

Aether Pacific Pharmaceuticals Limited

2022 Consolidated Financial Statements

For the 15 months ended 30 June 2022





**Aether Pacific Pharmaceuticals Limited and Controlled Entity
Consolidated Statement of Comprehensive Income For the 15
month period ended 30 June 2022**

	Note	Group	
		15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Revenue	1	18,384	-
Cost of Production		(633,077)	(9,164)
Gross Margin		(614,693)	(9,164)
Other income	2	64,600	11,732
Excess purchase consideration over fair value	12	(1,291,525)	-
Impairment of Patents	12	(2,018,462)	-
Other Operating Expenses	3	(3,827,295)	(1,068,629)
Operating profit/(loss) before other costs		(7,687,375)	(1,066,061)
Finance expenses	4	(101,645)	(49,861)
Net financing costs		(101,645)	(49,861)
Profit/(Loss) before tax		(7,789,020)	(1,115,922)
Income Tax benefit/(expense)	5	-	-
Profit/(Loss) for the period after tax		(7,789,020)	(1,115,922)
Other comprehensive income/(loss)		-	-
Total other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the period		(7,789,020)	(1,115,922)

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Consolidated Statement of Changes in Equity For the 15
month period ended 30 June 2022

	Paid Capital	Equity Component of Convertible Note	Retained Earnings	Total
Opening balances as 1st April 2021	3,846,491		(1,865,183)	1,981,308
Comprehensive income for the period			(7,789,020)	(7,789,020)
Transaction with owner, recorded directly in equity				
Share capital issues gross receipts	8,329,925			8,329,925
Share capitals issues-costs	(341,507)			(341,507)
Share issue on acquisition	3,309,987			3,309,987
Share capital returned	(462,951)			(462,951)
Balance at 30 June 2022.	14,681,945	-	(9,654,203)	5,027,743
				-
Opening balances at as 1st April 2020	535,000	26,177	(749,261)	(188,084)
Profit for the period			(1,115,922)	(1,115,922)
Other comprehensive income				-
Equity Component of Convertible Notes		760,999		760,999
Equity Component of Convertible Notes-Ordinary Shares		(787,176)		(787,176)
Total comprehensive income for the period		(26,177)	(1,115,922)	(1,142,099)
Transaction with owner, recorded directly in equity				-
Share capital issues	3,311,491			3,311,491
Balance at 30 March 2021.	3,846,491	-	(1,865,183)	1,981,308

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Consolidated Statement of Financial Position For the 15
month period ended 30 June 2022

		Group	
	Note	30-Jun-22 \$	31-Mar-21 \$
ASSETS			
Non-current assets			
Property, plant and equipment	9	4,908,769	1,399,537
Right of Use Assets	11	2,056,660	1,390,064
Intangibles	10	9,812	3,433
Other Intangible assets - Patents	13	50,370	-
Total non-current assets		7,025,610	2,793,034
Current assets			
Cash and cash equivalents	6	138,366	769,824
Trade and other receivables	7	442,114	169,136
Inventories	8	182,251	8,453
Total current assets		762,731	947,413
Total assets		7,788,341	3,740,447
EQUITY			
Issued capital		14,681,945	3,846,489
Accumulated losses		(9,654,203)	(1,865,181)
Total equity	14	5,027,743	1,981,308
LIABILITIES			
Non-current liabilities			
Lease liabilities	11	1,858,509	1,287,612
Total non-current liabilities		1,858,509	1,287,612
Current liabilities			
Trade and other payables	16	638,273	302,325
Lease liabilities	11	252,163	123,053
Loans	15	11,653	46,149
Total current liabilities		902,089	471,527
Total liabilities		2,760,598	1,759,139
Total equity and liabilities		7,788,341	3,740,447

Feb 29, 2024

The financial statements were authorised for issue by the Board on

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Rocco Pienaar

Director 22134DE54A7...

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Aldo Miccio

Director 1D12EB4C4A7...



