Corum Group Limited
Appendix 4E

1. Company details

Name of entity:	**Corum Group Limited**
Reporting period:	**For the year ended 30 June 2022**
Previous period:	For the year ended 30 June 2021
ABN:	25 000 091 305

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	0.6%	to	11,951
Profit from ordinary activities after tax attributable to the owners of Corum Group Limited	down	98.3%	to	18
Profit for the year attributable to the owners of Corum Group Limited	down	76.9%	to	252

Comments
Refer attached Annual Report

3. Net tangible assets

	Reporting period	Previous period
	Cents	**Cents**
Net tangible assets per ordinary security	0.42	0.61

4. Dividends

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

5. Audit Review

The financial statements have been audited and an unmodified opinion has been issued.

6. Attachments

The Annual Report of Corum Group Limited for the year ended 30 June 2022 is attached.

Corum Group

Annual Report 2022

Contents

General information

The financial statements cover Corum Group Limited as a Group which consists of Corum Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Corum Group Limited's functional and presentation currency.

Corum Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3
120 Sussex Street
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2022. The directors have the power to amend and reissue the financial statements.

Chairman’s letter to shareholders

Dear fellow shareholders

It gives me great pleasure to present the 2022 annual report for Corum Group Limited.

As foreshadowed at the start of the year, we have invested in building the right team for the future. We have expanded the knowledge and experience within the organisation and continued to invest in our technology and operational delivery solutions. These investments have allowed us to execute on our planned new initiatives such as the launch of the PharmXchange platform in June and also to continue to improve our core software offering to the market. We have put in place the foundations for continued revenue growth in the future. As we expected, there has been a lag between the investment cost and revenue growth curves but our continued discipline on costs has helped to minimise this gap. In addition, we have divested of our non-core real estate eCommerce business.

Revenue in the Health Business grew by only 1% on the prior year. While this revenue growth was not at the level we expect, some important measures were put in place for improved future growth. Operating cash flow was $3.3m, an improvement of 4% on the prior year. Statutory net profit was $252,000, and excluding one-off non-recurring items, was $1.1m. The Group ended the year with a cash balance of $5.8m.

During the year we have entered agreements with a number of major pharmacy retail groups that incentivises them to increase utilisation of the PharmX platform by encouraging their pharmacies to increase usage. We are also actively encouraging new suppliers to connect to the platform. We have seen our total number of connections through the gateway increase 15% year on year, and our total number of active connections increase 3% year on year. Excluding a headwind of one of our major customers reducing their usage due to some industry consolidation, we have seen active connections increase 13% year on year, demonstrating the new connections being added are also being used.

In June 2022 the PharmXchange platform was launched. This is a digital sales and marketing solution for suppliers and improves efficiency in pharmacies and is the first real innovation in the PharmX business under Corum’s ownership. PharmXchange is fully integrated with PharmX to enable electronic invoicing and allow suppliers to take advantage of the PharmX messaging functionality without requiring a full PharmX integration. This feature is especially attractive for smaller suppliers that don’t have the technical resources to manage a full PharmX integration. The platform also offers tailored digital sales and marketing options for brands and products, particularly in its ability to host brand stores, showcase promotions and provide a one stop shop for product information and training. PharmXchange also has integrated payment functionality to allow a payments solution that accepts payment upfront or on account depending on individual supplier and pharmacy arrangements. There have already been a number of major global suppliers such as Haleon and Revlon sign up to be part of the platform, and it is currently being rolled out in a controlled manner across a concentrated group of pharmacies.

The environment for our pharmacy software business remains challenging with Group decisions on software continuing to influence pharmacy choice. Corum has continued to invest into our software product portfolio, with continued functionality improvements in Corum Clear Dispense (CCD). There have been ongoing changes in government regulatory requirements and Corum is ensuring its products keep up with the required changes. In the current year there have been further enhancements around ePrescribing, including Active Script List. We launched Cyber Defence in December 2021 in response to the increasingly prevalent ransomware attacks targeting the industry. This has been well received and we expect this product to gain further traction in the year ahead especially as it is a software agnostic solution. We are continuing to review our position in our enterprise and retail software. We have continued to enhance our market leading head office solution and have been working on a new cloud based retail and point of sale system to complement the work we have been doing on our cloud based head office system, Corum Clear Enterprise (CCE).

The sale of the non-core real estate eCommerce business during the year was a significant milestone in our business strategy and has allowed us to continue to refine our focus in the health sector. The sale of this declining business generated proceeds of $500,000.

Corum has benefited from the changes in the Board and management team implemented in the previous financial year. During the current financial year, Julian Sallabank resigned as CEO, and I have taken up the position of Executive Chairman and Interim CEO while a comprehensive search for a new CEO is undertaken. We also continue to look at corporate structure and acquisition opportunities that that make strategic and commercial sense.

Corum remains focused on growth and achieving sustainable long-term profitability. The trends in community pharmacy mean digital, data and technology play an ever-increasing role in how pharmacies deliver their services to customers. Corum is actively supporting and addressing this need in the market through our recent developments. We will continue to build on our relationships with pharmacies and suppliers to the industry and seek to provide value to all of our stakeholders.

I would like to thank you for your continued support of Corum Group.

Yours sincerely

Nick England

Executive Chairman
30 August 2022

Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') which consists of Corum Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following were directors of Corum Group Limited during the financial year and up to the date of this report unless otherwise stated:

Name: Nick England

Title: Executive Chairman

Dates: Appointed Executive Chairman and Interim Chief Executive Officer on 1 February 2022, previously Non-executive Chairman

Qualifications: B. Sc (Pharm), Graduate of the Advanced Management Programme at Harvard Business School in 2003.

Experience and expertise: Nick has over 35 years of experience and high level global relationships formed through his consulting and senior management roles in Australia, the UK and Europe. He held senior management roles with the global health and beauty company Alliance UniChem PLC (now Walgreens Boots Alliance), which operates 13,000 pharmacies and distributes across 11 countries. As Group Director for Alliance UniChem, Nick was responsible for merger, acquisition and service agreement opportunities with key global network partners. Previously, Nick was also CEO of Alliance UniChem Retail International with responsibility for 300 pharmacies across Europe. He is currently a Principal of Sydney-based international retail pharmacy consultancy IQ Consulting.

Other current listed directorships: None

Former listed directorships (last 3 years): None

Interests in shares: 26,853,334 ordinary shares

Name: Jon Newbery

Title: Non-executive Director

Qualifications: Fellow of ICAEW, GAICD

Experience and expertise: Jon has over 30 years' experience in senior executive and Board roles for ASX listed companies operating in the technology, telecommunications, urban services and facilities management sectors. Jon is currently Head of Corporate Finance & Projects for ASX listed Downer EDI Limited responsible for strategic acquisitions and disposals for the group. He is also Chairman of Repurpose It Pty Ltd, a Victorian-based business focused on the recycling of construction and demolition materials and organics. Previously Jon held roles as the Chief Executive Officer of ASX listed Clarity OSS Limited which developed operational support systems for global telecommunications service providers and as Non-Executive Chairman of UK based banknote trading system platform developer IMX Software. Primary areas of expertise include mergers and acquisitions, corporate finance, financial and strategic planning and the implementation and oversight of reporting and corporate governance structures.

Other current listed directorships: None

Former listed directorships (last 3 years): None

Special responsibilities: Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee.

Interests in shares: 1,713,413 ordinary shares

Name: Jayne Shaw

Title: Non-executive Director

Experience and expertise: Jayne has significant experience in healthcare management built from a clinical nursing background. Jayne has held senior management roles in two Australian private hospitals and established an Australian and international consulting business which was sold to Healthsouth, a large US Healthcare company. After this, Jayne became the co-founder of Vision Group, a business that was successfully listed on the ASX. Jayne has been a member of a number of private healthcare boards involved with specialist consolidation including cardiology, cancer care, orthopaedics, and women's health and has continued to work with private equity firms on local and international healthcare transactions. Jayne also holds positions on the boards of Mable Technologies, The Woolcock Research Institute, and The Citadel Group, and as Chair of BCAL Diagnostics.

Other current listed directorships: BCAL Diagnostics Limited

Former listed directorships (last 3 years): The Citadel Group (Jayne is still a director, but the company is no longer listed)

Special responsibilities: Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Committee.

Interests in shares: 2,780,953 ordinary shares

Name: Dennis Bastas

Title: Non-executive Director

Qualifications: B.E., MAICD

Experience and expertise: Dennis has operated as an entrepreneur in Australia's pharmaceutical sector since 2002 when he founded his first generic pharmaceutical company Genepharm. Over the past two decades he has gained extensive experience in the global pharmaceutical manufacturing industry and the Australian and Asian retail pharmacy market. Dennis is currently the majority shareholder and Executive Chairman of two of Australia's leading generic pharmaceutical companies, Arrotex Pharmaceuticals and Juno Pharmaceuticals. Arrotex Pharmaceuticals, formed following the merger of Arrow Pharmaceuticals and Apotex Australia in July 2019, is Australia's largest generic pharmaceutical and private label OTC medicines company and distributes medicines that account for over 30% of all PBS prescriptions dispensed in Australian pharmacies. Juno Pharmaceuticals is Australia's second largest specialist hospital pharmaceutical company distributing a number of generic specialty oncology and anti-infective medicines. Dennis is also currently the co-founder and Chairman of myDNA – a world leading pharmacogenomic and health genomic platform company. Prior to 2002 Dennis held senior executive positions in Coles Myer and Village Roadshow where he worked in Logistics, Retail Strategy and IT.

