed five senior scientists. Since the last report we have expanded the business development capability and most recently appointed a USA based VP Scientific Affairs, Mr Josh Soldo. The range of activities completed successfully, and outlined in this report, has resulted in greater organisational control. Anteo is well positioned to accelerate its recent growth and expand the applications of Mix&Go within healthcare, from diagnostics to separations and conceivably to in vivo applications such as drug delivery, and into industrial uses.

Brand Development and Market Outreach: By providing the market with ready-to-use research tools we will not only generate sales revenue, but more importantly we will actively engage research and development teams that will gain a hands-on understanding of the unique capabilities of Mix&Go. This approach also allows us to build many of our 'trade secrets' into the products thereby capturing greater value from our expertise as well as our proprietary technology. Combined with other efforts, this step will be instrumental in broadening the market awareness, knowledge and excitement about our technology.

Product Development in the Labs: Mix&Go products demonstrate the utility of our technology, the cost advantages, the performance advantages and the manufacturing advantages. The library of more than 50 Mix&Go formulations developed this year delivers greater opportunities to reach into industrial and in vivo areas. We have developed a suite of products to exemplify the benefits we are claiming, and as a result, we can more readily demonstrate these benefits in real terms to our customers.

An example of this is the recent AACC conference in Chicago, USA where we officially launched the AMG Coupling kit. The kit is a product that contains both our proprietary technology and a significant amount of our 'know-how'. By combining all aspects of our intellectual property into a product, Anteo can create high value products that should increase the success rates for third parties testing Mix&Go for the first time, without a significant drain on our internal resources. Our initial experience confirms this. The barrier to initial feasibility testing has been lowered.

Patents: The value of the Mix&Go technology has been highlighted and further safeguarded by the filing of two patents with others planned. Anteo's growing portfolio of patents in effect 'legitimise' the claims made regarding the extensive applicability of Mix&Go in its various incarnations.

The provisional application, *'Conjugating Molecules to Particles'* has been reduced to practice to our satisfaction and has recently gone to PCT. Rather than doing the same with *'Coating of Particles'* application, the company decided to file a different application, 'Heterofunctional Binding Systems' with other applications planned in the future. This approach strengthens and builds on our existing patent portfolio more effectively and broadens the field of use to new areas, such as the commercially valuable market sectors of bioseparations and cleantech.

The PCT announcement relating to 'Conjugating Molecules to Particles' is significant. The ability to put more than one protein onto a particle is very laborious using normal covalent chemistry. In a nutshell we have confirmed through the process of exemplifying this patent application that, using Mix&Go, we can link multiple proteins to create new multifunctional constructs. When this is attempted using traditional methods it is far more time consuming and often not successful. With Mix&Go we can have a protocol in a matter of weeks with the added benefit of limitless reproducibly and an ability to quantitatively determine the relative proportions of each protein. Beyond the lab, the commercial significance of this extends, for example, to enhanced methods of drug delivery, in vivo imaging and a range of novel magnetic-fluorescent nanocomposites for diverse biomedical uses.

As mentioned, more patentable material will emerge as we develop new formulations for broader applications based on our core Mix&Go technology. We aim to grow our patent portfolio and continue developing novel formulations able to address different surface situations.

> *"Protecting the Mix&Go technology and its potential uses remains an ongoing priority for Anteo and the developments announced recently are pleasing. We look forward to ensuring that we secure as strong a position as is possible in these key strategically important areas of great commercial need and, if required, defending our position vigorously. We look forward to updating shareholders on the outcome."*
> Dr Geoff Cumming, CEO

Mix&Go's UNIQUE CAPABILITIES

The surface you want on the surface you have powered by Mix&Go

Attaching fragile proteins to synthetic surfaces is often required in modern drug discovery research, life science research and development, 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 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 sacrifice performance in their tests.

Mix&Go solves these problems and like a double-sided molecular velcro firmly yet flexibly binds biological molecules to synthetic surfaces.

WHAT DISTINGUISHES Mix&Go?

Mix&Go is easy to use and provides incomparable stability.
It is reproducible, more sensitive and does not damage delicate biomolecules. This sets it apart.

Mix&Go provides previously unheard of control and efficiencies across the board. The elements which clearly distinguish it from other approaches are:

- Simplicity and versatility
- Mix&Go functions in a benign neutral environment, that is, water. Organic solvents/reagents, high vacuum or high energy techniques are not required, but they are vital in traditional methods.
- Mix&Go provides the ability to control reaction speed and manipulate surfaces of all sorts of materials using different Mix&Go variations.

The efficacy and scope for the applications of Mix&Go is established and assured.

Mix&Go is an excellent tool for controlling and managing interactions between differing or similar objects on a level and in a way that is efficient, stable and far superior to existing widely-used methods.

