Innlanz Limited (formerly Mediland Pharm Limited)

ABN 83 628 420 824

Financial Report for the Year Ended - 30 June 2024

Innlanz Limited
Corporate directory
30 June 2024

Directors	Peter French (Executive Chairman) Yeshween Mudaliar (Managing Director) Jhon Shen (Executive Director, reappointed on 8 August 2024) Theo Renard (Non-Executive Director, resigned on 5 August 2024) Leo Cui (Non-Executive Director, resigned on 5 August 2024)
Company secretary	Indira Naidu
Registered office and Principal place of business	18-40 Anderson Street Parramatta NSW 2150
Share register	Computershare Ltd Level 4 60 Carrington Street Sydney NSW 2000
Auditor	Hall Chadwick 40/2 Park St, Sydney NSW 2000
Bankers	St George Bank, Kogarah Branch 4-16 Montagomery St Kogarah NSW 2017
Stock exchange listing	Innlanz Limited shares are listed on the Australian Securities Exchange (ASX code: “INL”, formerly “MPH”) Innlanz Limited(‘INL’) will be removed from the Official List at the close of trading today, Monday, 5 August 2024 at the request of INL, under Listing Rule 17.11 after security holders resolved to remove INL from the Official List.
Website	http://www.innlanz.com

Corporate governance statement
Innlanz Limited’s Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place.

The Company complies with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. A copy of the Company’s corporate governance statement is available at the Company’s website at the following address: http://www.innlanz.com/investor-relations-corporate-governance/.

Innlanz Limited
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the Group (referred to hereafter as ‘the Group’) consisting of Innlanz 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 2024.

Directors

The following persons were directors of Innlanz Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter French	Executive Chairman
Yeshween Mudaliar	Managing Director
Jhon Shen	Executive Director (reappointed on 8 August 2024)
Theo Renard	Non-executive Director (resigned on 5 August 2024)
Leo Cui	Non-executive Director (resigned on 5 August 2024)

Principal activities

The Company currently owns and trades a Hotel in Hamilton, New Zealand. The Company is focused on business development and growth opportunities within the Hospitality sector whilst continuing to explore and identify strategic business opportunities to expand and diversify its revenue streams.

Review of operations

The loss for the Group after providing for income tax amounted to $1,096,941 (30 June 2023: loss of $284,473).

Dividends

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

The company removed from official list on 5 August 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group’s operations, 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 on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

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

Information on directors

Name:	Jhon Shen
Title:	Executive director (reappointed on 7 August 2024)
Qualifications:	Master of Finance and Accounting from the University of New South Wales
Experience and expertise:	Mr Shen is a businessman with a track record of developing profitable businesses and incubating new business opportunities through acquisition in the retail, tourism, travel and hospitality sectors. He has first-hand experience within the Chinese retail sector, as he worked in both operational and management level within the Company since March 2015. During this time, he has gained extensive knowledge and experience, which has assisted him to better understand in how to operate a successful retail operation within Australia through offering high appealing products to the Chinese consumer.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	250,000,000
Interests in options:	None
Contractual rights to shares:	None

Name:	Yeshween Mudaliar
Title:	Managing director
Qualifications:	Diploma of Travel and Tourism from Sir George Seymour National College in New Zealand, A certificate in Senior Development Executive Program and Hotel Real Estate Investments and Asset Management from Cornell University.
Experience and expertise:	Mr Mudaliar is a professional hospitality executive with over 16 years’ industry experience. During this period, he has successfully fulfilled senior executive roles with leading hotel chains including Marriott, Accor and IHG, in both managed and franchise operational models. With outstanding excellence in sales and business development focusing on increasing revenue and profitability, he naturally progressed his career to an asset management and business acquisition specialist. His vast network of relationships across a number of industries has supported his expertise to increase his clients’ business portfolios with highly profitable acquisitions, mergers and ensuring corporate compliance.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Name:	Dr. Peter French
Title:	Executive Chairman
Qualifications:	BSc (Sydney University, 1977); MSc (Sydney University, 1982), PhD Deakin University, 1986), MBA (Deakin University, 2001)
Experience and expertise:	Dr. Peter French is an experienced senior executive and director in public and private companies primarily in the biotechnology and healthcare sector. His roles have included: - Founder and non-executive director of Cryosite Limited (ASX:CTE) 2000-2006; - Managing director of Probiomics Limited (ASX:PCC) 2003-2006; - CEO and Managing director of Benitec Biopharma Limited(ASX:BLT) 2010-2015
Other current directorships:	None
Former directorships (last 3 years):	PENAO Pty Ltd
Special responsibilities:	None
Interests in shares:	166,666
Interests in options:	None
Contractual rights to shares:	None