Other current listed directorships: None

Former listed directorships (last 3 years): None

Special responsibilities: Member of the Remuneration and Nomination Committee.

Interests in shares: 60,000,000 ordinary shares

Name: Julian Sallabank

Title: Managing Director

Dates: Resigned as Managing Director on 31 January 2022

Qualifications: Master's in Business and Technology (Australian Graduate School of Management / Australian Business School)

Experience and expertise: Julian has experience in senior executive and Board roles for both private and ASX listed companies across a number of sectors including medical technology. His primary areas of expertise are strategic planning, commercialisation and organisational development of both domestic and international businesses. Julian is currently Managing Director of a privately-owned early stage medical research impact and innovation fund. The Fund collaborates with the Murdoch Children's Research Institute and has developed a varied portfolio including Therapeutics, Diagnostics and Digital Health.

Other current listed directorships: None

Former listed directorships (last 3 years): None

'Other current listed directorships' and 'Former listed directorships (last 3 years)' quoted above are current or former directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Eryl Baron (AGIA) is the Company Secretary. Eryl has an extensive background in corporate secretarial and corporate governance with listed companies in a wide range of industries.

Dividends

No dividends have been declared.

Principal activities

Corum Group Limited (ASX: COO) is a technology and software development business. The key business activities relate to:

- Health Services – which develops and distributes business software for the pharmacy industry with emphasis on PharmX, an electronic ordering gateway; PharmXchange, a newly launched online platform integrated with PharmX; and health software, delivering point-of-sale and pharmaceutical dispensing software, multi-site retail management, support services and computer hardware.
- Corum eCommerce – which operates a payment gateway primarily for the real estate sector. This segment was disposed of during the current year.

Operating and Financial Review

Revenue for Health Services is derived from recurring software subscriptions, usage fees, software development services, the sale of hardware, training and other services.

The health business product portfolio includes an electronic gateway, PharmX, which links pharmacies to suppliers with an ordering and messaging service. It also consists of enterprise systems that assist with the management of multiple stores within pharmacy groups, with the flexibility to address the varied and complex ownership and management structures common to many of these groups, products that support pharmacy dispensing and point of sale and related activities. Corum maintains a software development function creating and updating products, a full-service support centre as well as technical and business development teams. During the current financial year Corum Health released its Cyber Defence product to offer pharmacies an enterprise level data protection solution.

Corum eCommerce revenue was derived from recurring service charges and transaction-based fees for payment services, facilitated using in house developed platforms, largely for residential real estate rentals. The business included operational and software development teams. During the current financial year this non-core business was disposed. This has streamlined our operations and will enable the Group to focus on the growth of the health division.

Revenue

Revenue from continuing operations for the year was $12.0 million, up 1% on the previous period (2021: up 26%). Revenue from continuing operations is the contribution from the Health segment, as the eCommerce segment was reported as a discontinued operation. The current year revenue improvement of $0.1m has been mainly driven by increasing the number of direct users of the PharmX platform – an electronic ordering and invoicing gateway. However, this growth was partially offset by some industry consolidation, across both pharmacy banner groups using the Group's software, and suppliers in the pharmacy industry using the PharmX gateway.

The eCommerce business sale was completed in March 2022. Revenue from ordinary operations in the year up to the date of sale was $0.9m, and the proceeds from the sale of the business were $0.5m cash.

Profit

For the year ended 30 June 2022, the Group reported an operating profit before tax, fair value adjustments and contract settlement from continuing operations of $298,000 which compares to $1,087,000 in the prior year. The main driver of the reduced operating profit has been increased amortisation expense as we continue to accelerate the amortisation on some of our products that are close to being replaced by newer generation products. All current products being used also continue to be amortised including Corum Clear Dispense and the acquired PharmX intangible assets. There has been increased spend across most expense categories as we continue to invest in the business to be in a position for future revenue growth. This has included consulting costs as we seek acquisition opportunities.

The contribution from the eCommerce business to ordinary operations prior to its disposal in the current year was a loss before tax of $71,000 (2021: profit of $13,000). The gain on sale recorded was $336,000.

Operating and Financial Review continued

Profit continued
There were some one-off costs in the current period related to the legal fees for the ongoing PharmX matters, the previous CEO's termination payment and consulting costs. In total these were $1,126,000 and are considered non-recurring. In the prior year there were non-recurring costs of $1,373,000 – also largely related to the PharmX legal case and an organisational restructure.

The statutory profit after tax for the financial year was $252,000 (2021: $1,091,000).

Cash and investment
Operating cash flow for the year was $3.3 million compared to $3.2 million in the prior year, an improvement of 4%. Increased revenue inflows and improved collections were the main contributor to the positive result. There has also been some savings in cash costs, with a focus on managing expenditure, particularly over the past 6 months.

Substantial investment continued in software development throughout the year. There was $5.0m of research and development expenditure incurred in the current year, with $3.5m of this amount being capitalised. The focus of a large portion of the development spend in the current year was on enhancements to the PharmX platform as well as the development and launch of PharmXchange.

There has been significant development to continue to enhance PharmX functionality to drive increased utilisation and attract new suppliers. PharmX is the pre-eminent electronic gateway that links pharmacies, pharmaceutical wholesalers and direct suppliers within the pharmacy market, and it continues to be highly reliable and effective in the services provided. Some of the developments in the current year allow for easier supplier onboarding, both for the suppliers connecting to PharmX and the pharmacies connecting to the suppliers. This automation is an important step in increasing the utilisation growth as the onboarding process has often slowed new customer set-ups.

A new platform, PharmXchange, was launched during the current year. PharmXchange builds on the functionality of PharmX and provides a digital sales and marketing solution for suppliers and improves efficiency in pharmacies. It is fully integrated with PharmX to utilise the electronic ordering and invoicing functionality. In addition, it offers suppliers tailored digital sales and marketing options, and an integrated payments solution. There is no integration required by suppliers to use the platform which eliminates any of the onboarding barriers previously experienced with PharmX, especially for smaller suppliers. PharmXchange already has close to 20 suppliers signed up and is currently in pilot with a concentrated group of pharmacies. The platform is expected to generate revenues from FY23.

Development has continued on Corum Clear Dispense to implement continued government regulatory changes and product improvements. During the year, we have also launched a Cyber Defence product that offers state-of-the art cyber protection for Australian pharmacies. This subscription-based service, which is a whole of market offering, is designed to prevent increasingly prevalent ransomware attacks and ensure pharmacy patient data is protected with enterprise level technology.

The eCommerce business was sold for $0.5m in FY22. This was an important strategic decision to ensure the business can put greater focus on the growth of PharmX and the opportunities in the Health segment.

At the end of the financial year, cash on hand was $5.8 million, down $0.7m on the previous year.

Outlook
Corum's focus for the next year is on profitable revenue growth, capitalising on the investments made into PharmX and PharmXchange during the current year. We will continue to drive the number of suppliers on the platforms, as well as utilisation on the platforms through the retail group agreements PharmX has entered into during the current year.

Corum will also continue to focus on increasing the market penetration of Corum Clear Dispense, and reviewing our retail and head office software offerings.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Nick England	11	11	3	3	3	3
Jon Newbery	11	11	5	5	3	3
Jayne Shaw	11	11	2	2	3	3
Dennis Bastas	10	11	–	–	–	–
Julian Sallabank	6	6	–	–	–	–

The Executive Chairman is invited to and attends meetings of both committees, where appropriate.

Held: represents the number of formal meetings held during the time the director was in office or was a member of the relevant committee. In addition to formal board meetings the directors held numerous other meetings and informal discussions during the financial year.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in the Directors' Report or the accompanying financial statements.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information regarding likely developments, prospects or business strategies of the Group in future financial years is set out in the Operating and Financial Review and elsewhere in the Annual Report, insofar as such information does not result in unreasonable prejudice to the Group.

Indemnity and insurance of officers

The Company has indemnified the directors and some executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium of $65,000 in respect of a contract to insure the directors and executives of the Company against any liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. The Group was not a party to any such proceedings during the year.

Environmental regulations

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

Auditor's independence declaration

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

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 5 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 5 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

Corporate governance statement

The Corum Corporate Governance Statement discloses how the Group complies with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition) and sets out the Group's main corporate governance practices. This statement has been approved by the Board and is current as of 30 August 2022.

In accordance with Listing Rule 4.10.3, the Group's Corporate Governance Statement and Appendix 4G can be found on the Company website at: www.corumgroup.com.au/investors.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Principles used to determine the nature and amount of remuneration

The Group provides appropriate rewards to attract and retain high quality and committed employees.

Base salaries of executives are determined by management having regard to the nature of each role, the experience and performance of the individual and are reviewed by the Remuneration and Nomination Committee. The directors look to satisfy the following key criteria when assessing the appropriate levels of remuneration:

- Competitiveness and reasonableness;
- Acceptability to shareholders; and
- Transparency.

The Remuneration and Nomination Committee consists of three non-executive directors who are responsible for determining and reviewing remuneration arrangements for the Group's directors and executives and has oversight of the hiring and remuneration practices within the Group. The remuneration philosophy is to attract, motivate and retain high-performing employees.

The Remuneration Committee may from time to time receive advice from independent remuneration consultants. The process of this engagement is managed by the Chair of the Remuneration and Nomination Committee independently of the individuals (management) to whom the recommendations relate to ensure that the recommendations are prepared and presented free of undue influence by any persons. No such engagement occurred during the current financial year.