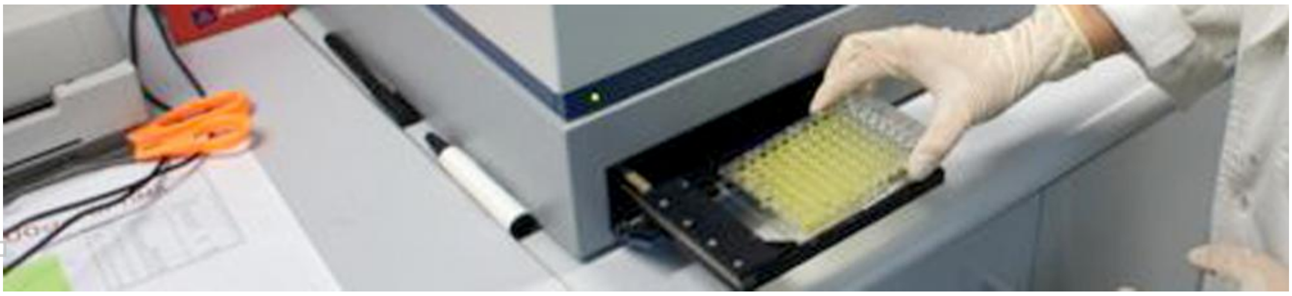
Mix&Go has a broad range of applications both in Life Sciences and other areas. In everyday healthcare applications this means that previously complex tests, involving laboratories and logistics, can be performed with conclusive results achieved in an instant in the GP's rooms, or at home.

The potential applications for this unique technology go well beyond the scope of Anteo's current focus: life sciences and diagnostics. The company has a clear, measured plan to explore and realise these opportunities as the business grows.

REVIEW OF FINANCES

The Company had a cash balance of $7.07 M at the end of the reporting period. In December 2013 the Company undertook a placement and raised $5.5M. Through the year the Company received $1.20 M from the Commonwealth R&D Tax Incentive Scheme. The Company will, again, lodge an application under this scheme for the period to 30 June 2014 and would expect to receive payment by January 2015.

The Company received $0.84M from Commercialisation Australia Early Stage Commercialisation Grant of $1.7M and expects to receive an additional $0.64M grant monies in the year ending 30th June, 2015. The Company forecasts current cash reserves will last through 2016 without any further contracts being executed.



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
23	8	4	8	2	1

Gender Diversity	Male	Female
Total Staff	12	11
Senior Executives/Directors	5	2
Non-Executives Directors	2	1

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

Education Diversity

Total	PhD	Masters	Bachelor	Other Qualifications
18	7	1	15	

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	4 Audit & Risk Committee meetings were held during the financial year
4.2	Audit committee should comprise:	Yes	Mrs Sandra Andersen - Independent - Attended all 4 meetings
	Only Non-Executive Directors	No	Mr Richard Martin - Executive Director

Rec.No	Description	Conform	Comments
			- Attended all 4 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 3 of 3 meetings Mr Richard Martin - Executive - Attended 3 of 3 meetings

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 2014.

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

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><td>Mr Mark Bouris BCom(UNSW), MCom(UNSW), Hon DBus(UNSW), Hon DLitt(UWS), F.S.A.</td><td>Chairman</td></tr>
<tr><td colspan="2">In addition to his chairmanship with Anteo, Mark Bouris is the Executive Chairman of Yellow Brick Road Wealth Management and the Executive Chairman of global technology company TZ Limited. 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><td>Dr Geoffrey Cumming   B.App.Sc, B.Sc.(Hons.), MBA, PhD, MAICD</td><td>Chief Executive Officer - Executive Director</td></tr>
<tr><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: 14,000,000 ordinary fully paid
Interest in options: 6,000,000 (exercise price of 12 cents, expiry date of 31/10/2017; None of these options are vested and the remainder vest on an annual basis in the following ratio 25%, 25% and 50%.</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). All of these options are vested.	
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 director of Beyond Bank Australia (Community CPS Limited), Victrack, Melbourne Exhibition and Convention Trust, Australian Hearing Services and formerly 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 Vice President at PTS Diagnostic Inc. where he is responsible for the International Business Development and Sales. Previous roles included:Senior Executive Vice President at Seegene, Inc. where he was responsible for the International Business Division, 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 Interest in Options: 3,000,000 (exercise price of 12 cents, expiry date of 31/10/2017, all are vested)	

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 Rutila Resources Ltd; 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 $2,492,150 compared with a loss for the 2013 year of $2,179,223.

As at 30 June 2014, the Company maintained cash reserves of $7,070,722 (2013: $2,621,072) 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 at the date of this report is 9.5%, and do not receive any other retirement benefits.

