Appendix 4E

Preliminary Final Report

Given to the ASX under Listing Rule 4.3A

The following sets out the requirements of Appendix 4E with the stipulated information either provided here or cross referenced to the 2023 Unaudited Financial Report which is attached.

1. Details of the reporting period and the previous corresponding period

Name of Entity:	Singular Health Group Limited
ACN:	639 242 765
Financial Year Ended:	30 June 2023
Previous Corresponding Reporting Period:	30 June 2022

2. Results for announcement to the market

	30 June 2023 AUD$	30 June 2022 AUD$	AUD $ increase/(decrease) over corresponding period	% increase/(decrease) over corresponding period
Revenue from ordinary activities	616,142	54,034	562,108	1,040.3%
Profit/(loss) after tax from ordinary activities attributable to members	(4,678,294)	(5,986,020)	1,307,727	(21.8%)
Net profit/(loss) for the period attributable to members	(4,678,395)	(5,989,623)	1,311,328	(21.9%)

2.4. Dividends

	Amount per security	Franked amount per security
Interim Dividend	Nil	Nil
Final Dividend	Nil	Nil

No dividends have been declared or paid during the year ended 30 June 2023. The directors do not recommend the payment of a dividend in respect of the year ended 30 June 2023. The Company does not have a dividend reinvestment plan in operation.

2.5 Record date for determining entitlements to the dividends (if any)

Not Applicable

2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

This past year has seen numerous milestone achievements with the granting of ISO13485:2016 certification, successful Medical Device Single Audit Program (MDSAP), our inaugural US FDA510(k) diagnostic clearance for 3Dicom MD®, and the further development of our proprietary Medical File Transfer Protocol ("MFTP").

These certifications and regulatory clearances not only provide Singular Health with access to larger markets and medical practitioners, but also act as a barrier to entry for other market entrants and are substantial intangible assets.

During the Period, Singular Health has continued to develop the Company's core technology portfolio through continual improvements to the Volumetric Rendering Platform ("VRP"), the development and implementation of the Medical File Transfer Protocol ("MFTP"), and our own internal transaction engine for subscription management and micro-services such as MFTP transfers, referral programs, and upcoming AI-in-the-Cloud and 3D printing integrations.

The Company has continued to conduct 100% of the software development in-house for an integrated systems approach that has seen the emergence of MFTP as a secure, wireless, and HIPAA-compliant means of transferring medical records between medical practitioners and their patients to improve patient education and ensure ownership and control of their medical records. Patients and practitioners are then able to use the VRP, deployed in mobile, Virtual Reality and desktop applications, to rapidly and locally convert standard 2D medical images into immersive, interactive 3D models of patient anatomy on their devices. All of this is underpinned by our transaction engine which maintains a full audit trail and offers opportunities for the monetisation of data transfers and cloud storage.

With the granting of the Company's inaugural diagnostic clearance, an FDA 510(k) clearance in the United States, in October 2022, Singular Health has been able to actively market in the United States market and seek direct feedback and market validation from prospective and existing customers, including individual doctors and patients as well as large enterprises and federal agencies. This strategy has proven successful in securing a technical partnership with Sony Electronics. The feedback has been overwhelmingly positive, particularly with regards to the interconnected nature of the 3Dicom ecosystem that sees patients able to not only view their medical images in 3D in their pocket using the 3Dicom mobile application but receive and share these medical records to their various care teams, removing the requirements for CD-ROMs and complex viewing platforms.

The Board of Singular Health and the whole team have been very conscious of the difficult macro-economic conditions and are committed to maximising the usage of shareholder funds. With this in mind, and considering the customer feedback and regulatory requirements, the Company has actively sought to streamline its operations both from a corporate and commercial perspective. Notably during the year this led to a decision to focus on commercialising the 3Dicom MD and Patient products. These measures were also accompanied by numerous staffing changes and the proactive divestment and closure of investments and joint ventures which have better focused the Company's activities.

During the second half of the year, Singular Health, through its wholly owned subsidiary Singular 3DP, acquired the assets and business of a Perth based 3D printing facility which has brought in substantial revenue over the past two quarters and established diversified revenue streams through the provision of medical 3D printing along with the resale of 3D printer hardware and consumables.

3. Statement of Comprehensive income with notes to the statement

The appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2023, specifically:

- Statement of Profit or Loss and Other Comprehensive Income
- Notes to the Financial Statements

4. Balance Sheet with notes to the statement

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2023, specifically:

- Statement of Profit or Loss and Other Comprehensive Income
- Notes to the Financial Statement

5. Statement of Cash Flows with notes to the statement

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2023, specifically:

- Statement of Cash Flows
- Notes to the Financial Statements

6. Statement of Changes in Equity

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2023, specifically:

- Statement of Changes in Equity
- Notes to the Financial Statements

7. Details Relating to Dividends

Information	30 June 2023	30 June 2022
Date the dividend is payable:	N/A	N/A
Record date to determine entitlement to the dividend:	N/A	N/A
Amount per security (AUD Cents):	N/A	N/A
Total dividend (AUD$):	N/A	N/A
Amount per security of foreign sourced dividend or distribution:	N/A	N/A

8. Dividend or distribution reinvestment plan detail:

	30 June 2023	30 June 2022
Details of any dividend reinvestment plan in operations:	N/A	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plan:	N/A	N/A

9. Net tangible assets per ordinary share:

Net Tangible Assets per Security	1.33	1.33
Net tangible assets/(liabilities) (cents per share)	1.33	1.33

10. Control gained or lost over entities during the period, and those having material effect.

Not applicable.

11. Details of Associates and Joint Venture Entities

The details of Associates and Joint Venture Entities has been disclosed in Note 19 of the below Notes to the Financial Statement.