Name:	Theo Renard
Title:	Non-executive director (resigned on 5 August 2024)
Experience and expertise:	Mr Renard is a Chartered Accountant and has over 20 years' experience in credit and relationship banking in commercial and investment banking with Nedcor in South Africa and Asia and ABN AMRO in Australia and Asia. He spent over two years as CFO and Company Secretary with a retail group with retail and manufacturing operations in Asia and the Subcontinent, during that time he was a Director of several of the listed companies and affiliates. Mr Renard has over 14 years' experience in the resources sector as Chief Financial Officer and Company Secretary.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	166,666
Interests in options:	None
Contractual rights to shares:	None

Name:	Leo Cui
Title:	Non-executive director (resigned on 5 August 2024)
Experience and expertise:	Mr Cui has substantial experience in Financial Services Industry mainly responsible for Group Dealing, Risk Management, responsibility for compliance with respect to ASIC and specific compliance obligations under Australian Financial Services License. Previous work experience also includes sales and marketing, financial product advice to and dealing with wholesale and retail clients, derivative products and foreign exchange contracts. Mr Cui's key strength includes his financial services background which has foreign investors in Australian Companies. He also has network and relations in Hong Kong and China.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	61,000
Special responsibilities:	None
Interests in options:	None
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of directors

The number of meetings of the Group's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Jhon Shen (reappointed on 7 August 2024)	*	5	*	*	*	*
Yeshween Mudaliar	9	9	*	*	*	*
Peter French	8	9	2	2	2	2
Theo Renard (resigned on 5 August 2024)	9	9	2	2	2	2
Leo Cui (resigned on 5 August 2024)	7	9	2	2	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

*= Not a member of the relevant committee

Innlanz Limited
Directors' report
30 June 2024

Shares issued on the exercise of options
There were no ordinary shares of Innlanz Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers
The Group has indemnified the directors and executives of the Group 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 Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

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

Proceedings on behalf of the Group
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.

No proceedings have been brought or intervened in or on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Rounding of amounts
The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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
Hall Chadwick Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

Dr, Peter French
Executive Chairman

25 November 2024

HALL CHADWICK

INNLANZ LIMITED
ABN 83 628 420 824
AND ITS CONTROLLED ENTITIES

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

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Innlanz Limited and its Controlled Entities. As the lead audit partner for the audit of the financial report of Innlanz Limited and its Controlled Entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Anthony Travers
Partner
Date: 25 November 2024

General information

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

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

18-40 Anderson Street,
PARRAMATTA
NSW 2150

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 by the directors, on 25 November 2024. The directors have the power to amend and reissue the financial statements.

Innlanz Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue	3	2,540,653	2,640,995
Cost of sales		(58,471)	(56,639)
Gross profit		2,482,182	2,584,356
Other income	3	6,909	8,335
Marketing expenses		(25,907)	(27,575)
Administrative expenses		(1,564,487)	(1,436,644)
Employee benefit expenses		(1,303,291)	(1,211,403)
Listing expenses		(82,716)	-
Finance costs		(144,443)	(127,995)
Loss before income tax expense		(631,753)	(210,926)
Income tax expense	5	(465,188)	(73,547)
Loss after income tax expense for the year		(1,096,941)	(284,473)
Other comprehensive (loss)/ income			
Items that may be reclassified subsequently to profit or loss			
(Loss)/ gain on the revaluation of land and buildings, net of tax		(594,376)	-
Foreign currency translation		(7,604)	67,058
Other comprehensive (loss)/ income for the year, net of tax		(601,980)	67,058
Total comprehensive loss for the year		(1,698,921)	(217,415)
Loss for the year is attributable to:			
Owners of Innlanz Limited		(1,096,143)	(283,143)
Non-controlling interests		(798)	(1,330)
		(1,096,941)	(284,473)
Total comprehensive loss for the year is attributable to:			
Owners of Innlanz Limited		(1,698,123)	(216,085)
Non-controlling interests		(798)	(1,330)
		(1,698,921)	(217,415)
		Cents	**Cents**
Earnings			
Basic earnings per share		(0.69)	(0.09)
Diluted earnings per share		(0.69)	(0.09)