Non-executive Directors remuneration

Fees and payments to Non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors are paid an annual fee and additional fees where they act as chair or a member of a committee. Non-executive Directors fees and payments are reviewed periodically by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-executive Directors fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions to determine their remuneration.

ASX listing rules require the aggregate Non-executive Directors remuneration be determined periodically by a general meeting. The shareholders have approved a maximum aggregate remuneration of $800,000 per annum.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components where appropriate.

The executive remuneration and reward framework has the following components:

- base pay and non-monetary benefits;
- other remuneration such as superannuation; and
- incentives.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Remuneration and Nomination Committee based on individual and the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

Performance evaluation

A performance evaluation of the Board was carried out for the year ended 30 June 2021, and will also be carried out for the current financial year. A performance evaluation of the senior executives has also been conducted for the current financial year. The review includes consideration of their function, achievement of individual targets and agreed objectives and the overall performance of the individual.

Remuneration report (audited) continued

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

		Short term benefits		Post-employment benefits	Share based payments	
		Salaries and Fees[1] $	Incentives $	Superannuation $	Performance rights[2] $	Total $
Directors:						
Nick England (i)	2022	273,962	–	17,170	–	291,132
Executive Chairman	2021	124,000	–	11,870	–	135,870
Jon Newbery	2022	96,800	–	–	–	96,800
Non-executive Director	2021	96,342	–	–	–	96,342
Jayne Shaw (ii)	2022	86,250	–	8,625	–	94,875
Non-executive Director	2021	58,333	–	5,542	–	63,875
Dennis Bastas (iii)	2022	81,233	–	–	–	81,233
Non-executive Director	2021	46,247	–	–	–	46,247
Julian Sallabank (iv)	2022	407,756	–	25,532	(17,905)	415,383
Managing Director	2021	323,466	65,625	20,407	17,905	427,403
David Clarke (v)	2022	–	–	–	–	–
Managing Director	2021	226,860	–	17,860	(13,052)	231,668
Other Key Management Personnel:						
James Nevile (vi)	2022	252,477	–	23,263	9,625	285,365
Chief Operating Officer	2021	–	–	–	–	–
Zoe Hillier (vii)	2022	228,250	–	23,250	22,440	273,940
Chief Financial Officer	2021	–	–	–	–	–
Total 2022		1,426,728	–	97,840	14,160	1,538,728
Total 2021		875,248	65,625	55,679	4,853	1,001,405

(1) In the table above, salaries and fees include leave payments and movements in annual leave accruals

(2) The value of the performance rights disclosed is the fair value of the instruments allocated to profit and loss this reporting period.

(i) Nick England transitioned from non-executive to executive chairman on 1 February 2022, with no change to his chairman fee. He was also appointed Interim Chief Executive Officer on 1 February 2022 with an annual salary of $360,000.

(ii) Jayne Shaw was appointed non-executive director on 15 October 2020.

(iii) Dennis Bastas was appointed non-executive director on 2 December 2020.

(iv) Julian Sallabank was appointed Chief Executive Officer and Managing Director on 1 September 2020. He resigned from his position as Managing Director on 31 January 2022. Salaries and fees for the year include $222,055 payment in lieu of notice and accrued annual leave entitlements.

(v) David Clarke resigned his position as Managing Director on 31 August 2020. Salaries and fees for the prior year include $287,465 payment in lieu of notice and accrued annual leave entitlements.

(vi) James Nevile was appointed Chief Operating Officer on 12 July 2021 with an annual salary of $250,000.

(vii) Zoe Hiller was appointed Chief Financial Officer on 1 July 2021 with an annual salary of $220,000.

Remuneration report (audited) continued

Fixed and variable remuneration

All remuneration in the above table is fixed apart from the incentives and share based payments. Incentives are discretionary based on performance, and the performance rights vest based on certain performance hurdles, service conditions and exercise conditions being achieved. Refer to note 26 for further details.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Nick England
Title: Interim Chief Executive Officer
Agreement commenced: 1 February 2022
Term of agreement: Retained on a month-to-month basis with no fixed term
Details: Nick was appointed Interim Chief Executive Officer on 1 February 2022. In addition to his Chairman fees, monthly remuneration is $30,000, plus statutory superannuation. The agreement is terminable at the Board's discretion. No short-term or long-term incentives are to be awarded given the interim nature of the role.

Name: James Nevile
Title: Chief Operating Officer
Agreement commenced: 12 July 2021
Term of agreement: Ongoing
Details: James was appointed Chief Operating Officer on 12 July 2021. He has an annual base salary of $250,000, plus statutory superannuation. Either party may terminate the employment with three months written notice, or immediately in the event of misconduct. The remuneration package also includes short-term and long-term incentive components. A short-term incentive of up to $100,000 per annum requires the achievement of individual targets and agreed objectives, and overall Group performance targets. A long-term incentive of 1,000,000 performance rights has also been granted.
Post termination restraints: Poaching of clients or providing services to clients is prohibited for 12 months from termination date. Poaching of staff is prohibited for 12 months from termination date. Providing services to competitors is prohibited for 6 months from termination date. All confidentiality requirements continue post termination and all confidential information must be returned to the company upon termination and any developments or intellectual property developed during the course of employment remains the property of the company.

Name: Zoe Hillier
Title: Chief Financial Officer
Agreement commenced: 1 July 2021
Term of agreement: Ongoing
Details: Zoe was appointed Chief Financial Officer on 1 July 2021. She has an annual base salary of $220,000, plus statutory superannuation. Either party may terminate the employment with two months written notice, or immediately in the event of misconduct. The remuneration package also includes short-term and long-term incentive components. A short-term incentive of up to $20,000 per annum requires the achievement of individual targets and agreed objectives, and overall Group performance targets. A long-term incentive of 1,000,000 performance rights has also been granted.
Post termination restraints: Poaching of clients or providing services to clients is prohibited for 12 months from termination date. Poaching of staff is prohibited for 12 months from termination date. Providing services to competitors is prohibited for 6 months from termination date. All confidentiality requirements continue post termination and all confidential information must be returned to the company upon termination and any developments or intellectual property developed during the course of employment remains the property of the company.

Other senior executives are employed under contracts with termination periods between one and three months and are eligible for their statutory employee entitlements upon termination. Certain employees are subject to restraints for an agreed period following termination.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Performance rights
The Corum Group Omnibus Equity Plan ("the Plan") allows the Company (Corum Group Limited) to grant performance rights to participants. A performance right is a right to acquire a Share (being a "Plan Share"), subject to the satisfaction of certain conditions which will be set out in each invitation to acquire performance rights.

The Board has discretion to make grants at any time, including on the commencement of employment by a person deemed by the Board to be eligible to participate in the Plan. The terms of any future offers may vary.

There are no voting or dividend rights attached to the performance rights.

Remuneration report (audited) continued

Share-based compensation continued

The number and value of performance rights granted during the year in relation to key management personnel are as follows:

	Grant Date	Number Granted	Fair Value at grant date	Vesting Date
James Nevile	9 December 2021	1,000,000	$21,700	12 July 2024
Zoe Hillier	9 December 2021	1,000,000	$21,700	30 September 2022 and 30 September 2023

The number of performance rights granted reflects the extent to which performance hurdles, service conditions and exercise conditions associated with the grant are achieved.

The performance rights are subject to a service condition of continuous employment for three consecutive years. Performance hurdles and exercise conditions are based on achievement of certain earnings per share targets. There is no exercise price associated with these performance rights. The expiry date is the fifth anniversary of the grant date.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Held at 1 July 2021	Number Granted	Lapsed / Exercised	Held at 30 June 2022	Vested and exercisable at 30 June 2022
Julian Sallabank	4,000,000	–	4,000,000	–	–
James Nevile	–	1,000,000	–	1,000,000	–
Zoe Hillier	–	1,000,000	–	1,000,000	–

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions [1]	Disposals/ other [2]	Balance at the end of the year
Ordinary shares:					
Nick England	26,853,334	–	–	–	26,853,334
Jon Newbery	1,713,413	–	–	–	1,713,413
Jayne Shaw	2,780,953	–	–	–	2,780,953
Dennis Bastas	60,000,000	–	–	–	60,000,000
James Nevile	–	–	–	–	–
Zoe Hillier	–	–	125,000	–	125,000
Julian Sallabank	–	–	–	–	–
	91,347,700	–	125,000	–	91,472,700

[1] Additions may represent the acquisition of shares, or shareholding on commencement as a key management personnel.

[2] Disposal/other may represent the disposal of shares, or cessation as key management personnel.

None of the shares included in the table above are held by a nominee.

Remuneration report (audited) continued

Additional Information

The results of the Group for the five years to 30 June 2022 are summarised below:

	2018 $'000	2019 $'000	2020 (Restated)[1] $'000	2021 $'000	2022[2] $'000
Sales revenue	11,176	10,134	9,116	12,700	13,339
Profit before impairment, fair value and tax	650	561	144	1,100	563
Profit/(loss) after income tax	251	(4,205)	176	1,091	252
Total equity	14,227	9,562	13,197	22,930	23,203
Net Cash on hand	4,971	2,333	2,323	6,478	5,759

1 Retained earnings was restated as a result of a one-off non-recurring adjustment identified during a review of banking arrangements and internal IT transactional applications.