12. Any other significant information needed by an investor to make an informed assessment of the Group's financial performance and financial position.

All significant information has been included elsewhere in this document or in the Unaudited Financial Report for the year ended 30 June 2023.

13. For foreign entities, which set of accounting standards is used in compiling the report.

Not applicable.

14. Commentary on the results.

The Appendix 4E should be read in conjunction with the Unaudited Financial Report for the year ended 30 June 2023.

15.Status of Audit and Audit dispute or qualification

Audited Financial statements will be released during September 2023.

16. Attachments forming part of Appendix 4E

Attachment number - 1

Details - 2023 Unaudited Preliminary Financial Report

UNAUDITED PRELIMINARY FINAL REPORT

For the year ended 30 June 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Revenue from continuing operations			
Revenue	4	616,142	54,034
Research and development grant income		441,350	363,742
Interest and other revenue		3,409	7,615
Cost of Sales		(480,990)	-
Selling and marketing expenses		(65,639)	(289,952)
Patent, research and development expenses	5	(587,740)	(598,038)
Consultancy and subcontractor fees		(202,620)	(181,627)
Employee and director benefits expense	5	(1,825,302)	(1,718,126)
Corporate, audit and legal expenses	5	(565,077)	(438,839)
Depreciation and amortisation		(389,146)	(259,835)
Administration expenses		(319,793)	(163,991)
Share based payments	15	(769,254)	(2,656,056)
Finance costs		(461,788)	(12,888)
Share of net loss in associates	18	(8,205)	(52,834)
Other expenses		(63,641)	(31,685)
Share of net loss of joint arrangements		-	(7,540)
Profit/(Loss) before income tax		(4,678,294)	(5,986,020)
Income tax expense		-	-
Profit/(Loss) after income tax		(4,678,294)	(5,986,020)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(101)	(3,603)
Other comprehensive loss for the period, net of tax		(101)	(3,603)
Total comprehensive profit/(loss) for the period		(4,678,395)	(5,989,623)
Total comprehensive profit/(loss) is attributable to:			
Owners of Singular Health Group Limited		(4,678,395)	(5,989,623)
		(4,678,395)	(5,989,623)
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Singular Health Group Limited:			
Basic and diluted profit/(loss) per share (cents)		(4.25)	(5.83)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	7	691,513	1,139,935
Trade and other receivables	8	76,186	141,487
Prepayments		86,412	29,288
Inventory		129,287	-
Total current assets		983,398	1,310,710
Non-current assets			
Property, plant and equipment	10	773,841	58,105
Right-of-use assets	11	128,678	73,902
Intangibles	9	270,514	454,456
Investments in associates and joint ventures	18	234,825	243,030
Trade and other receivables	8	29,617	-
Goodwill (acquisition of Singular 3DP)	21	776,033	-
Total non-current assets		2,213,508	829,493
TOTAL ASSETS		3,196,906	2,140,203
LIABILITIES			
Current liabilities			
Trade and other payables	12	752,628	220,166
Provisions		86,146	85,672
Borrowings		561,281	1,123
Lease liability	11	42,086	67,010
Convertible Note Liability	13	1,208,694	-
Hire Purchase Liability		30,955	-
Total current liabilities		2,681,790	373,971
Non-current liabilities			
Lease liability	11	92,816	17,529
Hire Purchase Liability		139,611	-
Deferred Revenue		6,633	-
Total non-current liabilities		239,060	17,529
TOTAL LIABILITIES		2,920,850	391,500
NET ASSETS		276,056	1,748,703
EQUITY			
Issued capital	13	11,977,564	9,526,669
Reserves	14	4,129,340	3,371,739
Accumulated losses		(15,830,848)	(11,149,705)
TOTAL EQUITY		276,056	1,748,703

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Issued Capital $	Share-based Payment Reserve $	Accumulated Losses $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2022	9,526,669	3,376,290	(11,149,705)	(4,551)	1,748,703
Total comprehensive income for the period					
Loss for the year	-	-	(4,678,294)	-	(4,678,294)
Total other comprehensive income	-	-	-	(101)	(101)
Total comprehensive income/(loss) for the period	-	-	(4,678,294)	(101)	(4,678,396)
Transactions with owners, recorded directly in equity					
Shares issued, net of transaction costs	2,378,895	-	-	-	2,378,895
Share based payments	72,000	754,854	-	-	826,854
Balance at 30 June 2023	11,977,564	4,131,144	(15,827,999)	(4,653)	(276,056)

	Issued Capital $	Share-based Payment Reserve $	Accumulated Losses $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2021	9,526,669	720,234	(5,163,685)	(948)	5,082,270
Total comprehensive income for the period					
Loss for the year	-	-	(5,986,020)	-	(5,986,020)
Total other comprehensive income	-	-	-	(3,603)	(3,603)
Total comprehensive income/(loss) for the period	-	-	(5,986,020)	(3,603)	(5,989,623)
Transactions with owners, recorded directly in equity					
Share based payments	-	2,656,056	-	-	2,656,056
Balance at 30 June 2022	9,526,669	3,376,290	(11,149,705)	(4,551)	1,748,703

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		688,074	54,034
Payments to suppliers and employees		(3,566,792)	(3,336,241)
Government grants received		441,350	374,375
Interest paid		(44,682)	-
Interest received		3,406	2,056
Net cash outflow from operating activities	19	(2,478,644)	(2,905,776)
Cash flows from investing activities			
Cash outflow from acquisition of Singular 3DP		(563,758)	
Purchase of plant & equipment		(55,995)	(11,781)
Payments for intangible assets		-	-
Payments for acquisition of associates and joint ventures		(7,120)	(5,341)
Net cash outflow from investing activities		(626,873)	(17,122)
Cash flows from financing activities			
Proceeds from share issue, net of issue costs		1,553,895	-
Proceeds from issue of convertible notes		800,000	-
Proceeds from R&D Loan Funding		419,236	-
Repayment of borrowings		-	(422)
Payment of principle portion of lease liabilities		(123,069)	(68,833)
Net cash inflow from financing activities		2,650,062	(69,255)
Net increase in cash and cash equivalents		(455,455)	4,135,691
Cash and cash equivalents at beginning of the financial period		1,139,935	(2,992,153)
Effects of exchange rate changes on cash and cash equivalents		7,033	(3,603)
Cash and cash equivalents at end of the period	7	691,513	1,139,935

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

1. Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company was incorporated on 20 February 2020.