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

Innlanz Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	6	307,889	865,702
Trade and other receivables	7	108,280	89,534
Income tax receivable		10,970	-
Prepayments		6,438	19,864
Inventories	8	17,471	22,540
Total current assets		451,048	997,640
Non-current assets			
Property, plant and equipment	9	6,070,573	6,744,543
Intangibles	10	13,359	15,150
Deferred tax assets	28	56,068	-
Total non-current assets		6,140,000	6,759,693
Total assets		6,591,048	7,757,333
Liabilities			
Current liabilities			
Trade and other payables	11	875,778	948,596
Provisions	12	128,999	129,707
Current tax liabilities		-	34,195
Deferred consideration	13	1,283,446	1,283,446
Total current liabilities		2,288,223	2,395,944
Non-current liabilities			
Deferred tax liabilities	29	1,105,796	585,070
Borrowings	14	2,228,425	2,108,794
Total non-current liabilities		3,334,221	2,693,864
Total liabilities		5,622,444	5,089,808
Net assets		968,604	2,667,525
Equity			
Issued capital	15	11,898,945	11,898,945
Reserves	16	251,104	853,084
Accumulated losses		(11,117,860)	(10,021,717)
Total equity attributable to members of the Group		1,032,189	2,730,312
Non-controlling interests	18	(63,585)	(62,787)
Total equity		968,604	2,667,525

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

Innlanz Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital	Group restructure reserve	Foreign currency reserve	Assets revaluation reserve	Accumulated losses	Total	Non-controlling Interest	Total equity
	$	$	$	$	$	$	$	$
Balance at 1 July 2022	11,898,945	71,146	(153,154)	868,034	(9,738,574)	2,946,397	(61,457)	2,884,940
Loss after income tax expense for the year	-	-	-	-	(283,143)	(283,143)	(1,330)	(284,473)
Other comprehensive income/(loss) for the year, net of tax	-	-	67,058	-	-	67,058	-	67,058
Total comprehensive income/(loss) for the year	-	-	67,058	-	(283,143)	(216,085)	(1,330)	(217,415)
Balance at 30 June 2023	11,898,945	71,146	(86,096)	868,034	(10,021,717)	2,730,312	(62,787)	2,667,525

Consolidated	Issued capital	Group restructure reserve	Foreign currency reserve	Assets revaluation reserve	Accumulated losses	Total	Non-controlling Interest	Total equity
	$	$	$	$	$	$	$	$
Balance at 1 July 2023	11,898,945	71,146	(86,096)	868,034	(10,021,717)	2,730,312	(62,787)	2,667,525
Loss after income tax expense for the year	-	-	-	-	(1,096,143)	(1,096,143)	(798)	(1,096,941)
Other comprehensive income/(loss) for the year, net of tax	-	-	(7,604)	(594,376)	-	(601,980)	-	(601,980)
Total comprehensive income/(loss) for the year	-	-	(7,604)	(594,376)	(1,096,143)	(1,698,123)	(798)	(1,698,921)
Balance at 30 June 2024	11,898,945	71,146	(93,700)	273,658	(11,117,860)	1,032,189	(63,585)	968,604

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

Innlanz Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,530,947	2,646,905
Payments to suppliers and employees (inclusive of GST)		(2,987,277)	(2,588,386)
Interest received		6,908	6,606
Interest and other finance cost paid		(144,443)	(127,995)
Net income taxes received/(paid)		(43,707)	8,277
Net cash used in operating activities	27	(637,572)	(54,593)
Cash flows from investing activity			
Payments to acquire plant and equipment		(57,037)	(42,412)
Net cash used in investing activity		(57,037)	(42,412)
Cash flows from financing activities			
Proceeds from borrowing		202,475	-
Repayment of borrowings		(74,352)	(326,196)
Net cash provided by/ (used in) financing activities	20	128,123	(326,196)
Net decrease in cash and cash equivalents		(566,486)	(423,201)
Cash and cash equivalents at the beginning of the financial year		865,702	1,291,963
Effects of exchange rate changes on cash and cash equivalents		8,673	(3,060)
Cash and cash equivalents at the end of the financial year	6	307,889	865,702

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

Note 1. CORPORATION INFORMATION

Innlanz Limited is a company limited by shares incorporated in New South Wales on 27 August 2018.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

As disclosed in the financial statements, the consolidated entity incurred a loss of $1,096,941 and had net cash outflows from operating and investing activities of $637,572 and $57,037 respectively for the year ended 30 June 2024. As at that date the consolidated entity had net current liabilities of $1,837,175 and net assets of $968,604.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The company was formally delisted from the ASX as of August 2024. Management has prudently projected a reduction in operating expenses, following the strategic downsizing of the board and the associated costs related to the listing

- Included in current liabilities is $1,283,446 of deferred consideration payable to Premier Hospitality Management Pty Ltd in relation to the acquisition of the Heartland Ambassador Hamilton Hotel. Jhon Shen, the Executive Director and significant shareholder of Innlanz Limited, is the beneficial owner of Premier Hospitality Management. As at 21 November 2024, Jhon Shen confirmed that Premier Hospitality Management Pty Ltd will not require the repayment of the deferred settlement consideration for at least 12 months following the date of the audit reports for Innlanz Limited for the year ended 30 June 2024.