2 Results presented include the eCommerce segment, a discontinued operation. This is on a comparable basis to comparatives presented.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2019	2020	2021	2022
Share price at financial year end (cents)	2.5	3.0	4.3	8.7	3.4
Basic earnings per share (cents per share)	0.10	(1.64)	0.05	0.20	0.04

This concludes the remuneration report, which has been audited.

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

Nick England
Chairman

Jon Newbery
Director

30 August 2022
Sydney

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF CORUM GROUP LIMITED

As lead auditor of Corum Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Corum Group Limited and the entities it controlled during the period.

Leah Russell
Director

BDO Audit Pty Ltd

Sydney

30 August 2022

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue from continuing operations	3	11,951	11,875
Expenses related to continuing operations			
Materials and consumables		(1,399)	(1,599)
Marketing		(264)	(161)
Employee benefits	4	(6,038)	(6,069)
Share-based payments	20	(21)	–
Technology, communication and cloud costs		(855)	(830)
Legal		(892)	(731)
Consulting		(227)	(86)
Other		(142)	(19)
Research and development tax benefit		431	615
Depreciation and amortisation	4	(2,175)	(1,774)
Finance costs		(71)	(134)
Profit from continuing operations before fair value adjustments, contract settlement, and income tax expense		**298**	**1,087**
Fair value adjustment of investments		–	1,727
Contract settlement		–	(1,468)
Profit before tax from continuing operations		**298**	**1,346**
Income tax	6	(280)	(268)
Profit from continuing operations		**18**	**1,078**
Profit from discontinued operations	7	234	13
Profit for the year attributable to the owners of Corum Group Limited		**252**	**1,091**
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year attributable to the owners of Corum Group Limited		**252**	**1,091**

		Cents	Cents
Basic earnings per share	8	0.04	0.20
Diluted earnings per share	8	0.04	0.20

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

Statement of financial position

AS AT 30 JUNE 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	5,759	6,478
Trade and other receivables	11	1,085	848
Inventories		42	34
Income tax receivable	6	1,549	1,548
Other assets		151	298
Related to discontinued operations	7	–	1,210
		8,586	**10,416**
Non-current assets			
Property, plant and equipment	12	291	494
Right of use assets	13	312	296
Intangibles	14	20,725	19,285
Deferred tax assets	6	707	804
Security deposits		148	51
Related to discontinued operations	7	–	1
		22,183	**20,931**
Total assets		**30,769**	**31,347**
LIABILITIES			
Current liabilities			
Trade and other payables	15	3,828	3,528
Provisions	16	900	932
Lease liability	13	303	280
Deferred revenue		83	152
Related to discontinued operations	7	–	1,495
		5,114	**6,387**
Non-current liabilities			
Other payables	17	1,305	726
Provisions	16	106	109
Deferred tax liability	6	1,018	1,143
Lease liability	13	23	41
Related to discontinued operations	7	–	11
		2,452	**2,030**
Total liabilities		**7,566**	**8,417**
Net assets		**23,203**	**22,930**
EQUITY			
Issued capital	18	98,366	98,366
Reserves	20	39	18
Accumulated losses		(75,202)	(75,454)
Total equity		**23,203**	**22,930**

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

Statement of changes in equity
FOR THE YEAR ENDED 30 JUNE 2022

Consolidated	Note	Issued capital $'000	Share-based Payments Reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 30 June 2020		**89,724**	**18**	**(76,545)**	**13,197**
Profit after income tax expense for the year		–	–	1,091	1,091
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		–	–	1,091	1,091
Issue of new capital, net of transaction costs		8,642	–	–	8,642
Performance rights issued		–	18	–	18
Performance rights lapsed		–	(18)	–	(18)
Balance at 30 June 2021		**98,366**	**18**	**(75,454)**	**22,930**
Profit after income tax expense for the year		–	–	252	252
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		–	–	252	252
Performance rights issued	20	–	39	–	39
Performance rights lapsed	20	–	(18)	–	(18)
Balance at 30 June 2022		**98,366**	**39**	**(75,202)**	**23,203**

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

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash flows from operating activities			
Receipts from customers		12,582	12,229
Payments to suppliers and employees		(10,839)	(10,943)
Interest and other revenue received		29	108
Income tax paid		(432)	(272)
Research and development incentive		1,987	1,973
Cashflows from discontinued operations		(46)	67
Net cash from operating activities	21	**3,281**	**3,162**
Cash flows from investing activities			
Payments for property, plant and equipment	12	(96)	(300)
Payments for intangible assets		(3,879)	(3,789)
Acquisition of subsidiary		–	(2,097)
Cashflows from discontinued operations	7	336	–
Net cash used in investing activities		**(3,639)**	**(6,186)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares		–	8,936
Share issue transaction costs		–	(392)
Principal paid on lease liabilities		(318)	(402)
Interest paid on lease liabilities		(27)	(33)
Distributions paid		–	(896)
Cashflows from discontinued operations		(16)	(34)
Net cash (used in) / from financing activities		**(361)**	**7,179**
Net increase / (decrease) in cash and cash equivalents		(719)	4,155
Cash and cash equivalents at the beginning of the financial year		6,478	2,323
Cash and cash equivalents at end of the financial year	10	**5,759**	**6,478**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

30 JUNE 2022

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

Basis of preparation

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

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs.

Critical accounting estimates

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

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Corum Group Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Corum Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

When the Group has less than a majority of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an entity.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the statement of profit or loss.

Note 1. Statement of significant accounting policies continued

Current and non-current classification

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

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

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

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

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

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

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

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

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

Comparative figures

Comparatives have been realigned where necessary, to agree with current year presentation. There was no change in the profit or net assets.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards effective from 1 July 2021

There are no new standards impacting the Group that have been adopted in the annual financial statements for the year ended 30 June 2022 which have given rise to changes in the Group's accounting policies.

The following new standards have been implemented but have not had an impact on the Group:

Amendment	Effective date
AASB 16 Amendment – Extension to Covid-19 Related Rent Concessions	1/07/2021

Note 1. Statement of significant accounting policies continued

New Accounting Standards and Interpretations not yet effective

Australian Accounting Standards and Interpretations Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022.

The Group is yet to access the impact of these new or amended Accounting Standards and Interpretations but does not expect them to have any material impact on the financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

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

Product Development Costs

The Group incurs significant costs associated with the development of products for which benefits accrue over many reporting periods. This requires management to critically review software product development (net of research and development incentives) costs to clearly delineate development and the relationship with future potential benefits that are likely to accrue. This assessment of what constitutes product development for capitalisation and the expected future benefits to derive the amortisation period, once the asset is available for use or being marketed, is a series of critical judgements management is required to make based on historic product performance, market knowledge and analysis.

Goodwill and other intangibles assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other intangible assets have suffered any impairment, in accordance with the stated accounting policy. The recoverable amount of the cash-generating unit to which goodwill and other intangible assets have been allocated, has been determined based on value-in-use calculations using budgets and forward estimates. These budgets incorporate management's best estimates of projected revenues adopting growth rates based on historical experience, anticipated market growth and the expected result of the cash generating unit's initiatives. Costs are calculated taking into account historical and planned gross margins, estimated inflation rates consistent with inflation rates applicable to the locations in which the cash generating unit operates, and other planned and expected changes to the cost base.

Recovery of deferred tax assets

The value of deferred tax assets is determined based on estimates as to the extent those assets are likely to be utilised or available to be utilised in future periods.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue and other income

	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue from contracts with customers from continuing operations		
Rendering of services	11,581	10,858
Sales of goods	341	335
	11,922	11,193
Other revenue		
Revenue from unlisted entity	–	574
Interest and other revenue	29	108
	29	682
Total revenue and other income from continuing operations	11,951	11,875
Ordinary revenue from discontinued operations	863	1,507
Proceeds from disposal of discontinued operations	500	–
Other revenue recognised on disposal	54	–
Total revenue and other income	13,368	13,382

Accounting policy for revenue recognition

Revenue is recognised as the client receives the benefit of the goods or services provided under a commercial contract, in an amount that reflects the consideration to which the provider expects to be entitled for the transfer of the goods or services. If an amount is received from a customer before the following revenue recognition policies are met, it is treated as deferred revenue until it can be recognised.

Determining the transaction price

The Group's revenue is derived from fixed price agreements and therefore the amount of revenues to be earned from each agreement is determined by reference to those fixed prices. There is no variable consideration with these agreements. All consideration is due within 12 months and is therefore not discounted.

Allocation of amounts to performance obligations

For most agreements, there is only one performance obligation and a fixed unit price for the goods or services provided. As such, there is no judgement involved in the allocation of amounts to specific performance obligations. In those instances where there is more than one performance obligation, the unit price is clearly defined and is allocated against the specific performance obligation. Some goods sold by the Group include warranties which require the Group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with AASB 15, such warranties are not accounted for as separate obligations and hence no revenue is allocated to them.

Rendering of services

Maintenance and subscription revenue is recognised over time in line with the invoice period. Performance obligations are satisfied over time. This is a faithful depiction of the transfer of services, as customers simultaneously receive and consume services provided over the invoiced period.

Transaction processing fees for the eCommerce business are recognised on completion of the transfer of funds. This is when the Group meets their performance obligation under the contract to facilitate the payment.

Sale of goods

Sale of goods revenue is recognised at a point in time when the Group have met all of their performance obligations including delivery and if applicable the installation of hardware. There is limited judgement in identifying the point control passes, once the goods are delivered or at the point of installation depending on the type of good.