Historical cost convention

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

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 consolidated entity'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 relevant notes below.

(b) New and amended standards adopted by the entity

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Singular Health Group Ltd ('Company" or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Singular Health Group Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company 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 Company. They are de-consolidated from the date that control ceases.

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.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(c) Principles of Consolidation (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

(d) Foreign currency translation

The financial statements are presented in Australian dollars, which is Singular Health Group Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Revenue is recognised in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably. The following criteria must also be met before turnover is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and the titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred the significant risks and rewards of ownership to the buyer;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the Group will receive the consideration due under the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the Group will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- The costs incurred and the costs to complete the contract can be measured reliably.

(f) 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.

1. Summary of significant accounting policies (continued)

(f) Income Tax (continued)

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

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

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

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

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

(g) Goods and Services Tax ('GST')

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.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

(j) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate.

1. Summary of significant accounting policies (continued)

(j) Associates (continued)

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(k) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(l) Property Plant and equipment

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

1. Summary of significant accounting policies (continued)

(l) Property Plant and equipment (continued)

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

Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Plant and equipment under lease	2-5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. 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.

(m) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(n) Intangible Assets

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 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.

Intellectual property and software development

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Research and development

Research and development expenditure is recognised as an expense as incurred. Development costs recognised as an expense are not recognised as an asset in a subsequent period.

(o) 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. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

1. Summary of significant accounting policies (continued)

(p) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they 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.

(q) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(r) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, 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.

(s) Employee Benefits

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.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(t) Fair value measurement

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

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

1. Summary of significant accounting policies (continued)

(t) Fair value measurement (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(u) 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.

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of Singular Health Group Ltd, 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 loss per share

Diluted earnings per share adjusts the figures used in the determination of basic loss per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Share Based Payments

Equity-settled compensation

The Group operations an employee option and performance rights plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date of the goods or services are received.

The corresponding amounts are recognised in the share-based payment reserve and statement of profit and loss and other comprehensive income respectively. The fair value of options and performance rights are determined using the Black-Scholes model. The number of performance rights and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

2. Segment reporting

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the consolidated Group. The Group's primary business segment is the provision of Volume Rendering Platform (VRP) software. The Group operates in one segment, medical technology products.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the consolidated Group. The Group's primary business segment is the provision of Volume Rendering Platform (VRP) software. The Group operates in one segment, medical technology products.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments". The chief operating decision maker has been identified as the Board of Directors.

3. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision
As discussed in note 1, 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.

Business combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:
• fair values of the assets transferred
• liabilities incurred to the former owners of the acquired business
• equity interests issued by the group
Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the:
• consideration transferred,
• amount of any non-controlling interest in the acquired entity, and
• acquisition-date fair value of any previous equity interest in the acquired entity
over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Share Based Payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model taking into account the assumptions detailed within note 16. Inputs to pricing models may require an estimation of reasonable expectations about achievement of future vesting conditions. Vesting conditions must be satisfied for the counterparty to become entitled to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement. Vesting conditions include service conditions, which require the other party to complete a specified period of service, and performance conditions, which require specified performance targets to be met (such as a specified increase in the entity's profit or revenues over a specified period of time) or completion of performance hurdles.

The Group recognises an amount for the goods or services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

4. Revenue & other income

	2023 $	2022 $
Revenue:		
Product sales	616,142	54,034
Total revenue	**616,142**	**54,034**
Grant income:		
Research and development grants	441,350	363,742
Total grant income	**441,350**	**363,742**
Other revenue		
Interest revenue	3,409	7,251
Other revenue	-	364
Total other revenue	**3,409**	**7,615**

Disaggregation of revenue from contracts with customers

Revenue is recognised when or as the Group transfer control of the goods or services to a customer at the amount which the Group expects to be entitled over time and at a point in time. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

	Product Revenue $	Stripe Revenue $	Total $
Timing of revenue recognition – 30 June 2023			
At a point in time	588,913	27,229	616,142
Over time	-	-	-
Total	**588,913**	**27,229**	**616,142**

	Product Revenue $	Stripe Revenue $	Total $
Geographical Regions – 30 June 2023			
Australia	588,913	1,707	590,620
Rest of the world	-	25,522	25,522
Total	**588,913**	**27,229**	**616,142**

	Product Revenue $	Stripe Revenue $	Total $
Timing of revenue recognition – 30 June 2022			
At a point in time	50,177	3,857	54,034
Over time	-	-	-
Total	50,177	3,857	54,034

	Product Revenue $	Stripe Revenue $	Total $
Geographical Regions – 30 June 2022			
Australia	50,177	1,095	51,272
Rest of the world	-	2,762	2,762
Total	50,177	3,857	54,034

5. Material profit and loss items for the year

Profit/(Loss) for the year includes the following items:

	2023 $	2022 $
Employee benefit expenses:		
Employee wages and directors' fees	1,636,666	1,500,008
Other employee expenses (including superannuation)	188,636	218,118
Total employee benefits expense	1,825,302	1,718,126
Patent, research and development expenses:		
Research and development	393,736	495,264
Quality accreditation	172,825	75,892
Other expenses	21,179	26,882
Total patent, research and development expenses	587,740	598,038
Corporate, audit and legal expenses:		
Corporate expenses	452,034	347,531
Legal expenses	71,157	72,202
Other expenses	41,886	19,106
Total corporate, audit and legal expenses	565,077	438,839