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report covers the consolidated group of Innlanz Limited (“the Company”) and its controlled entities (“the Group”).

The accounting policies have been consistently applied to all 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 ('AASB') that are mandatory for the current reporting period.

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

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

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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 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.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 23.

Significant Accounting Policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Other significant accounting policies are contained in the notes to the consolidated financial statements to which they relate.

Goods and services tax
Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Employee benefits
Employees of the Group receive defined contribution superannuation entitlements for which the Group pays the fixed superannuation guarantee contribution (currently 11% of the employee’s average ordinary salary) to the employee’s superannuation fund of choice. All contributions in respect of employees’ defined contribution entitlements are recognized as an expense when they become payable. The Group’s obligation with respect to employees’ defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group’s statement of financial position.

Foreign currency transactions and balances

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian Dollars which is the Group's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the profit or loss.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Group companies
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- income and expense are translated at average exchange rates for the year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are also recognised in the statement of comprehensive income as other comprehensive income. The foreign currency reserve is recognised in profit or loss when the foreign operation is disposed of.

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.

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.

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Judgement Area	Note
Fair value on land and buildings	9

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 3 REVENUE AND OTHER INCOME

	2024 $	2023 $
Revenue		
Hotel operations	2,540,653	2,640,995
Total revenue	**2,540,653**	**2,640,995**
Other income		
Interest income	6,908	6,606
Other income	1	1,729
Total other income	**6,909**	**8,335**

Recognition and Measurement

Hotel operating revenue

Revenue from hotel operations is recognised at the amount of consideration received or receivable, excluding sales taxes, rebates, and discounts, when the purchased rooms and services are rendered. The Group allocates the transaction price to each performance obligation based on the relative standalone selling prices of the rooms and services if there are more than one performance obligation satisfied at a point in time.

Government grants / subsidies

Government grants are recognised as income when it is reasonably certain that the company complies the conditions attached to them and when the right to receive payment is established. The company has elected to recognise grant income as other income in the financial statements.

Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other income

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

Note 4. EXPENSES

	2024 $	2023 $
Finance costs		
Interest and finance charges paid/payable on borrowings	144,443	127,995
Superannuation expenses		
Defined contribution superannuation expenses (including non-executive Director)	54,762	42,589
Items included in administrative expenses include		
Depreciation and amortisation expenses	111,264	105,433

Note 5. INCOME TAX EXPENSES

	2024 $	2023 $
Income tax expense / (benefit)		
Current tax	530	6,198
Deferred tax (note 28 and 29)	464,658	67,349
	465,188	**73,547**
Numerical reconciliation of income tax to prima facie tax payable:		
Prima facie income tax expense on loss from ordinary activities (25%-28%)	(157,938)	(52,732)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Add non- accessible income	9,499	-
Add non-deductible expense	39,228	4,635
Non-deductible amortisation and depreciation	(371)	-
Non-deductible expenses	(32,945)	-
Difference in overseas tax rates	(3,197)	6,349
Adjustment for deferred tax	495,914	-
Less: Tax loss not recognised	114,998	115,295
Income tax expense / (benefit)	**465,188**	**73,547**

Potential deferred tax assets attributable to tax losses carried forward for the company, have not been brought to account as the directors believe it is not appropriate to regard realisation of the deferred tax asset as probable. The benefit will only be obtained if:

- The group derives future assessable income of a nature and amount sufficient to enable the benefits from the deductions for the losses to be realised;
- The group continues to comply with the conditions for deductibility imposed by the law:
- The losses are available under the continuity of ownership or same business tests;
- No changes in tax legislation adversely affect the company in realising the benefit from the deductions for the losses.

The total amount of unused tax losses for which no deferred tax asset has been recognised is $7,284,472 (2023: $7,937,105).

Recognition and Measurement

Current tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit), and deferred tax expense/(benefit). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period together with the research and development claim submitted for the reporting period. Current tax liabilities/assets are therefore measured at the amounts expected to be paid to/recovered from the relevant taxation authority.

Note 5. INCOME TAX EXPENSES (CONTINUED)

Deferred tax
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.

Innlanz Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Note 6. CASH AND CASH EQUIVALENTS

	June 2024 $	June 2023 $
Cash on hand	925	928
Cash at bank	306,964	864,774
	307,889	**865,702**

Recognition and Measurement

Cash and cash equivalents include cash on hand and cash at bank.

Cash at bank bears floating interest rates. The interest rate relating to cash and cash equivalents for the year across all bank accounts was between 0.00% and 4.35% (2023-24: between 0.00% and 4.10%).