Note 3. Revenue and other income continued

Revenue from an unlisted entity

Revenue is recognised at the point at which the Group is entitled to receive it.

Government grants

Government grants are recognised at fair value where there is reasonable assurance the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Except for amounts received under the R&D tax incentive program, grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

Other revenue

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

Note 4. Expenses

	Consolidated	
	2022 $'000	**2021 $'000**
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Software development	1,583	1,180
Leased assets	338	428
Property, plant and equipment	284	335
Capitalised depreciation costs	(6)	(117)
Less depreciation related to discontinued operations	(24)	(52)
Total depreciation and amortisation related to continuing operations	2,175	1,774
Employee benefits expenses		
Employee benefits expenses	8,988	9,019
Capitalised development costs	(2,159)	(1,955)
Less employee benefits related to discontinued operations	(791)	(995)
Total Employee benefits related to continuing operations	6,038	6,069

Note 5. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd the auditor of the Group:

	Consolidated	
	2022 $	**2021 $**
Audit or review of the financial statements	98,100	104,500
Taxation and other non-audit services[i]	50,681	69,253
	148,781	173,753

[i] Non-audit services included assistance in the areas of tax compliance and research and development.

Note 6. Income tax

	Consolidated	
	2022 $'000	2021 $'000
Income tax expense		
Current income tax:		
Current year income tax charge	346	422
Adjustment for current income tax if items credited directly to equity, capital raising costs	35	36
Adjustment for current income tax of previous year	(7)	–
Less income tax related to discontinued operations	(31)	–
Deferred tax:		
Origination and reversal of temporary differences	(63)	(211)
Adjustment for change in tax rate	–	21
Income tax expense related to continuing operations	280	268
Statement of changes in equity		
Deferred income tax related to items credited directly to equity, capital raising costs	(35)	61
Reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense from continuing operations	298	1,346
Profit before income tax expense from discontinued operations	265	13
Total profit before income tax expense	563	1,359
Tax at the statutory tax rate of 25% (2021: 26%)	141	353
Add / (deduct) tax effect of:		
Fair value adjustment of investments	–	(517)
Non-deductible / non-assessable items	210	408
Adjustment for current income tax of previous year	(7)	–
Adjustment for use of prior year tax losses	(145)	(30)
Adjustment for current income tax of items credited directly to equity, capital raising costs	35	36
Utilisation and other movement in deferred tax assets	62	(211)
Utilisation and other movement in deferred tax liabilities	(125)	–
Movement in deferred tax assets due to adjustment for change in tax rate	–	21
Research and development, non-assessable income and non-deductible expenditure	140	208
Tax expense related to discontinued operations	(31)	–
Income tax expense related to continuing operations	280	268

Research and Development Tax Incentive

The Group participates in the Australian Government's Research and Development Tax Incentive ('incentive') assistance programme. The programme provides targeted tax offsets to encourage Companies to engage in Research and Development. The incentive has been accounted for as a government grant in accordance with AASB 120 Accounting for Government Grants and Disclosure of Government Assistance, resulting in the incentive being recognised in profit or loss on a systematic basis over the period(s) in which the entity recognises, as expenses, the costs for which the incentive was intended to compensate. For the costs that have been capitalised during the period, the respective incentive has been deferred by deducting from the carrying amount of the asset.

Note 6. Income tax continued

	Consolidated 2022 $'000	Consolidated 2021 $'000
Tax losses not recognised		
Losses carried forward [i]	3,231	3,256
Capital losses carried forward [i]	47	167

[i] 2021 losses carried forward are calculated at the 2022 tax rate of 25%

The Group generated operating losses between 1997 and 2009 which resulted in the creation of substantial carried forward tax losses. These tax losses can be used as an offset against taxable income in accordance with the consolidated tax group rules. The utilisation of these losses is expected to be minimal due to the application of the available fraction which has been impacted by capital raises in recent years.

The potential future tax benefits arising from tax losses and temporary differences have been recognised as deferred tax assets only to the extent that:

- the Group is likely to derive future assessable income of a nature and amount sufficient to enable the benefits to be realised;
- no changes or proposed changes in legislation are likely to adversely affect the Group's ability to realise these benefits; and
- the Group is likely to continue to comply with conditions for deductibility of losses imposed by tax legislation.

	Consolidated 2022 $'000	Consolidated 2021 $'000
Deferred tax assets		
Deferred tax assets comprise temporary differences attributable to:		
Impairment of receivables	17	21
Employee benefits	263	285
Leased premises	6	6
Capital raising costs	89	123
Deferred settlement payments	232	348
Other provisions	100	21
	707	804
Movements:		
Opening balance	804	551
Credited / (debited) to profit or loss	(62)	192
Credited / (debited) directly to equity	(35)	61
Closing balance	707	804
Income tax receivable		
Current year income tax charge	(346)	(422)
Current year research and development tax offset	1,895	1,970
	1,549	1,548
Deferred Tax Liability		
Arising from tax effect of recognising acquired intangible assets, in a business combination	1,018	1,143

Note 6. Income tax continued

Accounting policy for income tax

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

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

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

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

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

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

Corum Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime with effect from July 2004. The tax consolidated group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 7. Discontinued operations

On 29 March 2022, Corum completed the sale of assets in its Real Estate eCommerce business unit to Zenith Payments Pty Ltd. This is the only operation presented as a discontinued operation in the year ended 30 June 2022. The eCommerce business operates a payment gateway primarily for the real estate sector. The assets sold were the intellectual property rights, the rights of the vendor under the existing contracts, goodwill, business records, and telephone numbers.

The gain on disposal of discontinued operations was determined as follows:

	2022 $'000
Cash consideration received	500
Other consideration received	–
Total consideration	500
Cash disposed of	–
Net cash inflow on disposal of discontinued operation	500
Additional revenue recognised on disposal	54
Employee benefit costs related to disposal	(177)
Legal costs related to disposal	(20)
Other disposal costs	(21)
Gain on disposal of discontinued operations	336

The ordinary Statement of profit or loss for discontinued operations prior to disposal was:

	2022 $'000	2021 $'000
Revenue	863	1,507
Materials and consumables	(196)	(336)
Marketing	(2)	(3)
Employee benefits	(614)	(995)
Technology, communication and cloud costs	(67)	(88)
Legal	–	64
Other	(30)	(82)
Depreciation and amortisation	(24)	(52)
Finance costs	(1)	(2)
Profit / (loss) from discontinued operations before gain on disposal and income tax expense	(71)	13
Gain on disposal of discontinued operations	336	–
Income tax	(31)	–
Net profit after tax from discontinued operations	234	13

Note 7. Discontinued operations continued

	30 June 2022 $'000	30 June 2021 $'000
Assets related to discontinued operations		
Trade and other receivables	–	16
eCommerce payments awaiting clearance	–	1,194
Property, plant and equipment	–	1
	–	1,211
Liabilities related to discontinued operations		
Trade and other payables	–	1,273
Deferred revenue	–	100
Provisions	–	133
	–	1,506

Note 8. Earnings per share

	Consolidated 2022 $'000	2021 $'000
Profit after income tax attributable to the owners of Corum Group Limited	252	1,091
Profit after income tax from discontinued operations attributable to the owners of Corum Group Limited	234	13

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	596,756,789	542,627,946
Weighted average number of ordinary shares used in calculating diluted earnings per share	600,543,090	546,899,727

	Cents	Cents
Earnings per share for profit attributable to the owners of Corum Group Limited		
Basic earnings per share	0.04	0.20
Diluted earnings per share	0.04	0.20
Earnings per share for profit from discontinued operations attributable to the owners of Corum Group Limited		
Basic earnings per share	0.04	0.00
Diluted earnings per share	0.04	0.00

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of Corum Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit attributable to members of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Potential ordinary shares are only treated as dilutive when they would decrease earnings per share.

Note 9. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments: Health Services and eCommerce. During the current financial year, the eCommerce segment was disposed of. Refer to note 7 for further details. These operating segments are based on internal reports reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources. Consideration is given to the nature and distinctiveness of the products or services sold, the manner in which they are provided, and the organisational structure.

The CODM reviews profit / (loss) before income tax ('segment result'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The Group operates predominantly in Australia.

Types of services

The principal services of each of these operating segments are as follows:

Health Services – which develops and distributes business software for the pharmacy industry with emphasis on an electronic ordering gateway, point-of-sale and pharmaceutical dispensing software, multi-site retail management, support services and computer hardware.

eCommerce – which operates a payment gateway primarily for the real estate sector. This segment was disposed of during the current year. Refer to note 7 for further details.

Intersegment transactions

An internally determined transfer price is set for all intersegment sales. This price is reset annually and is based on an external party at arm's length pricing. All such transactions are eliminated on consolidation.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group, or estimates of the time individuals apply to each segment, which is representative of likely consumption of head office expenditure.

For the purpose of segment reporting and the understanding of segment performance, the net benefit of research and development tax incentives are disclosed in the segment to which they relate.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration receivable or payable. Intersegment loans receivable and payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation. Interest is not charged on intercompany balances.

Segment assets and liabilities

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority of the economic benefit from that asset. In most instances, segment assets are clearly identifiable on the basis of their nature, physical location and usage. They do not include intercompany balances.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the segment. Borrowings and tax liabilities are not allocated to specific segments.

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense
- Deferred tax assets and current tax assets and liabilities
- Cost associated with being listed on the Australian Securities Exchange
- Inter-company balances
- Other financial liabilities
- Corporate actions

Major customers

During the year ended 30 June 2022 the Group did not have any major customers that individually contributed more than 10% of total revenue (2021: none).