6. Income tax

		2023 $	2022 $
(a)	**Income tax expense**		
	Current tax expense	-	-
	Deferred tax expense	-	-
	Income tax reported in statement of comprehensive income	-	-
(b)	**The prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:**		
	Prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax at 30% (2021: 30%)	(4,678,294)	(1,796,887)
	Add tax effect of:		
	Non-allowable items	484,847	958,665
	Revenue losses and other deferred tax balances not recognised	1,041,046	914,486
		105,607	76,264
	Less tax effect of:		
	R&D tax incentive (Grants)	103,555	76,264
	Other non-assessable income	2,052	-
	Income tax reported in statement of comprehensive income	-	-
(c)	**Unrecognised deferred tax assets at 25% (2022: 25%)[1]**		
	Revenue losses	2,002,067	1,469,474
	Capital raising costs	117,193	166,156
	Property, plant & equipment	-	38,821
	Provisions and accruals	-	35,446
	Lease liabilities	33,725	2,660
	Other	71,296	-
		3,454,737	1,712,556
(d)	**Current tax liabilities**		
	Provision for tax	-	-
		-	-

The benefit for tax losses will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(ii) the Company continues to comply with the conditions for deductibility imposed by law; and
(iii) No changes in income tax legislation adversely affect the Company in utilising the benefits.

1. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

2. Comparative figures have been restated to meet legislative requirements. The overall tax position has not changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

7. Cash and cash equivalents

	2023 $	2022 $
Cash at bank	691,513	1,139,935
Total cash and cash equivalents	**691,513**	**1,139,935**

8. Trade and other receivables

	2023 $	2022 $
Trade receivables: Current Asset		
Trade receivables	6,326	88,500
Less: allowance for expected credit losses	-	-
Total trade receivables	**6,326**	**88,500**
Other receivables:		
GST receivable	53,359	44,470
Bonds and deposits	34,149	4,531
Other receivables	11,969	3,986
Total other receivables	**69,860**	**52,987**
Total Trade receivables current	**76,186**	**141,487**
Trade receivables: Non - Current		
Other receivables:		
Bonds and deposits	29,617	-
Total other receivables: Non- Current	**29,617**	-
Total trade and other receivables	**105,803**	**141,487**

Allowance for expected credit losses

The Group has recognised a loss of $nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2023 (2022: $nil).

9. Intangibles

	2023 $	2022 $
Intellectual property at cost	737,790	737,790
Less: accumulated amortisation	(467,276)	(283,334)
Total intangibles	**270,514**	**454,456**

Reconciliation of movements in intangible assets

	$
Balance at 1 July 2021	**637,893**
Additions	-
Impairment expense	-
Amortisation expense	(183,437)
Balance at 30 June 2022	**454,456**
Balance at 1 July 2022	**454,456**
Additions	-
Impairment expense	-
Amortisation expense	(183,942)
Balance at 30 June 2023	**270,514**

10. Property, plant and equipment

	2023 $	2022 $
Property, plant and equipment – at cost	942,203	93,185
Less: accumulated depreciation	(168,362)	(35,080)
Total property, plant and equipment	**773,841**	**58,105**

Reconciliation of movements in property, plant and equipment

	$
Balance at 1 July 2021	**63,358**
Additions	11,783
Depreciation expense	(17,036)
Balance at 30 June 2022	**58,105**
Balance at 1 July 2022	**58,105**
Additions	849,019
Depreciation expense	(133,283)
Balance at 30 June 2023	**773,841**

11. Right-of-use assets and lease liabilities

	2023 $	2022 $
Right-of-use assets		
Land and building-right of use asset	304,399	177,703
Less: accumulated amortisation	(175,721)	(103,801)
Total right-of-use assets	128,678	73,902
Lease liabilities:		
Current		
Lease liability	42,086	67,010
Total current lease liability	42,086	67,010
Non-current		
Lease liability	92,816	17,529
Total non-current lease liability	92,816	17,529
Total lease liability	134,902	84,539

Additions to the right-of-use assets during the year were $126,696 (2022: $nil).

The Group leases land and buildings for its offices under agreements of between two to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

12. Trade and other payables

	2023 $	2022 $
Current		
Trade payables[1]	161,003	120,603
Accruals and other payables	591,625	99,563
Total trade and other payables	752,628	220,166

1. Current trade payables are non-interest bearing and are normally settled on 30-day terms

13. Convertible notes payable

	30 June 2023 $	30 June 2022 $
Convertible notes payable	1,208,694	-
Total convertible notes payable	1,208,694	-

(a) Reconciliation of movements in convertible notes payable

	No.	$
Opening balance	-	-
Convertible notes	80	800,000
Capitalised interest (at 15% per annum)[1]	-	106,520
Finance cost[2]	-	302,174
Total convertible notes payable	80	1,208,694

1. The capitalised interest represents the interest payable on the convertible notes. It is calculated based on 15% (per annum) of the face value of the convertible notes on issue, from issue date to 30 June 2023. The interest expense of $106,520 will convert into shares at Maturity Date (15 August 2023) or be redeemed by the Group.

2. The convertible notes have a clause where the notes will convert at a discount of 25% to the 5-trading day VWAP of the Company's shares on the Business Day immediately before the Maturity Date (15 August 2023) plus interest. The finance cost of $302,174 is to recognise the discount value up to the maturity date of the convertible notes.

The terms of the convertible notes are as follows:

Face value: $10,000

Conversion period: Noteholders must elect to convert or redeem each of the Notes held by it by giving a conversion notice and, or redemption notice for those notes no later than 30 days prior to the Maturity Date (15 August 2023) (Election Date).