Details of Directors' Remuneration for the Year Ended 30 June 2014

Parent Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
M Bouris	1	-	-	80,000	-	80,000
R Martin	2	50,000	-	-	-	50,000
G Cumming	3	414,960	80,000	45,784	9,300	550,044
S Andersen	4	54,920	-	5,080	-	60,000
J Hurrell	5	49,992	-	-	17,700	67,692
Total		**569,872**	**80,000**	**130,864**	**27,000**	**807,736**

Emoluments of the key management personnel of the group for the Year Ended 30 June 2014

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
J Maeji	6	185,073	-	50,088	3,720	238,881
Total		**185,073**	**-**	**50,088**	**3,720**	**238,881**

A detailed list of Directors including their skills and experience can be found on pages 17 and 18.

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 a Director for the full year
(6) Dr Maeji was the Chief Scientific Officer for the full year.

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**

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.

Performance Remuneration as a Proportion of Total Remuneration

A bonus of $80,000 was paid to Dr Cumming upon closure of the placement. Dr Cumming was eligible for a further bonus of up to 40% of salary if third party revenue, excluding grants, had exceeded $3,000,000. This was not achieved.

Options Issued or Vested as Part of Remuneration for the Year Ended 30 June 2014

11,400,000 options were issued to key personnel. 10,325,000 options held by Directors or key personnel vested during the year, because an increase in share price criteria was met. 3,000,000 options were issued in accordance with shareholder resolution with no vesting conditions. 8,400,000 options issued have not vested and will vest over the next 3 years in the proportion 25%, 25% and 50% in the final year.

Options Outstanding as at 30 June 2014

	Options Granted No.	Options Vested No.	Grant Date	Due Vesting Date	Value per Option $	Exercise Price $	Expiry Date
G Cumming	6,000,000	0	31/10/2013	31/10/2014	$0.0062	$0.1200	31/10/2017
R Martin	1,400,000	1,400,000	30/11/2010	Vested	$0.0062	$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
J Hurrell	3,000,000	3,000,000	31/10/2013	Vested	$0.0062	$0.1200	31/10/2017
J Maeji	6,250,000	6,250,000	8/11/2010	Vested	$0.0028	$0.0700	8/11/2014
	2,400,000	0	31/10/2013	31/10/2014	$0.0062	$0.1200	31/10/2017
Total	28,650,000	20,250,000					

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 6 months and 3 months respectively. 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, 7 meetings of Directors, 4 meetings of the Audit & Risk Committee and 3 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	7	5			3	3
R Martin	7	7	4	4	3	3
G Cumming	7	7	4	4		
S Andersen	7	7	4	4		
J Hurrell	7	7				

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. 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 October 2014	$0.156	71,987
30 September 2005	20 January 2015	$0.156	105,865
30 September 2005	20 February 2015	$0.156	58,166
8 November 2010	8 November 2014	$0.070	12,225,000
30 November 2010	8 November 2014	$0.070	1,400,000
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
15 August 2013	15 August 2017	$0.120	8,150,000
18 September 2013	18 September 2017	$0.120	2,400,000
31 October 2013	31 October 2017	$0.120	9,000,000
24 February 2014	24 February 2018	$0.250	1,000,000
16 April 2014	16 April 2018	$0.265	1,200,000
			49,211,018

All options are on Issue to Employees, Directors, consultants or investors. 20,000,000 options were on issue to Directors and 29,211,018 options to executives, employees, consultants and investors. The weighted average share price during the year was $0.1584.

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.

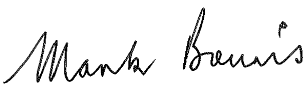
NON-AUDIT SERVICES

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 2014.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2014 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.



Mr Mark Bouris
Chairman
Dated this 25h day of August 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Sales revenue	2	**309,759**	219,567
Cost of sales		**-**	-
Gross profit		**309,759**	219,567
Other revenue	2	**2,326,089**	1,623,147
Other revenue – gain on disposal of subsidiary undertaking		**-**	-
Selling and distribution expenses		**(1,426,041)**	(963,433)
Occupancy expenses		**(41,556)**	(31,377)
Administrative expenses		**(814,695)**	(557,484)
Borrowing costs		**(55)**	(95)
Research and development expenses		**(2,845,651)**	(2,469,548)
Impairment of financial assets		**-**	-
Impairment of goodwill		**-**	-
Other expenses		**-**	-
Loss before income tax	3	**(2,492,150)**	(2,179,223)
Income tax benefit	4	**-**	-
Loss after income tax	15	**(2,492,150)**	(2,179,223)
Other Comprehensive Income		**-**	-
Total comprehensive income		**(2,492,150)**	(2,179,223)
Total changes in equity other than those resulting from transactions with owners as owners		**(2,492,150)**	(2,179,223)
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.