Note 9. Operating segments continued

Operating segment information

Consolidated – 2022	Health Services $'000	eCommerce $'000	Intersegment elimination/ unallocated $'000	Total $'000
Revenue				
Rendering of services	11,575	863	6	12,444
Sale of goods	341	–	–	341
Interest and other revenue	–	54	29	83
Proceeds from sale	–	500	–	500
Total revenue	11,916	1,417	35	13,368
Profit / (loss) before gain on sale of business and income tax expense	887	(71)	(589)	227
Gain on sale of business	–	336	–	336
Profit / (loss) before income tax expense	887	265	(589)	563
Income tax expense	–	(31)	(280)	(311)
Net Profit / (loss) after tax	887	234	(869)	252
Depreciation and amortisation expense	2,141	24	34	2,199
Assets				
Segment assets	23,258	–	–	23,258
Unallocated assets:				
Cash and cash equivalents				4,456
Property, plant and equipment				63
Right of use assets				275
Deferred tax asset				707
Other assets				2,010
Total assets				30,769
Total assets include (net of research and development incentive):				
Addition of intangible asset	3,023	–	–	3,023
Addition of property, plant and equipment	85	–	11	96
Liabilities				
Segment liabilities	5,871	–	–	5,871
Unallocated liabilities:				
Trade and other payables				1,055
Provisions and other liabilities				640
Total liabilities				7,566

Note 9. Operating segments continued

Operating segment information

Consolidated – 2021	Health Services $'000	eCommerce $'000	Intersegment elimination/ unallocated $'000	Total $'000
Revenue				
Rendering of services	10,858	1,507	–	12,365
Sale of goods	335	–	–	335
Interest and other revenue	578	–	104	682
Total revenue	11,771	1,507	104	13,382
Profit/(Loss) before fair value adjustments, contract settlement and income tax expense	1,618	13	(531)	1,100
Fair value adjustment of investments	1,727	–	–	1,727
Contract settlement	–	–	(1,468)	(1,468)
Profit/(Loss) before income tax expense	3,345	13	(1,999)	1,359
Income tax expense	–	–	(268)	(268)
Profit/(Loss) after income tax expense	3,345	13	(2,267)	1,091
Depreciation and amortisation expense	1,719	52	55	1,826
Assets				
Segment assets	21,442	1,211	–	22,653
Unallocated assets:				
Cash and cash equivalents				5,588
Property, plant and equipment				171
Right of use assets				177
Deferred tax asset				804
Other assets				1,954
Total assets				31,347
Total assets include (net of research and development incentive):				
Addition of intangible asset	15,791	–	–	15,791
Addition of property, plant and equipment	301	–	10	311
Liabilities				
Segment liabilities	4,821	1,506	–	6,327
Unallocated liabilities:				
Trade and other payables				985
Provisions and other liabilities				1,105
Total liabilities				8,417

Note 10. Current assets – cash and cash equivalents

	Consolidated	
	2022 $'000	2021 $'000
Cash at bank	507	587
Cash on deposit	5,252	5,891
	5,759	6,478

Accounting policy for cash and cash equivalents

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

Note 11. Current assets – trade and other receivables

	Consolidated	
	2022 $'000	2021 $'000
Trade receivables	1,086	903
Allowance for expected credit loss	(60)	(77)
	1,026	826
Other receivables	59	38
Total trade and other receivables	1,085	864
Less trade and other receivables related to discontinued operations	–	(16)
Total trade and other receivables related to continuing operations	1,085	848

	Consolidated	
	2022 $'000	2021 $'000
The ageing of the impaired trade receivables is as follows:		
Less than 3 months overdue	39	37
3 to 6 months overdue	11	16
Over 6 months overdue	10	24
	60	77

Note 11. Current assets – trade and other receivables continued

	Consolidated 2022 $'000	2021 $'000
Movements in the allowance for expected credit loss:		
Opening balance	77	97
Bad debts written off	(11)	(48)
Additional provisions recognised	(6)	28
Closing balance	60	77
The ageing of the past due but not impaired trade receivables are as follows:		
Less than 30 days overdue	65	37
31 to 60 days overdue	128	34
Over 60 days overdue	13	13
	206	84

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties for trade receivables and did not consider a significant credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

Accounting policy for trade and other receivables

Trade receivables to be settled within normal trading terms are carried at amounts due.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by directly reducing the carrying amount.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the Group's historical credit losses experienced over the two-year period prior to the period end. The historical loss rates are then adjusted for both current and forward-looking information on macroeconomic factors affecting the Group's customers.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 12: Non-current assets – property, plant and equipment

	Consolidated 2022 $'000	Consolidated 2021 $'000
Leasehold improvements – at cost	87	87
Accumulated depreciation	(78)	(56)
	9	31
Plant and equipment – at cost	2,521	2,602
Accumulated depreciation	(2,239)	(2,138)
	282	464
Total property, plant and equipment	291	495
Plant and equipment – at cost related to discontinued operations	–	2
Accumulated depreciation related to discontinued operations	–	(1)
	–	1
Total property, plant and equipment excluding discontinued operations	291	494

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Balance at 30 June 2020	53	472	525
Additions	–	311	311
Disposals	–	(6)	(6)
Depreciation capitalised	(5)	(112)	(117)
Depreciation expense	(17)	(201)	(218)
Balance at 30 June 2021	31	464	495
Additions	–	96	96
Disposals	–	(16)	(16)
Depreciation capitalised	–	(6)	(6)
Depreciation expense	(22)	(256)	(278)
Balance at 30 June 2022	9	282	291

Accounting policy for property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows (this involves judgement):

Leasehold improvements	2-5 years
Plant and equipment	2-12 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 13: Leases

All leases are accounted for by recognising a right of use asset and a lease liability except for the following where certain practical expedients have been adopted:

- Leases of low value assets; and
- Leases with a duration of 12 months or less at initial application date.

Amortisation of right of use assets is calculated on a straight-line basis to write off the net cost over the expected useful lives as follows (this involves judgement): Lease right of use assets – Over the expected life of the lease

Right of use asset

Consolidated	2022 $'000	2021 $'000
Leased assets – at cost	745	1,106
Accumulated amortisation	(433)	(810)
Right of use asset	312	296
Movement:		
Opening balance	296	702
Additions	508	22
Disposals	(154)	–
Amortisation	(338)	(428)
Closing balance	312	296

Lease liability

Consolidated	Up to 12 months $'000	Between 1 and 5 years $'000	Total $'000
Lease Liabilities as at 30 June 2022	303	23	326

Lease Liability	2022 $'000	2021 $'000
Movement:		
Opening balance	321	733
Additions	508	–
Disposals	(194)	–
Rent adjustments	(4)	(13)
Interest expense	28	35
Lease principal payments	(333)	(434)
Balance as at 30 June	326	321

Leasing activities and accounting approach

The Group leases various offices in Australia. Rental contracts are typically for a period of 3 years. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group where such leases meet the requirements of AASB 16.

Assets and liabilities are initially measured on a present value basis. The lease payments are discounted using an indicative incremental borrowing rate of 6.0%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising of the amount of the initial measurement of the lease liability. Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Note 14: Non–current assets – intangibles

	Consolidated 2022 $'000	2021 $'000
Goodwill – at cost	2,115	2,115
Accumulated impairment	–	–
	2,115	2,115
Software product development – at cost	26,098	21,611
Customer Contracts/Relationships – at cost	3,833	3,833
PharmX Brand – at cost	739	739
Accumulated Impairment	(1,467)	(1,467)
Research and development incentives	(7,548)	(6,084)
Accumulated amortisation of software development	(3,045)	(1,462)
	18,610	17,170
Total intangible assets	20,725	19,285

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Software product development $'000	Brand $'000	Customer Contracts/ Relationships $'000	Total $'000
Balance at 30 June 2020	–	4,674	–	–	4,674
Additions	2,115	10,459	739	3,833	17,146
Research and development incentives	–	(1,355)	–	–	(1,355)
Impairment	–	–	–	–	–
Amortisation of software development	–	(952)	–	(228)	(1,180)
Balance at 30 June 2021	2,115	12,826	739	3,605	19,285
Additions	–	4,487	–	–	4,487
Research and development incentives	–	(1,464)	–	–	(1,464)
Impairment	–	–	–	–	–
Amortisation of software development	–	(1,309)	–	(274)	(1,583)
Balance at 30 June 2022	2,115	14,540	739	3,331	20,725

Review of carrying values

Where there are any indicators of impairment, or for any intangible assets not yet in use or with an indefinite useful life (including goodwill), the recoverable value of the intangible asset is determined on a value-in-use calculation (VIU). Value-in-use is calculated based on the present value of cash flow projections, approved by management, over a five-year period with a terminal value of 7.5 times discounted Year 5 EBITDA. Cash flows were based on both budgets and projections using historic and long-term growth rates based on past experience and in particular expectations of external market performance. The assets reviewed include the existing Corum applications, assets acquired and newly-developed programs. The review anticipates a substantial period of transition in the marketplace as customers migrate from older products to the new Corum Clear suite of products. This transition will be spread over a number of years.