Note 7. TRADE AND OTHER RECEIVABLES

	June 2024 $	June 2023 $
Trade receivables	82,882	73,175
Other receivables	25,398	16,359
	108,280	**89,534**

Note 7. TRADE AND OTHER RECEIVABLES (CONTINUED)

Recognition and Measurement

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Trade receivables and contract assets have shared credit risk characteristics and, as such, the expected loss rates for trade receivables are a reasonable approximation of loss rates for contract assets. Losses incurred in the last 3 years represent less than 0.1% of receivables and are immaterial. Therefore, no expected credit loss allowance has been recorded.

Note 8. INVENTORIES

	June 2024 $	June 2023 $
Finished goods	17,471	22,540
	17,471	22,540

Recognition and Measurement

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of costs of purchase, delivery costs, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Note 9. PROPERTY, PLANT AND EQUIPMENT

	June 2024 $	June 2023 $
Land	3,573,785	3,232,896
Capital work in progress	15,287	-
Buildings	2,281,865	3,303,491
Less: Accumulated depreciation	(135,874)	(150,521)
	2,145,991	3,152,970
Fixtures and fittings - at cost	350,983	352,402
Less: Accumulated depreciation	(211,721)	(185,352)
	139,262	167,050
Office equipment - at cost	403,865	364,759
Less: Accumulated depreciation	(207,617)	(173,132)
	196,248	191,627
Total property, plant and equipment	**6,070,573**	**6,744,543**

The land and buildings are encumbered by a Registered First Mortgage over the property situated at 86-92 ULSTER STREET, HAMILTON, Certificate of Title Number 767682 in favour of BNZ Bank as security for the borrowings reflected in Note 14.

Note 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations

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

	Capital works in progress	Land	Building	Fixtures and fittings	Office Equipment	Total
	$	$	$	$	$	$
Balance at 1 July 2022	-	3,173,124	3,140,007	190,292	176,521	6,679,944
Addition	-	-	-	1,444	41,399	42,843
Exchange differences	-	59,772	58,957	3,468	3,200	125,397
Depreciation expense	-	-	(45,994)	(28,154)	(29,493)	(103,641)
Balance at 30 June 2023	-	3,232,896	3,152,970	167,050	191,627	6,744,543
Addition	15,287	-	-	-	40,574	55,861
Exchange differences	-	(13,019)	(12,197)	(379)	(388)	(25,983)
Revaluation increase/(decrease)	-	353,908	(948,284)	-	-	(594,376)
Depreciation expense	-	-	(46,498)	(27,409)	(35,565)	(109,472)
Balance at 30 June 2024	15,287	3,573,785	2,145,991	139,262	196,248	6,070,573

Recognition and Measurement

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The current valuation has been done in March 2024. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is 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 property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture and fittings	3-40 years
Leasehold improvements	3-10 years
Office equipment	1-5 years
Buildings	25 years
Motor vehicle	5-10 years

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

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

Note 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Key estimates and judgements

Fair value measurement

As stated above, land and buildings are shown at fair value based on periodic valuations by external independent valuers. The most recent valuation was done in March 2024. The Company's policy is that valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. There is significant judgement and estimation uncertainty in relation to determining the fair value of the land and buildings, and consequently, whether a material change in value has occurred between valuation cycles. Management have exercised their judgement in determining that there has been no material change in value of the land and buildings since the last valuation.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

The basis of the valuation of land and buildings is fair value and is classified as level 3. The land and buildings were last revalued on in March 2024 based on independent assessments by Colliers New Zealand, who recent experience in the location and category of land and buildings being valued. This valuation was performed based on a mixture of 3 approaches being the capitalisation approach, discounted cash flow approach and sales comparison/value per room methods. These valuation methodologies considered current prices for similar properties in the same location and condition. The directors do not believe that there has been a material movement in fair value since the revaluation date.

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	**Unobservable inputs**	**Range (weighted average)**	**Sensitivity**
Land and buildings	*Capitalisation approach*		
	Stabilised yield	8.50%	0.5% change would increase/(decrease) fair value by ($342,473)/$385,298
	Discounted cash flow approach		
	Terminal yield	8.75%	0.5% change would increase/(decrease) fair value by ($213,171)/$239,010
	Discount rate	9.75%	0.5% change would increase/(decrease) fair value by ($113,593)/$116,569
	Sales comparison/value per room methods		
	Value per room (52 rooms)	$125,000 per room	0.5% change would increase/decrease fair value by $325,000

Note 10. INTANGIBLES

	June 2024 $	June 2023 $
Trademark - at cost	16,239	16,239
Less: Accumulated amortisation	(3,480)	(2,889)
	12,759	13,350
Website	6,000	6,000
Less: Accumulated amortisation	(5,400)	(4,200)
	600	1,800
Total intangibles	**13,359**	**15,150**

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

	Patent and Trademark $	Website $	Total $
Balance at 1 July 2022	13,942	3,000	16,942
Amortisation expense	(592)	(1,200)	(1,792)
Balance at 30 June 2023	13,350	1,800	15,150
Amortisation expense	(591)	(1,200)	(1,791)
Balance at 30 June 2024	**12,759**	**600**	**13,359**

Recognition and Measurement

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.