ANTEO DIAGNOSTICS LIMITED
ABN 75 070 028 625

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 $	2013 $
CURRENT ASSETS			
Cash assets	8	**7,070,722**	2,621,072
Receivables	9	**233,500**	401,654
Other	10	**10,182**	1,731
TOTAL CURRENT ASSETS		**7,314,404**	3,024,457
NON-CURRENT ASSETS			
Property, plant and equipment	11	**352,532**	250,891
Intangible assets		**-**	-
Other financial assets		**-**	-
TOTAL NON-CURRENT ASSETS		**352,532**	250,891
TOTAL ASSETS		**7,666,936**	3,275,348
CURRENT LIABILITIES			
Payables	12	**280,310**	299,806
Provisions	13	**202,658**	139,457
TOTAL CURRENT LIABILITIES		**482,968**	439,263
NON-CURRENT LIABILITIES			
Provisions	13	**82,633**	60,319
TOTAL NON-CURRENT LIABILITIES		**82,633**	60,319
TOTAL LIABILITIES		**565,601**	499,582
NET ASSETS		**7,101,335**	2,775,766
EQUITY			
Contributed equity	14	**38,657,954**	31,968,536
Share Option Reserve	14	**455,739**	329,062
Accumulated losses		**(32,012,358)**	(29,521,832)
TOTAL EQUITY		**7,101,335**	2,775,766

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Ordinary Shares	Options	Accumulated Losses	Total
	$	$	$	$
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**
Balance at 30 June 2013	**31,968,536**	**329,062**	**(29,521,832)**	**2,775,766**
Issued during the year	6,979,213	-	-	**6,979,213**
Capital raising costs	(346,720)	-	-	**(346,720)**
Options expense for the period	-	185,226	-	**185,226**
Reversal of lapsed share options	-	(1,624)	1,624	**-**
Conversion of employee options into shares	56,925	(56,925)	-	**-**
Profit (Loss) after Income Tax	-	-	(2,492,150)	**(2,492,150)**
Balance at 30 June 2014	**38,657,954**	**455,739**	**(32,012,358)**	**7,101,335**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 $	2013 $
Cash Flows from Operating Activities:			
Receipts from customers		**483,402**	288,136
Receipts from government grants and rebates		**2,354,159**	1,164,415
Payments to suppliers and employees		**(4,983,496)**	(3,896,695)
Borrowing costs		**(55)**	(95)
Interest received		**169,324**	173,485
Net cash used in operating activities	15 (i)	**(1,976,666)**	(2,270,754)
Cash Flows From Investing Activities:			
Payment for property, plant and equipment		**(206,177)**	(94,848)
Net cash provided by investing activities		**(206,177)**	(94,848)
Cash Flows From Financing Activities:			
Proceeds from share issues		**6,979,213**	103,500
Capital raising costs		**(346,720)**	-
Net cash provided by (used in) financing activities		**6,632,493**	103,500
Net increase (decrease) in cash held		**4,449,650**	(2,262,102)
Cash at start of year		**2,621,072**	4,883,174
Cash at end of year	8, 15 (ii)	**7,070,722**	2,621,072

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 2014. 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 2014 the Company had $7,070,722 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 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

<u>Current tax</u>

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).

<u>Deferred tax</u>

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.

<u>Current and deferred tax for the period</u>

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

<u>Patents, trademarks and licenses</u>

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

<u>Research and development costs</u>

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 10 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

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2013. Information on these new standards is presented below.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 *Consolidated and Separate Financial Statements* (AASB 127) and AASB Interpretation 112 *Consolidation - Special Purpose Entities*. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 *Interests in Joint Ventures* (AAS 131) and AASB Interpretation 113 *Jointly Controlled Entities- Non-Monetary-Contributions by Venturers*. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

The Group does not have any joint arrangements.

AASB 12 Disclosure of Interests in Other Entities

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 and AASB 128 Investments in Associates and Joint Ventures

AASB 127 now only addresses separate financial statements. The parent entity does not prepare separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

Accounting Standards issued but not yet effective and not been adopted early by the Group	**Impact on Group**
AASB 9 *Financial Instruments* (December 2010) [Also refer to AASB 2013-9 and AASB 2014-1 below]	*The entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and the IASB is yet to finalise the remaining phases of its project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 in Australia).*
AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*	*When AASB 2012-3 is first adopted for the year ending 30 June 2015, there will be no impact on the entity as this standard merely clarifies existing requirements in AASB 132.*
AASB 2013-3 *Recoverable Amount Disclosures for Non-Financial Assets*	*When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarification of existing requirements.*
AASB 1031 *Materiality* (December 2013)	*When the revised AASB 1031 is first adopted for the year ending 30 June 2015, it is unlikely to have any significant impact on the entity.*
AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* (Part B: Materiality	*When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the entity.*
AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* (Part C: Financial Instruments)	*The entity has not yet assessed the full impact of these amendments.*
AASB 2014-1 *Amendments to Australian Accounting Standards* (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	*When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.*
AASB 2014-1 *Amendments to Australian Accounting Standards* (Part C: Materiality)	*When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.*
AASB 2014-1 *Amendments to Australian Accounting Standards* (Part D: Consequential Amendments arising from AASB 14)	*When these amendments become effective for the first time for the year ending 30 June 2017, they will not have any impact on the entity.*
AASB 2014-1 *Amendments to Australian Accounting Standards* (Part E: Financial Instruments)	*The entity has not yet assessed the full impact of these amendments.*
IFRS 15 *Revenue from Contracts with Customers Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to IAS 16 and IAS 38)	*The entity has not yet assessed the full impact of this Standard.*
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.*