Research and development tax benefits are excluded from the terminal value for the purpose of EBITDA based calculations. Cash flows are discounted at 12% (2020: 12%) per annum which incorporates an appropriate equity risk premium. Recent increases in interest rates were also considered in determining the appropriate discount rate and sensitivities were run. However due to the other factors also taken into account when determining the discount rate, it was considered appropriate to maintain 12%. Costs are calculated taking into account historical and planned gross margins, estimated inflation rates for the year consistent with inflation rates applicable to the locations in which the cash generating unit operates, and other planned and expected changes to the cost base. The review of the

Note 14: Non–current assets – intangibles continued

Review of carrying values continued

carrying value resulted in no assets being impaired. This assessment requires judgement around forecasted revenue and costs and historical and planned cashflows have been considered in the assessment. Management have tested these key assumptions and run sensitivities for reasonable and possible changes. However, should these judgements and estimates not occur, or there are changes in key inputs and assumptions, this could impact the carrying value.

Accounting policy for intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets and assets not yet available for use in the manner intended by management are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

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

Software product development

Significant costs associated with software product development (net of research and development incentives) are capitalised and amortised on a straight-line basis over the period of their expected benefit. Amortisation commences when the asset is available for use in the manner intended by management.

Software product acquisitions

Costs associated with acquiring software intangible assets are capitalised if all recognition criteria are met under AASB 138. Assets are amortised on a straight-line basis over the period of their expected benefit. Amortisation commences when the asset is available for use in the manner intended by management.

Research and development costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Impairment of non-financial assets

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

Note 15: Current liabilities – trade and other payables

	Consolidated	
	2022 $'000	2021 $'000
Trade payables	841	398
Sundry creditors and accruals	2,587	2,730
Current contract settlement liabilities payable (refer to note 17)	400	400
Total trade and other payables excluding discontinued operations	3,828	3,528
eCommerce payments awaiting clearance related to discontinued operations	–	1,194
Trade and other payables related to discontinued operations	–	79
Total trade and other payables	3,828	4,801

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually settled within established terms, normally 30 days of recognition. Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost.

Note 16: Provisions

	Consolidated 2022 $'000	2021 $'000
Current Provisions		
Employee benefits	881	1,032
Lease make good	19	22
Less employee benefits related to discontinued operations	–	(122)
	900	932
Non-Current Provisions		
Employee benefits	101	117
Lease make good	5	3
Less employee benefits related to discontinued operations	–	(11)
	106	109

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Lease make good	Consolidated $'000
Carrying amount at the start of the year	25
Provision utilised	(5)
Additional provisions recognised	4
Carrying amount at the end of the year	24

Accounting policy for provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits relate to the Group's liability for long service leave and annual leave. The entire amount of the provision for annual leave is presented as current since the Group does not have an unconditional right to defer settlement in whole or in part of this obligation. Based on past experience, the Group expects that in aggregate employees will take or receive payment for the full amount of accrued leave within the next 12 months.

Accounting policy for long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The calculation involves judgements and estimates, and consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 17: Other payables

	Consolidated 2022 $'000	2021 $'000
Non-current contract settlement liabilities payable(i)	370	726
Purchase of intangible asset(ii)	935	–
	1,305	726

(i) On 30 October 2020 agreement was reached with BAMM Group Administration Pty Ltd ('BAMM') regarding the development of a cloud-based head office solution.

The present value of the non-current liability recognised that relates to future payments to be made to BAMM is $370,000 at 30 June 2022 ($726,000 at 30 June 2021). The current liability is $400,000 at 30 June 2022 ($400,000 at 30 June 2021).

(ii) The Group has acquired the intellectual property rights of a cloud hosted software platform. The payment for this intangible asset is through a revenue share agreement, whereby the seller receives 10% of all relevant revenue generated by the group through the platform. The Group has an option, under certain circumstances, to acquire the revenue share in accordance with a predetermined formula. Under the contract, the maximum amount payable to the seller is $1,150,000. The present value of this consideration has been recognised as an intangible asset, with the liability expected to be paid over the coming years as the platform generates revenues for the group.

Note 18: Equity – issued capital

	Consolidated Shares	$'000
Ordinary shares – fully paid		
Balance at 30 June 2021	596,756,789	98,366
Balance at 30 June 2022	596,756,789	98,366

Ordinary shares

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

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

Capital risk management

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

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

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

Accounting policy for issued capital

Ordinary shares are classified as equity.

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

Note 19. Equity – dividends and franking credits

Dividends

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

Accounting policy for dividends
Dividends are recognised when declared during the financial year.

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Franking credits		
Franking credits available for subsequent financial years	1,249	1,249

The deferred franking debit account has a balance of $8,364,000 (2021: $6,810,000). The receipt by the Company of the R&D refundable tax offsets does not immediately reduce the franking account balance. However, no franking credits will arise as a result of income tax payments until the Company recovers these deferred franking debits.

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date, after recovery of all deferred franking debits.
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

Note 20. Equity – reserves

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Performance rights reserve	39	18
Movement in performance rights reserve		
Balance at the beginning of the financial year	18	18
Performance rights expense	39	18
Reversal of expense associated with performance rights which have lapsed	(18)	(18)
Balance at the end of the financial year	39	18

The performance rights reserve is used to recognise the fair value of performance rights issued. For further information regarding the performance rights plan refer to note 26.

Note 21. Cash flow

	Consolidated	
	2022 $'000	2021 $'000
Reconciliation of profit after income tax to net cash from operating activities		
Profit after income tax expense for the year	252	1,091
Adjustments for:		
Depreciation and amortisation	2,199	1,826
Gain on sale of business	(336)	–
Fair value adjustment of investments	–	(1,727)
Contract settlement	–	1,468
Research and development tax benefit on intangibles	1,464	1,355
Net loss on disposal of non-current assets	–	(6)
Interest on lease and other liabilities	72	63
Income tax related to transaction costs in equity	–	20
Share based payments	21	–
Change in operating assets and liabilities:		
Decrease / (Increase) in trade and other receivables	(221)	3,656
Decrease / (Increase) in inventories	(8)	30
Decrease / (Increase) in income tax refund due	(1)	153
Decrease / (Increase) in deferred tax assets and liabilities	(28)	(175)
Decrease / (Increase) in other operating assets	1,244	606
(Decrease) / Increase in trade and other payables	(1,040)	(4,793)
(Decrease) / Increase in other provisions	(168)	(279)
(Decrease) / Increase in deferred revenue	(169)	(126)
Net cash from operating activities	3,281	3,162
Non-cash investing and financing activities		
Changes in the right of use assets (note 13)	354	22
Leasehold improvements – lease make good (note 16)	4	8
Performance rights issued/lapsed (note 20)	21	–
	379	30

Note 22. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Different methods are used to measure different types of risk to which the Group is exposed, such as sensitivity analysis for interest rate risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Note 22. Financial instruments continued

Market risk

Foreign currency risk

The Group has no material exposure to foreign exchange risk.

Interest rate risk

The Group's financial instrument exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities are:

	2022		2021	
Consolidated	**Weighted average interest rate %**	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Cash on deposit	0.34%	5,252	0.50%	5,891
Net exposure to cash flow interest rate risk		5,252		5,891

An official increase/(decrease) in interest rates of 3.4 (2021: 5.0) basis points would have a favourable/adverse effect on profit before tax of $1,812 (2021: $2,946) per annum. The percentage change is based on the expected volatility of interest rates of a 10% movement, using market data and analysts forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group mitigate credit risk by undertaking transactions with a large number of customers. The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral. Trade and other receivables that are neither past due nor impaired are considered to be high credit quality. There has been no change to credit risk since initial recognition.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate financial resources are maintained on an ongoing basis.

The following tables detail the Group's remaining contractual maturity for its financial instruments. The tables have been drawn up based on the cash flows of financial assets and liabilities based on the earliest date on which they are expected to be recovered or required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities. Therefore, these totals may differ from their carrying amount in the statement of financial position.

Note 22: Financial instruments continued

Liquidity risk continued

Consolidated	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
2022					
Financial assets					
Cash	507	–	–	–	507
Cash on deposit	5,252	–	–	–	5,252
Trade and other receivables	1,085	–	–	–	1,085
Security deposits	51	148	–	–	199
	6,895	148	–	–	7,043
Financial liabilities					
Trade payables and accruals	3,428	–	–	–	3,428
Lease liabilities	303	23	–	–	326
Deferred settlement payments	400	370	–	–	770
Deferred payment for intangible asset	–	232	533	170	935
	4,131	625	533	170	5,459
2021					
Financial assets					
Cash	587	–	–	–	587
Cash on deposit	5,891	–	–	–	5,891
Trade and other receivables	864	–	–	–	864
Security deposits	161	51	–	–	212
eCommerce payments awaiting clearance	1,194	–	–	–	1,194
	8,697	51	–	–	8,748
Financial liabilities					
Trade payables and accruals	3,759	–	–	–	3,759
eCommerce payments awaiting clearance	1,194	–	–	–	1,194
Lease liabilities	280	41	–	–	321
Deferred settlement payments	400	356	370	–	1,126
	5,633	397	370	–	6,400

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

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

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

Note 23: Contingent liabilities and commitments

The Group had no material contingent liabilities or commitments at 30 June 2022 and at 30 June 2021.

Note 24: Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2022 $'000	2021 $'000
Short-term employee benefits	1,427	940
Post-employment benefits	98	56
Performance rights	14	5
	1,539	1,001

Included in the above are director's fees which were paid to companies associated with the directors.

Note 25. Interests in subsidiaries and related party transactions

Parent entity

Corum Group Limited is the parent entity.

Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

	Principal place of business/ Country of incorporation	Ownership interest 2022 %	2021 %
Amfac Pty Ltd	Australia	100%	100%
Corum Health Pty Ltd (formally Pharmasol Pty Ltd)	Australia	100%	100%
Corum eCommerce Pty Ltd	Australia	100%	100%
Corum Systems Pty Ltd	Australia	100%	100%
Corum Training Pty Ltd	Australia	100%	100%
PharmX Pty Ltd	Australia	100%	100%
PharmXchange Pty Ltd	Australia	100%	n/a

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the Remuneration Report included in the Directors' Report.

Transactions with related parties

Alchemy Healthcare Pty Ltd

The PharmXchange platform has been fully developed by PharmX following the acquisition of the Intellectual Property Rights of a cloud hosted software platform known as the AlchemX platform from Alchemy Healthcare Pty Ltd (Alchemy). PharmXchange is the trading name of PharmXchange Pty Ltd, a wholly owned subsidiary of Corum Group Limited.

PharmXchange and Alchemy have entered a revenue share agreement whereby Alchemy receives 10% of all relevant revenue generated by the group from the platform. Under certain circumstances PharmXchange has an option to acquire the revenue share in accordance with a predetermined formula. The minimum amount payable under a combination of revenue share and acquisition of the revenue share is $200,000 and the maximum amount payable is $1,150,000. The contract has standard termination clauses. Refer to note 17 for further details.

Alchemy is a related party of both Corum and PharmXchange for the purposes of Chapter 2 of the Corporations Act 2001 as they have a common director, Nick England, who did not vote on or participate in the negotiation of the transaction.

During the year ended 30 June 2022, there has not yet been any payments made under the arrangement to Alchemy.

Loans to/from related parties

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

Terms and conditions

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

Note 26: Share-based payments

Equity-settled compensation

The Group operates employee performance rights schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value is ascertained using a pricing model which incorporates all market vesting conditions. The number of performance rights expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Performance rights plan

The Corum Group Omnibus Equity Plan (“the Plan”) allows the Company (Corum Group Limited) to grant performance rights to Participants. A performance right is a right to acquire a Share (being a “Plan Share”), subject to the satisfaction of certain conditions which is set out in each invitation to acquire performance rights.

The Board has discretion to make grants at any time, including on the commencement of employment by a person deemed by the Board to be eligible to participate in the Plan. The terms of any future offers may vary.

There are no voting or dividend rights attached to the performance rights.

The movement and balance of performance rights approved and granted to officers, directors and employees of the Group by the Board are as follows:

Consolidated 2022							
Grant date	Vesting date	Exercise price	Opening Balance 1 July	Rights issued	Rights vested	Rights lapsed	Closing Balance 30 June
17 Nov 2020	16 April 2023	$0	4,000,000	–	–	(4,000,000)	–
9 Dec 2021	September 2022 to July 2024	$0	–	3,000,000	–	(500,000)	2,500,000
			4,000,000	3,000,000	–	(4,500,000)	2,500,000

The number of performance rights granted reflects the extent to which performance hurdles, service conditions and exercise conditions associated with the grant are achieved.

The performance rights are subject to a service condition of continuous employment for three consecutive years. Performance hurdles and exercise conditions are based on achievement of certain earnings per share targets. There is no exercise price associated with these performance rights. The expiry date is the fifth anniversary of the grant date.

As at 30 June 2022, no performance rights can be exercised. The performance rights have a useful life based on vesting dates, once service and exercise conditions are achieved.

Note 27: Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent 2022 $'000	Parent 2021 $'000
Statement of profit or loss and other comprehensive income		
Loss after income tax	(585)	(1,812)
Total comprehensive income for the year	(585)	(1,812)
Statement of financial position		
Total current assets	6,318	7,282
Total assets	14,756	14,800
Total current liabilities	1,410	1,343
Total liabilities	9,232	8,712
Equity		
Issued capital	98,366	98,366
Reserves	39	18
Accumulated losses	(92,881)	(92,296)
Total equity	5,524	6,088

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1 and throughout all notes to the financial statements.

Note 28. Events after the reporting period

No matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

Nick England
Chairman

Jon Newbery
Director

30 August 2022
Sydney

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Corum Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Corum Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

BDO

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of intangible assets

Key audit matter	*How the matter was addressed in our audit*
The group is required under Australian Accounting Standard AASB 136 Impairment of Assets to complete an impairment assessment of intangibles assets such as goodwill, brand names and intangibles under development each year and the remaining intangibles when there is impairment indicators. The group has tested the assets by comparing the carrying value to its recoverable amount. The Group determined the recoverable amount through a value in use calculation with reference to discounted cash flow forecasts. The forecasts involve judgements and estimates, specifically in relation to revenue growth and discount rates.	Our audit procedures included, among others: • Challenging the cash generating unit and associate assets to be included; • Evaluating the key inputs and assumptions used in the value in use model, in particular those relating to forecast revenue, expenses and discount rates applied; • Assessing the sensitivity of the key assumptions for reasonable possible changes in the value in use model prepared by the Group; and • Assessing the adequacy of disclosures within the financial statements in relation to *AASB 136 Impairment of assets* requirements.

BDO

Acquisition of PharmXchange

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 14 and Note 17 of the financial report, the group acquired the asset PharmXchange during the year. The accounting for this asset acquisition is a key audit matter due to the subjectivity of determining the transaction price, and the application of the relevant accounting standards in capitalising the asset and recognising the contingent consideration.	Our procedures performed in response to the acquisition of PharmXchange included the following: • Assessment and determination of whether the contract met the AASB 3 *Business Combinations* definition of a business combination or constituted an asset acquisition; • Review of management's assessment of the purchase consideration, and value of deferred consideration recognised; • Review of the *AASB 138 Intangible Assets* recognition criteria, whether the PharmXchange platform met the definition of an intangible asset; • Review of *AASB 112 Income taxes,* as to whether a deferred tax liability or asset should be recognised as at 30 June 2022 in respect of this asset acquisition; and • Review relevant financial statement disclosures for managements asset acquisition policy.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 14 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Corum Group Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

L Russell

Leah Russell
Director

Sydney, 30 August 2022

Shareholder information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report.
The information is current as at 2 August 2022.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Range of shareholding	Number of holders of ordinary shares	Number of ordinary shares held
1 – 1,000	657	224,379
1,001 – 5,000	344	900,388
5,001 – 10,000	297	2,193,208
10,001 – 100,000	455	16,460,047
100,001 and over	211	576,978,767
	1,964	596,756,789
Holding less than a marketplace parcel	1,385	4,328,328

Top twenty equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Lujeta Pty Ltd (Margaret A/C)	95,746,043	16.0
Arrotex Investments Holding 1 Pty Ltd	60,000,000	10.1
National Nominees Limited	38,742,512	6.5
Mersault Pty Ltd (The England Family S/F A/C)	26,766,667	4.5
Mr David Gerald Manuel & Ms Anne Elizabeth Leary (Manuel Super Fund A/C)	18,666,667	3.1
Lyell Pty Ltd (Genesis Super Fund A/C)	17,388,974	2.9
Benki Pty Ltd	17,105,748	2.9
Sandhurst Trustees Ltd (Cyan C3G Fund A/C)	15,761,905	2.6
Mr John Lagana	15,621,734	2.6
Ginga Pty Ltd (Thomas G Klinger Family A/C)	14,414,488	2.4
Mrs Penelope King	13,333,334	2.2
Seveniron Pty Ltd (Sedgwick Super A/C)	12,000,000	2.0
Mr Grant Povey	12,000,000	2.0
Lyell Pty Ltd (Hayman A/C)	10,666,666	1.8
Canceler Pty Ltd (Clarence Super Fund A/C)	9,900,000	1.7
Mr David Gerald Manuel & Ms Anne Elizabeth Leary (Manuel Family A/C)	8,000,000	1.3
Mr Tyson Wellman	8,000,000	1.3
Gabodi Pty Limited (Gabodi Pty Ltd S/F A/C)	7,197,334	1.2
Link Enterprises (International) Pty Ltd	7,009,480	1.2
GC Retirement Fund Pty Ltd (GC Retirement Fund A/C)	6,666,667	1.1
	414,988,219	69.4

Substantial holders
as disclosed in the last substantial shareholder notices given to the Company:

	Ordinary shares	
	Number of Securities	% of total shares issued
Lujeta Pty Ltd	95,746,043	16.04
Arrotex Investments Holding 1	60,000,000	10.05
National Nominees Limited (Australian Ethical Investment Limited)	38,742,512	6.49

Distribution of unquoted equity securities

	Number of Securities	Number of holders
Employee incentive scheme		
Performance rights to acquire ordinary shares	2,500,000	3

Voting Rights
All ordinary shareholders carry one vote per share without restriction.

There are no voting rights attached to performance rights.

Corporate directory

Directors

Nick England (Executive Chairman)
Jon Newbery (Non-executive Director)
Jayne Shaw (Non-executive Director)
Dennis Bastas (Non-executive Director)

Company Secretary

Eryl Baron

Registered Office

Level 3
120 Sussex Street
Sydney NSW 2000
Telephone +61 2 8871 8501

Website

www.corumgroup.com.au

Auditor

BDO Audit Pty Ltd
Level 11
1 Margaret Street
Sydney NSW 2000

Stock Exchange Listing

Corum Group Limited shares are listed on the Australian Securities Exchange (ASX: COO)

Share Registry

Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000

Telephone 1300 288 664
or +61 2 9698 5414