Patent and trademarks
Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is systematically allocated over the useful life of each patent and trademark. In calculating amortisation costs, patents are taken to have a useful life of 20 years, trademarks are taken to have a useful life of 10 years.

Note 11. TRADE AND OTHER PAYABLES

	June 2024 $	June 2023 $
Trade payables	283,415	290,881
Other payables – related parties	200,415	222,118
Other payables	391,948	435,597
	875,778	**948,596**

Note 11. TRADE AND OTHER PAYABLES (CONTINUED)

Recognition and Measurement

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid with 30 days of recognition of the liability.

The carrying amounts of the Group's trade and other payables are denominated in Australian dollars. For an analysis of the financial risks associated with trade and other payables refer to Note 19.

Note 12. PROVISIONS

	June 2024 $	June 2023 $
Employee benefits	128, 999	129,707
	128, 999	**129,707**

Recognition and Measurement

Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 13. DEFERRED CONSIDERATION

	June 2024 $	June 2023 $
Current		
Deferred consideration to Premier Hospitality Management	1,283,446	1,283,446
	1,283,446	**1,283,446**

Recognition and Measurement
Deferred consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the deferred consideration classified as an asset or liability is recognised in profit or loss.

On 30 April 2021, Innlanz Limited acquired 100% shares in Ixora Investment Pty Ltd which owns the Heartland Ambassador Hamilton Hotel in New Zealand, this was previously owned by Premier Hospitality Management, Jhon Shen is the beneficial owner of Premier Hospitality Management, and Jhon Shen is the sole director. The total deferred payment of $2,200,000, was agreed by both parties to be paid at $100,000 per month. The fair value of financial liabilities was estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. Due to the COVID impact, the Company has not yet fully paid the consideration to Premier Hospitality

Note 13. DEFERRED CONSIDERATION (CONTINUED)
Management. Jhon Shen agreed to pause the payment of AUD100,000 per month for the period commencing from May 1, 2022. Subsequent to the financial year end, Jhon Shen agreed to not require the repayment of the deferred settlement consideration for at least 12 months following the date of authorisation of this financial report.

Note 14. BORROWINGS

	June 2024 $	June 2023 $
Non-Current Borrowings		
BNZ Commercial loan	2,228,425	2,108,794
	2,228,425	**2,108,794**

Heartland Ambassador Hamilton Hotel's bank loan facility has an outstanding balance, totalling $2,228,425. The total facility limit is NZD$3,100,000 which is comprised of:

- Fixed interest loan facility of NZD$620,000 with maturity date on 9 April 2026, interest rate is fixed at 2.3% p.a.
- Variable loan facility of NZD$2,480,000 with maturity date on 30 July 2027, interest rate is currently 8.36% and was 4.13% at the time the facility was renegotiated in May 2022.

The loan is guaranteed by Jhon Shen. The loan is secured by a General Security Agreement over all present and after acquired property of Ixora Investments Limited. It has additional security in the form of a Mortgage over Record/s of Title No. 767682 being property situated at 86-92 Ulster Street, Hamilton carried in Note 9 at a value of $5,719,776.

Recognition and Measurement
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 15. ISSUED CAPITAL

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	313,263,608	313,263,608	11,898,945	11,898,945

Recognition and Measurement
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.
Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Note 16. RESERVES

	June 2024 $	June 2023 $
Assets revaluation reserve	273,658	868,034
Foreign currency reserve	(93,700)	(86,096)
Group restructure reserve	71,146	71,146
	251,104	**853,084**

Recognition and Measurement
Assets revaluation reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Note 16. RESERVES (CONTINUED)

Foreign currency reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Note 17. DIVIDEND

There were no dividends paid, recommended, or declared during the current financial year. (FY2023: Nil)

Note 18. NON-CONTROLLING INTEREST

	June 2024 $	June 2023 $
Retained loss	63,585	62,787
	63,585	**62,787**

The non-controlling interest has a 35% (2023: 35%) equity holding in The Collection Hotels and Resorts Pty Ltd.