Conversion events: The day Noteholders issue a conversion notice in accordance with the conversion period. If the Noteholders fail to give a conversion notice and or redemption notice in relation to all notes on or before the Election Date the Group has the discretion to choose whether to convert and or redeem all or part of the Notes on the Maturity Date and may issue a Conversion Notice and or Redemption Notice to the Noteholder at any time between the Election Date and Maturity Date.

Conversion price: 75% of 5 trading day VWAP of the Group's shares on the business day immediately before the Maturity Date.

Interest: 15% per annum on the principal amount outstanding for each convertible note. Interest accrues on an annual basis, capitalized into the note on the Maturity Date, and will convert into shares or be redeemed by the Group.

13. Contributed equity

	2023 $	2023 No	2022 $	2022 No
Issued and fully paid				
Ordinary shares	11,977,564	134,037,538	9,526,669	102,798,867
Total contributed equity	11,977,564	134,037,538	9,526,669	102,798,867

Reconciliation of movements in ordinary shares

	No. of shares	$
Balance at 1 July 2022	102,798,867	9,526,669
Share Purchase Plan - 22 December 2022	5,147,762	592,000
Acquisition of Global 3D 23 January 2023	5,500,000	825,000
Placement Shares - Tranche 1 – 5 April 2023	7,699,997	423,500
Placement Shares - Tranche 2 – 21 June 2023	11,390,912	626,500
Shares Issued to Mrs Wendy Figueroa and Mr Shane Wee for their services – 26 June 2023	300,000	14,400
Shares Issued to Grange Consulting Group - 26 June 2023	1,200,000	57,600
Share issue costs		(88,105)
Balance at 30 June 2023	134,037,538	11,977,564
Balance at 1 July 2021	55,000,001	500,000
IPO placement shares – 02 February 2021	30,000,000	6,000,000
Shares issued upon conversion of existing convertible notes - 02 February 2021	14,230,384	2,846,077
Shares issued to lead manager and advisor - 02 February 2021	3,000,000	600,000
Shares issued for VR surgical acquisition - 27 May 2021	568,482	250,000
Share issue costs	-	(669,408)
Balance at 30 June 2022	102,798,867	9,526,669

Ordinary shares

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

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

Capital risk management

The 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.

14. Reserves

(a) Equity settled share-based payment reserve

	2023 $	2023 No	2022 $	2022 No
Option reserve	3,110,630	50,740,918	2,389,179	22,820,000
Performance rights reserve	1,020,514	16,900,000	987,111	10,000,000
Total equity settled share-based payment reserve	**4,131,144**	**67,640,918**	**3,376,290**	**32,820,000**

(b) Foreign currency reserve

	2023 $	2022 $
Foreign currency translation reserve	(1,804)	(4,551)
Total foreign currency translation reserve	**(1,804)**	**(4,551)**

(c) Total reserves

	2023 $	2022 $
Total reserves	**4,129,340**	**3,371,739**

Nature and purpose of equity settled share-based payment reserve

The share-based payment reserve records the value of options, performance rights and performance shares issued to the Group's directors, employees, and third parties. The value of the amount disclosed during the year reflects the value of options and performance shares issued by the Group.

Nature and purpose of foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are included in the Statement of Changes in Equity.

Reconciliation of movements in performance rights

	No. of performance rights	$
Balance at 1 July 2022	10,000,000	987,111
Performance Rights granted during the year – 28 Nov 2022	3,900,000	233,585
Performance Rights granted during the year – 14 Dec 2022	3,000,000	83,524
Vesting of employee performance rights	-	716,294
Change in valuation of Class A performance rights	-	(1,000,000)
Balance at 30 June 2023	16,900,000	1,020,514

Performance rights outstanding at 30 June 2023

Class of Securities	Grant Date	Exercise Price	Expiry Date	Number under performance rights
Class A Performance Rights	12 Feb 2021	Nil	31 Dec 2023	5,000,000
Class B Performance Rights	12 Feb 2021	Nil	31 Dec 2024	5,000,000
				10,000,000

Class of Securities	Grant Date	Exercise Price	Expiry Date	Number under performance rights
Performance Rights – Tranche A	14 Dec 2022	Nil	31 Dec 2023	2,600,000
Performance Rights – Tranche A2	28 Nov 2022	Nil	29-Nov-2025	2,000,000
Performance Rights – Tranche B	14 Dec 2022	Nil	31 Dec 2024	1,300,000
Performance Rights – Tranche B2	28 Nov 2022	Nil	29-Nov-2025	1,000,000
				6,900,000

Reconciliation of movements in options

	No. of options	$
Balance at 1 July 2022	19,250,000	449,416
Options issued to Referrers in respect of Convertible Notes– 3 August 2022	800,000	24,444
Options issued to Consultants in respect of Advisory work– 28 November 2022	5,000,000	224,975
Free attaching Options issued as part of Capital Raise	15,240,918	-
Options issued to Consultants in respect of promotional activities and associated activities – 16 June 2023	500,000	8,983
Options issued to Lead Manager in respect of Capital raise – 16 June 2023	3,500,000	62,883
Free attaching Options issued Grange - 16 June 2023	1,200,000	-
Free attaching transaction options to Global 3D- 16 June 2023	1,720,000	-
Lapsed Options	(40,000)	(5,000)
Balance at 30 June 2023	50,740,918	3,110,630