(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	2014	2013
		$	$
2. REVENUE			
Revenues from operating activities:			
Sale of goods and services		**309,759**	219,567
Other Revenue			
R&D Tax Concession		**1,203,659**	1,164,415
Grants		**836,200**	210,491
Rent & Other		**113,137**	80,236
Sale of non current assets		**-**	-
Interest - other corporations		**173,093**	168,005
Other		**-**	-
		2,326,089	1,623,147
Revenues from other non-operating activities:			
Gain on disposal of subsidiary undertaking		**-**	-
		-	-
Total Revenue		**2,635,848**	1,842,714

	Note	2014 $	2013 $
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		**14,635**	11,447
Total amortisation of non-current assets		**14,635**	11,447
Depreciation of non-current assets:			
Plant and equipment		**78,520**	100,216
Furniture, office equipment and software		**11,381**	13,229
Total depreciation of non-current assets		**89,901**	113,445
Borrowing costs:			
Interest, other persons		**55**	95
		55	95
Movements in provisions:			
Doubtful debts		**-**	-
Employee benefits		**85,515**	(446)
		85,515	(446)
Staff Remuneration			
Salaries		**1,904,189**	1,457,701
Superannuation		**251,657**	206,197
Share Based Payments		**185,225**	35,674
Impairment of financial assets		**-**	-
Impairment of goodwill		**-**	-
Write down of plant and equipment to recoverable amount		**-**	-
Write down of inventory to recoverable amount		**-**	-
		2,341,071	1,699,572
Operating lease rentals		**336,421**	317,821

	Note	2014 $	2013 $
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		**(747,645)**	(653,501)
Add/(deduct) tax effect of :			
- interest on converting note		**-**	-
- other deductible items		**(27,837)**	(7,034)
- write downs to recoverable amounts		**-**	-
- impairment of financial assets		**-**	-
- impairment of goodwill		**-**	-
- gain on sale for accounting purposes		**-**	-
- options expensed for accounting purposes		**55,568**	23,677
- R&D tax incentive		**363,521**	453,092
Timing differences not brought to account to the extent of income tax losses		**356,393**	183,765
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		**9,776,555**	9,431,962
Gross Income Tax Losses		**32,588,515**	31,439,875

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 2014

Parent Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
M Bouris	1	-	-	80,000	-	80,000
R Martin	2	50,000	-	-	-	50,000
G Cumming	3	414,960	80,000	45,784	9,300	550,044
S Andersen	4	54,920	-	5,080	-	60,000
J Hurrell	5	49,992	-	-	17,700	67,692
Total		**569,872**	**80,000**	**130,864**	**27,000**	**807,736**

Emoluments of the key management personnel of the group for the Year Ended 30 June 2014

Economic Entity	Note	Base Fee / Salary	Bonus	Post Employment Super-annuation	Share Based Options	Total
		$	$	$	$	$
J Maeji	6	185,073	-	50,088	3,720	238,881
Total		**185,073**	**-**	**50,088**	**3,720**	**238,881**

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 a Director for the full year.
(6) Dr Maeji was the Chief Scientific Officer for the full year.

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**

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.

(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 – 40%
ii) Share price $0.057
iii) Exercise Price $0.12
iv) Risk Free Rate 3%
v) The option life 4 years.
vi) Employee exit rate 3%.

(d) Shares issued on exercise of remuneration options

14,600,000 shares were issued on the exercise of remuneration options during the year ended 30 June 2014 (2013: 5,175,000).

(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 2014.

	Balance 1 Jul 13	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Net Change	Balance 30 Jun 14	Total Vested 30 Jun 14	Total Exercisable 30 Jun 14
Parent Entity Directors								
M Bouris	5,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000
G Cumming	13,000,000	6,000,000	-	(13,000,000)	(7,000,000)	6,000,000	-	-
R Martin	3,000,000	-	-	-	-	3,000,000	3,000,000	3,000,000
S Andersen	3,000,000	-	-	-	-	3,000,000	3,000,000	3,000,000
J Hurrell	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	3,000,000
	24,000,000	9,000,000	-	(13,000,000)	(4,000,000)	**20,000,000**	**14,000,000**	**14,000,000**

Number of options held by or at the nomination of key management personnel (who held office during the year) as at 30th June 2014:

	Balance 1 Jul 13	Granted as Remuneration	Options Lapsed	Options Sold or Exercised	Net Change	Balance 30 Jun 14	Total Vested 30 Jun 14	Total Exercisable 30 Jun 14	Total Unexercisable 30 Jun 14
Specified Executives									
J Maeji	9,852,552	2,400,000	3,602,552	-	(1,202,552)	8,650,000	6,250,000	6,250,000	2,400,000
S Hartwig	750,000	-		750,000	(750,000)	-	-	-	-
	10,602,552	2,400,000	3,602,552	**750,000**	**(1,952,552)**	**8,650,000**	**6,250,000**	**6,250,000**	**2,400,000**

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**

(f) Shareholdings

Number of shares held by or at the nomination of Directors and key management personnel as at 30th June 2014:

	Balance 1 Jul 13	Received as Remuneration	Rights Issue Alloted	Purchased Non-Remuneration	Sold	Options Exercised	Net Change	Balance 30 Jun 14
Parent Entity Directors								
M Bouris	-				-	-	-	-
R Martin	-	-	-	-	-	-	-	-
G Cumming	8,500,000	-	-	-	(4,000,000)	13,000,000	9,000,000	17,500,000
S Andersen	-	-	-	-	-	-	-	-
J Hurrell	-	-	-	-	-	-	-	-
	8,500,000	-	-	-	(4,000,000)	13,000,000	9,000,000	**17,500,000**

(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 remuneration is inclusive of a superannuation guarantee contribution required by the Government, which was 9.25% for the year and is currently 9.5%, and they do not receive any other retirement benefits.

	Note	2014	2013
		$	$

6. AUDITORS' REMUNERATION

Remuneration of the auditors of the company for:			
- Auditing or reviewing financial report		**50,503**	51,820
		50,503	51,820

7. EARNINGS PER SHARE (EPS)

Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS		798,168,546	769,253,509
Weighted number of dilutive options outstanding		57,852,075	50,357,090
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS		856,020,622	819,610,599

8. CASH ASSETS

Cash on hand		**764**	446
Cash at bank		**6,951,958**	2,416,600
Deposits at call		**118,000**	204,026
		7,070,722	2,621,072

9. RECEIVABLES

CURRENT			
Trade debtors		**113,352**	144,100
Provision for impairment of receivables		**-**	-
		113,352	144,100
Receivable from controlled entities		**-**	-
Less Provision for Impairment		**-**	-
Other debtors		**120,148**	257,554
		233,500	401,654

2014	Net Amount	Past Due but not impaired (days overdue) < 30	31-60	61-90	> 90	Within initial trade	Impairment Provision
Trade Debtors	113,352	-	-	-	-	113,352	-
Other debtors	120,148	-	-	-	-	120,148	-
Total	**233,500**	**-**	**-**	**-**	**-**	**233,500**	**-**
2013							
Trade Debtors	144,100	-	-	-	-	144,100	-
Other debtors	257,554	-	-	-	-	257,554	-
Total	**401,654**	**-**	**-**	**-**	**-**	**401,654**	**-**

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 2014 nor 2013.

	Note	2014 $	2013 $
10. OTHER ASSETS			
CURRENT			
Prepayments		**10,182**	1,731
Deposits		**-**	-
		10,182	1,731
11. PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment, at cost		**1,432,897**	1,279,188
Accumulated depreciation		**(1,177,427)**	(1,098,906)
		255,470	180,282
Furniture and fittings, office equipment, at cost		**502,777**	450,308
Accumulated depreciation		**(405,715)**	(379,699)
		97,062	70,609
Total Property, Plant and Equipment		**352,532**	250,891

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:

2014	Furniture, Office Equipment	Plant and Equipment	Total
	$	$	$
Carrying amount at start of year	70,609	180,282	250,891
Additions	52,469	153,708	206,177
Depreciation / amortisation	(26,016)	(78,520)	(104,536)
Carrying amount at end of year	**97,062**	**255,470**	**352,532**

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
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**

	Note	2014	2013
		$	$
12. PAYABLES			
Trade creditors		**164,790**	144,336
Sundry creditors and accrued expenses		**115,520**	155,470
		280,310	299,806
13. PROVISIONS			
CURRENT			
Employee benefits	13(a)	**202,658**	139,457
		202,658	139,457
NON-CURRENT			
Employee benefits	13(a)	**82,633**	60,319
		82,633	60,319
(a) Aggregate employee benefits		**285,291**	199,776
(b) Number of employees at year end		**21**	15

14 (a). CONTRIBUTED EQUITY

Closing balance contributed equity	**38,657,954**	31,968,536
Balance at beginning of year:		
Opening balance contributed equity	**31,968,536**	31,808,049
Shares issued during the year:		
Issue of shares	**7,036,138**	160,487
Costs associated with share issues	**(346,720)**	-
Balance at the end of year		
Closing balance contributed equity	**38,657,954**	31,968,536