Note 19. FINANCIAL INSTRUMENTS

The director's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effect on financial performance. Risk management policies are approved and reviewed by Director on a regular basis. These include the credit risk policies and future cash flow requirements.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group 's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2024 $	2023 $	2024 $	2023 $
New Zealand dollars	188,338	167,079	436,267	456,133

The Group had net liabilities denominated in foreign currencies of $247,929 (assets of $188,838 less liabilities of $436,267) as at 30 June 2024 (2023: net liabilities of $289,054). Based on this exposure, had the Australian dollars weakened by 3% strengthened by 3% against these New Zealand dollar with all other variables held constant, the Group 's profit before tax for the year would have been $6,609 lower / $6,609 higher. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2024 was $Nil (2023: Nil).

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value risk. The Group's bank loans outstanding, totalling $2,228,425 (2023: $2,108,794), are interest only payment loans. An official increase/decrease in interest rates of 100 (2023: 100) basis points would have an adverse/favourable effect on profit before tax of $22,284 (2023: $21,088) per annum.

Note 19. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk
The Group has a credit risk exposure with customers from which the hotel operating revenue has generated, which as at 30 June 2024 balance owed the Group amounting of $82,882 (2023: $73,175). This balance was within its terms of trade and no impairment was made as at 30 June 2024. There are no guarantees against this receivable but management closely monitors the receivable balance on a daily basis and is in regular contact with this customer to mitigate risk. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. 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.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	2024 $	**2023 $**
Bank loans (balance at year end)	2,228,425	2,108,794
	2,228,425	2,108,794

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time. The facility limit is NZD$3,100,000.

Remaining contractual maturities
The following tables detail the Group remaining contractual maturity for its financial instrument liabilities.

2024	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Total Carrying amount $**
Non-derivatives						
Trade payables	-	283,415	-	-	283,415	283,415
Other payables	-	592,363	-	-	592,363	592,363
Deferred consideration - Current	3%	1,283,446	-	-	1,283,446	1,283,446
Borrowings- Non-Current	7.15%	-	2,228,425	-	2,228,425	2,228,425
Total non-derivatives		**2,159,224**	**2,228,425**	**-**	**4,387,649**	**4,387,649**

Note 19. FINANCIAL INSTRUMENTS (CONTINUED)

2023	Weighted average interest rate %	1 year or less $	Between 1 and 5 years $	Over 5 years $	Total contractual cash flows $	Total Carrying amount $
Non-derivatives						
Trade payables	-	290,881	-	-	290,881	290,881
Other payables	-	657,715	-	-	657,715	657,715
Deferred consideration - Current	3%	1,283,446	-	-	1,283,446	1,283,446
Borrowings- Non-Current	7.15%	-	2,108,794	-	2,108,794	2,108,794
Total non-derivatives		**2,232,042**	**2,108,794**	**-**	**4,340,836**	**4,340,836**

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 fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have material impact on the amounts estimated. Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is approximate to fair value.

Note 20. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank loans $
Balance at 30 June 2022	2,389,971
Net cash used in financing activities	(326,196)
Exchange differences	45,019
Balance at 30 June 2023	2,108,794
Net cash used in financing activities	128,123
Exchange differences	(8,492)
Balance at 30 June 2024	2,228,425

Note 21. 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.

Note 22. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

		Ownership interest	
	Principal place of business /	**2024**	**2023**
Name	**Country of incorporation**	**%**	**%**
Mediland Pharm NZ Ltd	New Zealand	100%	100%
Ixora Investment Pty Ltd	New Zealand	100%	100%
The Collection Hotels and Resorts Pty Ltd	Australia	65%	65%

Consolidation accounting policies

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Innlanz Limited ('the Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Innlanz Limited and its subsidiaries together are referred to in these financial statements as the '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.

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.

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.

Note 23. PARENT ENTITY INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	June 2024 $	**June 2023 $**
Current assets	230,000	789,835
Total assets	**3,323,488**	**3,930,956**
Current liabilities	1,540,518	1,579,187
Total liabilities	**1,540,518**	**1,750,473**
Equity		
Issued capital	11,898,945	11,898,945
Reserves	-	-
Retained earnings	(10,115,979)	(9,718,462)
	1,782,966	**2,180,483**
Loss for the year	(397,514)	(434,063)
Total comprehensive loss for the year	(397,514)	(434,063)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 (2023: nil).

Capital commitments
The parent entity had no capital commitments for property, plant, and equipment at as 30 June 2024 (2023: nil).

Note 24: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favorable to those available to other parties unless otherwise stated.

Parent entity
Innlanz Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Key management personnel
Disclosures relating to key management personnel are set out in note 26.

Transactions with related parties
The following transactions occurred with related parties:

	2024 **$**	**2023** **$**
Current borrowings:		
Deferred consideration to Premier Hospitality Management (director related entity of Jhon Shen)	1,283,446	1,283,446
Loan from Lotus Hospitality (NZ) Pty Ltd (director related entity of Yeshween Mudaliar)	118,812	118,812

The deferred consideration is unsecured and interest free, the term is 22 months. Due to the COVID impact, the Company has not yet fully paid the consideration to Premier Hospitality Management.