Unlisted options outstanding at 30 June 2023

Class of Options	Grant Date	Exercise Price	Expiry Date	Number under options
KMP Incentive Options	12-Feb-21	$0.30	4 years from issue date	19,250,000
Employee Share Plan Options	23-Nov-21	$0.30	4 years from issue date	1,670,000
Employee Share Plan Options	23-Nov-21	$0.30	4 years from issue date	20,000
Employee Share Plan Options	23-Nov-21	$0.30	4 years from issue date	300,000
Employee Share Plan Options	23-Nov-21	$0.30	4 years from issue date	40,000
Advisor Options - Jonathan Clarke	23-Nov-21	$0.30	4 years from issue date	250,000
Advisor Options - Bradley Moore	23-Nov-21	$0.30	4 years from issue date	250,000
Tranche A: Research and Promotional Activities Options	22-Dec-21	$0.40	2 years from issue date	300,000
Tranche B: Research and Promotional Activities Options	22-Dec-21	$0.50	2 years from issue date	300,000
Tranche C: Research and Promotional Activities Options	22-Dec-21	$0.60	2 years from issue date	400,000
Convertible Note Referrer Options	3-Aug-22	$0.24	2 years from issue date	800,000
Advisor Options – Pac Advisors	28-Nov-22	$0.40	3 years from issue date	5,000,000
Free Attaching Options issued as part of Capital Raise	16-Jun-23	$0.10	3 years from issue date	15,240,918
Lead Manager Options	16-Jun-23	$0.10	3 years from issue date	3,500,000
Advisor Options – Jane Morgan Management	16-Jun-23	$0.10	3 years from issue date	500,000
Free Attaching Advisor Options – Grange Consulting	16-Jun-23	$0.10	3 years from issue date	1,200,000
Free Attaching Global 3D Options	16-Jun-23	$0.10	3 years from issue date	1,720,000
				50,740,918

15. Share-based payments

Recognised share-based payment expense

	2023 $	2022 $
Total share-based payment expense	769,254	2,656,056

Options granted during the year

Options granted during the year ended 30 June 2023 as share based payments are as follows

Class of Options	Grant Date	Exercise Price	Expiry Date	Number under options
Convertible Note Referrer Options	3-Aug-22	$0.24	2 years from issue date	800,000
Advisor Options – Pac Advisors	28-Nov-22	$0.40	3 years from issue date	5,000,000
Free Attaching Options issued as part of Capital Raise	16-Jun-23	$0.10	3 years from issue date	15,240,918
Lead Manager Options	16-Jun-23	$0.10	3 years from issue date	3,500,000
Advisor Options – Jane Morgan Management	16-Jun-23	$0.10	3 years from issue date	500,000
Free Attaching Advisor Options – Grange Consulting	16-Jun-23	$0.10	3 years from issue date	1,200,000
Free Attaching Global 3D Options	16-Jun-23	$0.10	3 years from issue date	1,720,000

The options were valued using the Black-Scholes Model with the following outputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option ($)	Total Fair Value ($)
Convertible Note Referrer Options	Nil	1-Oct-21	100%	2.90%	2 years from issue date	$0.10	$0.03	$24,800
Advisor Options – Pac Advisors	Nil	23-Nov-21	80%	3.27%	3 years from issue date	$0.14	$0.04	$200,000
Lead Manager Options	Nil	23-Nov-21	100%	3.37%	3 years from issue date	$0.04	$0.02	$62,883
Advisor Options – Jane Morgan Management	Nil	22-Dec-21	100%	3.37%	3 years from issue date	$0.04	$0.02	$8,983

Performance rights granted during the year

Performance rights during the year ended 30 June 2023 as share based payments are as follows

Class of Securities	Grant Date	Exercise Price	Expiry Date	Number under performance rights
Performance Rights – Tranche A	14 Dec 2022	Nil	31 Dec 2023	2,600,000
Performance Rights – Tranche A2	28 Nov 2022	Nil	29-Nov-2025	2,000,000
Performance Rights – Tranche B	14 Dec 2022	Nil	31 Dec 2024	1,300,000
Performance Rights – Tranche B2	28 Nov 2022	Nil	29-Nov-2025	1,000,000
				6,900,000

The *Performance rights* were valued using the Up and Trinomial Barrier Model with the following outputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right ($)	Total Fair Value ($)
Performance Rights – Tranche A	Nil	14 Dec 2022	100%	3.19%	2 years from issue date	$0.13	$0.12	$303,841
Performance Rights – Tranche A2	Nil	28 Nov 2022	100%	3.27%	3 years from issue date	$0.14	$0.13	$265,740
Performance Rights – Tranche B	Nil	14 Dec 2022	100%	3.19%	3 years from issue date	$0.13	$0.12	$158,495
Performance Rights – Tranche B2	Nil	28 Nov 2022	100%	3.37%	3 years from issue date	$0.14	$0.13	$127,822

17. Earnings/(loss) per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted loss per share	2023 Cents	2022 Cents
Basic loss per share (cents per share)	(4.25)	(5.83)
Diluted profit/(loss) per share (cents per share)	(4.25)	(5.83)

Profit/(Loss)	2023 $	2022 $
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:		
Profit/(loss)	(4,678,294)	(5,989,623)

Weighted average number of ordinary shares	2023 No.	2022 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	109,970,902	102,798,864

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share.

18. Joint arrangements & interest in associates

Joint Arrangement in GeoVR Pty Ltd
Singular Health Group has a 50% interest in a joint operation called GeoVR Pty Ltd which was set up as a Joint Arrangement Company together with FlowCentric Technologies Pty Ltd to commercialise technology allowing for mineral exploration and production data to be visualised in a fully interactive 3D environment. The principal place of business of the joint arrangement is in Australia.

Joint Arrangement in SH Medical Technology Ltd
Singular Health Pte Ltd, a wholly owned subsidiary of Singular Health Group Limited, has a 50% interest in a joint operation called SH Medical Technology Ltd which was set up as a Joint Arrangement Company together with sophisticated individual investors to investigate market potential for Scan to Surgery technology in the East Asian market. The principal place of business of the joint arrangement is in Macau. SH Medical Technology Ltd has had minimal activities since its establishment.