14 (b). SHARE OPTIONS

Closing balance contributed equity	**455,739**	329,062
Balance at beginning of year:		
Opening balance contributed equity	**329,062**	312,892
Shares issued during the year:		
Issue of options	**185,226**	78,924
Lapsed Options	**(1,624)**	(5,767)
Excercised Options	**(56,925)**	(56,987)
Balance at the end of year		
Closing balance contributed equity	**455,739**	329,062

Ordinary shares at the beginning of reporting period	**770,351,591**	765,176,591
Shares issued during the period	**61,337,902**	5,175,000
Fully paid ordinary shares at reporting date	**831,689,493**	770,351,591
Options on Issue at the beginning of reporting period	**49,025,884**	54,205,684
Options issued during the period	**21,750,000**	500,000
Options converted or lapsed during the period	**(21,493,223)**	(5,679,800)
Options on Issue at reporting date	**49,282,661**	49,025,884

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 15th August 2013 the Company issued 10,550,000 options with an exercise price of $0.12 in accordance with the employee share option plan.

On 31st October 2013 the Company issued 9,000,000 options with an exercise price of $0.12 to directors in accordance with a shareholder resolution.

On 19th December 2013 the Company issued 44,000,000 shares at $0.125 in a placement.

On 24th February 2014 the Company issued 1,000,000 options with an exercise price of $0.25 in accordance with the employee share option plan.

On 17th, 20th and 27th March 2014 the Company issued 14,250,000 shares at $0.07 to holders of options.

On 19th March 2014 and 2nd April 2014 the Company issued 3,087,902 shares at $0.156 to holders of options.

On 16th April 2014 the Company issued 1,200,000 options with an exercise price of $0.25 in accordance with the employee share option plan.

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	2014	2013
		$	$
Total Payables	12	**280,310**	299,806
Less Cash and Cash Equivalents	8	**(7,070,722)**	(2,621,072)
Net Cash Surplus		**(6,790,412)**	(2,321,266)
Total Equity		**7,101,335**	2,775,766
Gearing Ratio		**N/A**	N/A

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

i. Cash Flows from operating activities:

	2014	2013
Net loss	**(2,492,150)**	(2,179,223)
Non-cash items:		
Depreciation and Amortisation	**104,536**	124,892
(Profit) / Loss on disposal of non current assets	**-**	1,810
Share based remuneration	**185,226**	78,924
Changes in assets and liabilities:		
Decrease / (increase) in receivables	**168,154**	(358,940)
Decrease / (increase) in other current assets	**(8,450)**	1,036
(Decrease) / increase in trade creditors and accruals	**(19,495)**	61,193
(Decrease) / increase in other liabilities	**85,515**	(446)
Net cash flows from operations	**(1,976,665)**	(2,270,754)

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 financial 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 - $50,000 (2013: $45,000). Note these amounts are included in Directors Remuneration in the Director's Report.

b. Fees for Chief Financial Officer services - $159,250 (2013: $120,000).

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 2017.

	Note	2014 $	2013 $
(a) Operating Lease Commitments			
Payable:			
- Not later than one year		**294,898**	284,929
- Later than one year and not later than five years		**737,718**	1,032,628
		1,032,616	1,317,557
(b) Capital Expenditure Commitments			
Plant and Equipment Purchases		**-**	-
		-	-
Payable:			
- Not later than one year		**-**	-
		-	-
(c) Operating Lease Receivables			
Receivable:			
- Not later than one year		**98,550**	74,345
- Later than one year and not later than five years		**32,961**	82,005
		131,511	156,350

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	2014	2013
		$	$
Trade and Sundry Payables are expected to be paid as follows:			
- Less than 6 months		**280,310**	299,806
		280,310	299,806

Consolidated Group	Weighted average effective interest rate		Floating interest rate		Fixed interest rate maturing				Non-interest Bearing		Total	
					Within 1 year		1 to 5 years					
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	%	%	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Financial Assets												
Cash	**3.50%**	4.75%	**6,952,722**	2,503,072	**118,000**	-	**-**	118,000	**-**	-	**7,070,722**	2,621,072
Receivables	**0.00%**	0.00%	**-**	-	**-**	-	**-**	-	**233,500**	401,654	**233,500**	401,654
Total Financial Assets			**6,952,722**	2,503,072	**118,000**	-	**-**	118,000	**233,500**	401,654	**7,304,222**	3,022,726
Financial Liabilities												
Payables	**0.00%**	0.00%	**-**	-	**-**	-	**-**	-	**280,310**	299,806	**280,310**	299,806
Total Financial Liabilities			**-**	-	**-**	-	**-**	-	**280,310**	299,806	**280,310**	299,806

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 2014, 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 2013	2,621,072	2,621,072	2,621,072
Weighted average interest rate	4.75%	6.75%	2.75%
Estimated interest earned	124,501	176,922	72,079
Movement in Profit		52,422	-52,422
Cash held in 2014	7,070,722	7,070,722	7,070,722
Weighted average interest rate	3.50%	5.50%	1.50%
Estimated interest earned	247,475	388,890	106,061
Movement in Profit		141,415	-141,414