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

Note 25. AUDITORS REMUNERATION

During the financial year, the following fees were paid or payable for services provided by, the auditor of the Group:

	2024 **$**	**2023** **$**
Hall Chadwick		
Audit and review of the financial statements	18,000	59,100

Note 26. KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

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

	2024 **$**	**2023** **$**
Short-term employee benefits	288,348	207,953
Post-employment benefits	27,072	17,320
	315,420	225,273

Note 27. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	2024 $	2023 $
Loss after income tax expense for the year	(1,096,941)	(284,473)
Adjustments for:		
Administrative expenses	(18,000)	-
Depreciation and amortisation	111,264	105,433
Income tax expenses	-	73,447
Foreign exchange differences	2,389	(3,591)
Change in operating assets and liabilities (net of acquired business):		
(Increase)/ decrease in trade and other receivables	(18,746)	19,690
Decrease in inventory	5,069	-
Decrease in prepayments	13,426	1,885
Increase in income tax receivable	(10,970)	-
Decrease in deferred tax assets	22,685	6,871
(Decrease)/ increase in trade and other payables	(54,818)	16,074
Decrease in provision for income tax	(34,195)	(16,192)
Increase in deferred tax liabilities	441,973	945
(Decrease)/ increase in other provisions	(708)	25,318
Net cash used in operating activities	**(637,572)**	**(54,593)**

Note 28. NON-CURRENT ASSETS - DEFERRED TAX

Deferred tax asset comprises temporary differences attributable to:	**2024 $**	**2023 $**
Amounts recognised in profit or loss:		
Property, plant, and equipment	-	-
Provision for sick leave	9,609	-
Provision for lieu	4,306	-
Provision for holiday pay	20,717	-
Accrued expenses	269	-
Legal fees	-	-
Unused Tax Losses	21,167	-
	-	-
Amounts recognised in equity:		
Transaction costs on share issue	-	-
	-	-
Deferred tax asset	56,068	-
Movements:		
Opening balance	-	144,863
(Charged)/credited to profit or loss	(56,190)	(145,284)
Exchange difference in conversion	(122)	421
Closing balance	56,068	-

Note 29. NON-CURRENT LIABILITIES - DEFERRED TAX

Deferred tax liability comprises temporary differences attributable to:	**2024 $**	**2023 $**
Amounts recognised in profit or loss:		
Property, plant, and equipment	615,242	226
Prepayments	-	4,029
Provision for sick leave	-	(8,602)
Provision for lieu	-	(5,597)
Provision for holiday pay	-	(19,824)
Accrued expenses	-	(6,675)
Unused Tax Losses	-	-
Consulting expenses	-	(500)
Legal fees	-	(33,993)
	615,242	(70,936)
Amounts recognised in equity:		
Listing costs	-	163,469
Revaluation of land and buildings	490,554	492,537
	490,554	656,006
Deferred tax liability	1,105,796	585,070
Movements:		
Opening balance	585,070	655,659
Charged/(credited) to profit or loss	408,468	(77,935)
Charged to equity	112,258	7,346
Closing balance	1,105,796	585,070

Note 30. CONTINGENT ASSETS

The consolidated entity had no contingent assets as at 30 June 2024 and 30 June 2023.

Note 31. CONTINGENT LIABILITIES

The consolidated entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 32. EVENTS AFTER THE REPORTING PERIOD

Jhon Shen as the beneficial owner of Premier Hospitality Management had agreed to pause the payment of AUD100,000 per month for the period commencing from May 1, 2022. Subsequent to the financial year end, Jhon Shen further agreed to not require the repayment of the deferred settlement consideration for at least 12 months following the date of authorisation of this financial report.

On 5 August 2024, the Company was officially removed from the Australian Securities Exchange official list.

Apart from above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Innlanz Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 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 2024 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Group 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

Dr. Peter French
Executive Chairman

25 November 2024

Sydney

Yeshween Mudaliar
Managing Director

25 November 2024

Sydney

INNLANZ LIMITED
ABN 83 628 420 824
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INNLANZ LIMITED

Opinion

We have audited the financial report of Innlanz Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 statements, 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:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

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

Basis of 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

INNLANZ LIMITED
ABN 83 628 420 824
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INNLANZ LIMITED

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the 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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INNLANZ LIMITED
ABN 83 628 420 824
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INNLANZ LIMITED

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the those charged with governance.
– Conclude on the appropriateness of the those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

ANTHONY TRAVERS
Partner
Dated: 25 November 2024