Investment in Australian Additive Engineering Pty Ltd

On 21 March 2021, the Group and Australian Additive Engineering Pty Ltd (AAE) entered into a share subscription deed where SHG would subscribe to 25% of AAE's share capital for a subscription price of $300,000. The acquisition was approved by the shareholders at the General Meeting held on 11 May 2021.

Consideration of $300,000 in cash was paid on 26 May 2021 and this is deemed to be the date of acquisition.

Under AASB 128 Investments in associates and joint ventures, SHG's 25% interest in AAE is considered a significant influence as it holds more than 20% directly in the investee, and therefore, the investment is equity accounted.

Interest in associates is accounted for using the equity method of accounting.

	30 June 2023	
	Country of Incorporation	% Ownership Interest
Australian Additive Engineering Pty Ltd	Australia	25

Summarised financial information for associates

Summarised statement of financial position

The statement below provides summarised financial information for the associate that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not Singular Health Group Ltd's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	2023 $	2022 $
Current assets	274,181	263,318
Non-current assets	292,649	367,554
Total assets	**566,830**	**630,872**
Current liabilities	(117,647)	(2,310)
Non-current liabilities	-	-
Total liabilities	**(117,647)**	**(2,310)**
Net assets	**449,183**	**628,562**

Summarised statement of profit or loss and other comprehensive income

	2023 $	2022 $
Revenue	1,158,959	201,739
Expenses	(1,285,155)	(413,078)
Profit/(loss) before income tax	**(126,196)**	**(211,339)**
Income tax expense		-
Profit after income tax	**(126,196)**	**(211,339)**
Other comprehensive income	**38,622**	-
Total comprehensive loss	**(87,574)**	**(211,339)**

Reconciliation of the Company's Investment in Associate

	2023 $	2022 $
Opening amount	243,030	296,864
Share of associate profit/(loss) after income tax	(8,205)	(52,834)
Closing balance	**234,825**	**243,030**

Contingent liabilities
Australian Additive Engineering Pty Ltd had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments
Australian Additive Engineering Pty Ltd had no capital commitments as at 30 June 2023 and 30 June 2022.

Significant restrictions
Australian Additive Engineering Pty Ltd has no significant restrictions as at 30 June 2023 and 30 June 2022.

19. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

20. Operating cash flow reconciliation

	2023 $	2022 $
Reconciliation of operating cash flows to net profit/(loss)		
Profit/(loss) for the year	(4,678,294)	(5,986,020)
Share based payments	769,254	2,656,056
Share of net loss in associates	8,205	52,834
Depreciation and amortisation	389,146	259,835
Convertible note recognised finance costs	408,694	-
Impact of AASB 16	36,987	7,328
Impact of Joint Venture Arrangements	-	7,540
Non-Cash Payments for Services	57,600	-
Decrease in trade and other receivables	(150,728)	69,639
Increase/(decrease) in trade and other payables	680,017	(9,475)
Increase in provisions	473	36,488
Cash flow from operations	**(2,478,646)**	**(2,905,776)**

21. Business Combinations

On 25 Jan 2023 Singular 3DP Pty Ltd, a subsidiary of Singular Health Group Limited, acquired certain 3D printing assets, related plant and equipment, intellectual property and take over the majority of Global3D Pty Ltd.'s ("Global3D") existing medical focused 3D printing business of Global 3DP Pty Limited for the total consideration transferred of $1,437,725. Global3D is a West-Australian company providing advanced 3D printing services from an established ISO-9001 accredited facility 20 km south of Perth, Western Australia. The goodwill of $776,033 represents the expected synergies from merging this business with the computer distribution division and eliminating third party freight costs. The acquired business contributed revenues of $588,208 and loss after tax of $413,926 to the consolidated entity for the period from 25 January 2023 to 30 June 2023.

Details of the acquisition are as follows:

	Fair value $
Trade receivables	61,272
Right of use asset	126,696
Plant and equipment	612,725
Lease Liability	(126,696)
Employee benefits	(12,305)
Net assets acquired	661,692
Goodwill	776,033
Acquisition-date fair value of the total consideration transferred	1,437,725
Representing:	
Cash paid or payable to vendor	612,725
SHG Ordinary shares issued	825,000
Cash used to acquire business; net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	1,437,725
Less: cash and cash equivalents	-
Less: non-cash shares issued	(825,000)
Net cash used	612,725

The Group has applied provisional accounting on its measurement of its purchase price allocation for this business combination as per AASB 3 Business Combination.

22. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Groups overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however, the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Market risk

(i) Interest Rate Risk

The Group hold cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

(ii) Foreign exchange risk

The Group operated predominantly in Australia in the year ended 30 June 2022 and had minimal exposure to foreign exchange risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The

Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2023 $	2022 $
Cash and cash equivalents AA-	691,513	1,139,935
Total	**691,513**	**1,139,935**

(c) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profits of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade and other payables, borrowings, and lease liabilities incurred in the normal course of the business. Trade and other payables were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. Borrowings have no fixed terms of repayment and no interest payable. The Group also has lease liabilities, which are payable over the term of the related lease agreements. The Group does not consider these liabilities to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

2023 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade other payables	752,628	-	-	-	-	752,628	752,628
Borrowings	561,281	-	-	-	-	561,281	561,281
Lease liabilities	86,146	42,086	92,815	-	-	221,047	221,047
Total financial liabilities	**838,774**	**42,086**	**92,815**	**-**	**-**	**1,534,956**	**1,534,956**

2022 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade and other payables	220,166	-	-	-	-	220,166	220,166
Borrowings	1,123	-	-	-	-	1,123	1,123
Lease liabilities	32,792	34,218	17,529	-	-	84,539	84,539
Total financial liabilities	**254,081**	**34,218**	**17,529**	**-**	**-**	**305,828**	**305,828**

23. Commitments and contingent liabilities

Capital commitments

Joint Arrangement: GeoVR Pty Ltd

Singular Health Group has a 50% interest in a joint operation called GeoVR Pty Ltd which was set up as a Joint Arrangement Company together with FlowCentric Technologies Pty Ltd to commercialise technology allowing for mineral exploration and production data to be visualised in a fully interactive 3D environment. The terms for the formation of the GeoVR JV are reflected in section 10.14 of Singular Health's prospectus. Each party will make an initial cash co-contribution of up to $50,000 to fund further development and marketing as required.