20. CONTROLLED ENTITIES AND PARENT ENTITY DISCLOSURES

	Location	2014	2013
Parent entity:			
• Anteo Diagnostics Limited	Aust		
Subsidiaries:			
• Bio-Layer Pty Limited	Aust	**100%**	100%
• Aged Care Diagnostics Pty Limited	Aust	**100%**	100%

	2014	2013
	$	$
Result of the Parent Entity		
Net Loss	**689,515**	431,658
Financial Position of Parent Entity		
Current assets	15,938,435	9,793,296
Non current assets	3,700,001	3,700,001
TOTAL ASSETS	**19,638,436**	13,493,297
CURRENT LIABILITIES		
Current liabilities	93,094	76,157
TOTAL LIABILITIES	**93,094**	76,157
NET ASSETS	**19,545,342**	13,417,140
EQUITY		
Contributed equity	**59,366,690**	53,035,819
Accumulated losses	**(39,821,348)**	(39,618,679)
TOTAL EQUITY	**19,545,342**	13,417,140

21. 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 25th August 2014 by the Board of Directors.

22. 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 2014 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 25th day of August 2014

GrantThornton

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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 2014, 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, 25 August 2014

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 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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.

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.

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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 2014 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 pages 20 to 23 of the directors' report for the year ended 30 June 2014. 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.

Auditor's opinion on the remuneration report
In our opinion, the remuneration report of Anteo Diagnostics Limited for the year ended 30 June 2014, 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, 25 August 2014

.

SHAREHOLDINGS AS AT 25 AUGUST 2014

Distribution of shareholdings:

Holding From	Holding To	No. of Holders	Total Shares Held	%
1	1,000	1,077	470,786	0.06
1,001	5,000	646	1,876,699	0.23
5,001	10,000	480	3,862,604	0.46
10,001	100,000	1,880	78,805,128	9.47
Holdings larger than	100,000	997	746,774,276	89.78
TOTAL		**5,080**	**831,789,493**	**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	1,484
No. of shares held	1,296,460

Names and details of substantial shareholders

The following is a listing of Substantial Shareholders as at 25th August 2014.

Name of Substantial Shareholder	Shares held	% of Total Shares
First Cape Management Pty Ltd <FCM Unit A/c>	112,010,915	13.5

Top 20 shareholders

The following is a listing of the 20 largest shareholders at 25th August 2014 together with the number of shares held and the percentage of total shares held.

Shareholder	Shares Held	%
First Cape Management Pty Ltd	79,055,349	9.505
Austcorp No 190 Pty Ltd	32,955,566	3.962
Nimrod Finance Limited	19,867,574	2.389
Mr Ian Andrew Noble & Mrs Annette Joy Noble <Noble Family Retire Fund A/C>	14,965,000	1.799
Dr Geoffrey Cumming	13,000,000	1.563
Mr Thomas David Cumming	9,000,000	1.082
J P Morgan Nominees Australia Limited	8,424,194	1.013
AbN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	8,094,192	0.973
Mr Konstantinos Bagiartakis	7,894,755	0.949
Growsmart Super Fund Pty Ltd <Growsmart S/F A/C>	7,400,000	0.890
Mr Nobuyoshi Joe Maeji	6,315,781	0.759
Mr David Arie Sietsma	6,000,000	0.721
Mrs Mary Curtis	5,120,000	0.616
Mr Adrian Quilter-Harvey & Ms Vanessa Krivograd <Harvey Family S/F A/C>	5,000,000	0.601
Koranya Pty Ltd <Koranya P/L Super Fund A/C>	4,759,400	0.572
Thrillhouse & Thrillhouse Pty Ltd <Charles Logan Invest A/C>	4,665,885	0.561
Mr Philip Alan Smith	4,360,000	0.524
Citicorp Nominees Pty Limited	4,197,818	0.505
Computer Visions Pty Ltd <Visionary Invests S/F A/C>	4,113,740	0.495
Mr John Ignatious Malolakis & Mrs Christine Malolakis	4,020,000	0.483
Total Top 20 Shareholders	249,209,254	29.964

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 7, 207 Kent 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 25th August 2014 the total number of Options issued under the Employee Option Plan was 28,975,000 held by nineteen holders.

(b) *Other Unlisted Options*
The following unlisted options to acquire ordinary shares are on issue as at 25h August 2014:

Options issued to the vendors of Bio-Layer	236,018
Options issued to Directors	20,000,000
Total other unlisted options to acquire ordinary shares	**31,128,555**

The 236,018 vendor options are held by 6 holders. The following entities hold more than 20% of these unlisted options:

Dean Jennins	93,005
Yali Gao	58,166
Liquin Yang	47,991

(c) *Unquoted shares*

There were nil unquoted fully paid ordinary shares as at 25th August 2014.