Joint Arrangement: SH Medical Technology Ltd

Singular Health Pte Ltd, a wholly owned subsidiary of Singular Health Group Limited, has a 50% interest in a joint operation called SH Medical Technology Ltd which was set up as a Joint Arrangement Company together with sophisticated investors to investigate market potential for Scan to Surgery technology in the East Asian market. Having formally incorporated the JV, Singular Health has now committed to jointly providing up to AUD$125,000 of funding over a 2-year period to fund a local salesforce to market and sell the 3Dicom Pro, Surgical, and Virtual Planning software in Macau, with the intention to then launch a larger expansion into the East Asian market including the mainland China, Macau and Hong Kong.

There are no contingent liabilities or contingent assets at 30 June 2023 (2022: Nil).

24. Related party disclosure

(a) Parent entities

Singular Health Group Limited is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Singular Health Group Limited and the subsidiaries listed in the following table.

		% Equity Interest		
	Country of Incorporation	30 Jun 2023	30 Jun 2022	Principal Activity
Singular Health Pty Ltd	Australia	100%	100%	Operating Subsidiary
Singular Health Pte Ltd	Singapore	100%	100%	Operating Subsidiary
Singular Health 3DP Pty Ltd	Australia	100%	0%	Operating Subsidiary

(c) Key management personnel compensation

	2023 $	2022 $
Short-term employee benefits	808,103	796,930
Post-employment long term benefits	49,750	64,945
Long term benefits (annual leave)	(12,473)	46,796
Share based payments	846,346	1,467,752
Total	**1,691,726**	**2,376,423**

(d) Other transactions to/from related parties

Issue of Incentive Options and Performance Rights

The following securities were issued to key management personnel during the year:

EXECUTIVE AND NON-EXECUTIVE NAME	CLASS OF SECURITIES	GRANT DATE	NO OF EQUITY	SHARE BASED PAYMENTS $
James Hill	Employee Incentive Performance Rights[1]	14 December 2022	1,500,000	32,129
Denning Chong	Employee Incentive Performance Rights[1]	28 November 2022	1,500,000	37,693
Steven Wood	Employee Incentive Performance Rights[1]	14 December 2022	1,500,000	3,213
		TOTAL	4,500,000	73,035

1. Refer to notes 15 and 16 for further details in regards to incentive options and performance rights issued during the period.

Grange Consulting Group Pty Ltd, of which Steven Wood is a Director, received $137,449 excluding GST (2022: $132,904) during the year for financial services, company secretarial work and corporate advisory services. These services are provided on normal commercial terms and at arm's length. with $nil payable as at 30 June 2023.

James Chong and Co Pty Ltd, a company associated with Denning Chong, received $50,960 excluding GST in fees (2022: $54,750) during the period for legal and marketing consulting provided to the Company, with $nil payable as at 30 June 2023.

Re-Energise Digital, a company associated with James Hill, received $19,064 excluding GST in fees (2021: $24,633) during the period for marketing services provided to the Company, with $nil payable at 30 June 2023.

25. Auditor's remuneration

	2023 $	2022 $
Audit Services – Moore Australia Audit (WA)		
- An audit and review of the financial reports of the Group (including subsidiaries)	39,512	36,713
- Other assurance engagements	-	-
Non-Audit Services – Moore Australia (WA)		
Preparation of the tax return	10,410	8,000
Consulting	6,130	12,450
Total remuneration for audit & non-audit services	56,052	57,163

During the financial year, Singular Health Group changed Auditors to Nexia Audit. Refer to ASX Announcement on 29 June 2023.

	2023 $	2022 $
Audit Services – Nexia Perth Audit Service Pty Ltd		
- An audit and review of the financial reports of the Group (including subsidiaries)	24,000	36,713
- Other assurance engagements	-	-
Non-Audit Services – Nexia Perth Audit Service Pty Ltd		
Preparation of the tax return	-	8,000
Consulting	-	12,450
Total remuneration for audit & non-audit services	**24,000**	**57,163**

26. Parent entity information

The following details information related to the parent entity, Singular Health Group Limited, as at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in note 1.

	2023 $	2022 $
Current assets	636,020	1,126,091
Non-current assets	8,041,564	5,188,623
Total assets	**8,677,584**	**6,314,714**
Current liabilities	1,278,769	4,566,011
Non-current liabilities	-	-
Total liabilities	**1,278,769**	**4,465,832**
Contributed equity	11,977,564	9,526,669
Accumulated losses	(8,709,893)	(11,154,257)
Reserves	4,131,144	3,376,290
Total equity	**7,398,815**	**1,748,703**
Loss after income tax	(2,021,469)	(7,987,486)
Other comprehensive income/ (loss) for the period		-
Total comprehensive loss for the period	**(2,021,469)**	**(7,987,486)**

Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries.

27. Events after the reporting date

DATE	DETAILS
6 Jul 2023	Appointment of Master Distributor in the United States
15 Aug 2023	Repayment of Convertible Notes
16 Aug 2023	Strategic Investment from Singular's Master Distributor in USA

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.