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Aether Pacific Pharmaceuticals Limited and Controlled Entity
Consolidated Statement of Cash Flows
For the 15-month period ended 30 June 2022

	Note	Group	
		15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Cash flows used in operating activities			
Revenue from sales		21,142	-
Grants received		64,600	11,732
Payments to suppliers and employees		(4,091,065)	(859,226)
Interest paid		(101,645)	(49,861)
Net GST		10,037	(67,302)
Net cash used in operating activities	19	(4,096,931)	(964,657)
Cash flows used in investing activities			
Purchases of PPE	9	(3,773,714)	(1,500,783)
Purchase of Motor Vehicle		(14,420)	
Purchase of intangible assets	10 & 13	(58,680)	-
Net cash used in investing activities		(3,846,814)	(1,500,783)
Cash flows used in financing activities			
Proceeds from Capital Contribution	14	8,329,925	3,165,498
New capital raising costs of issuance	14	(341,507)	
Return of capital	14	(462,951)	-
Principal portion of lease repayments		(174,025)	-
Interest payable on convertible notes	16	(4,660)	-
Advances received (paid)		(34,496)	41,578
Net cash generated from financing activities		7,312,286	3,207,076
Net increase/ (decrease) in cash held		(631,458)	741,636
Cash and bank accounts at beginning of period		769,824	28,188
Cash and bank accounts at the end of period	6	138,366	769,824

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements

For the 15-month period ended 30 June 2022

Statement of Significant Accounting Policies

The material accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(1) General Information

Aether Pacific Pharmaceuticals Limited, formerly known as Medical Kiwi Limited (Company) is a company incorporated and domiciled in New Zealand. The company was incorporated on 14th December 2018. The consolidated Financial Report of the Group as at and for the 15 months ended 30th June 2022 comprises the Company and its subsidiary (together referred to as the 'Group').

During the period the Company changed its balance date from 31 March to 30 June, accordingly the financial statements are for a 15 month period. The comparative information is for a 12 month period.

The nature of the operations and principal activities of the Group are described in the Director's Report

The financial statements were authorised for issue by the Board on Feb 29, 2024.

Reissue of Financial Statements

These financial statements are a reissue of the financial statements which were dated 23 May 2023. The reason for the reissuance of the financial statements is that after due considerations, the directors believe additional disclosures when considering the going concern assumption, were not fully disclosed in the financial statements dated 23 May 2023. Going concern related disclosures have been amended in these reissued financial statements.

Disclosures in Paragraph 4 of Significant Accounting Policies - 'Going Concern' and Note 22 'Subsequent events' have been revised in these financial statements.

(2) Statement of compliance

The financial statements have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and in accordance with Companies Act 1993 and Financial Reporting Act 2013.

The Group is a For-profit entity and has elected to report in accordance with Tier 1 For-profit Accounting Standards as issued by the New Zealand External Reporting Board (XRB).

(3) Basis of measurement

The financial statements have been prepared on a historical cost basis, unless otherwise stated.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern, see (4) below.

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

(4) Going Concern

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

Material uncertainty in relation to going concern.

The Group has incurred a net loss after tax of \$7,789,020 (2021: \$1,115,922) and an operating net cash outflow of \$4,096,931 during the 15-month period ended 30 June 2022, and, as of that date, the Group's current liabilities exceeded its current assets by \$139,358.

Management has prepared a cash flow forecast that shows cash losses are expected to continue for a period beyond 12 months from the date these financial statements have been approved for issue by the directors. The forecast prepared by management contains a number of assumptions which are uncertain, however these are based on the best available information available to management at date of preparation. Some of these assumptions include, timing and quantum of forecasted revenue.

The directors have received written undertakings from the providers of existing debt funding to the company, subject to certain conditions, that they will not seek repayment of those advances before 30 June 2025, even if the Group was unable to meet its financial obligations as and when they fell due. Further, the directors have received a written undertaking from one of those providers of debt funding, that they will provide such funding as required to enable the Group to meet its financial obligations as and when they fell due for at least a period of 12 months from the signing of the 30 June 2022 Financial Statements.

The Group's ability to continue as a going concern is dependent on the continued financial support of its present providers of debt funding and the ability of the party providing the undertaking of additional financial support to meet any cash requirements as and when required.

The directors have considered the matters above and believe it is appropriate that these financial statements to be prepared on a going concern basis.

The above matters indicate that material uncertainty exists relating to events or conditions that may cast significant doubt on the Groups ability to continue as a going concern. If the Group was not a going concern, it may be unable in the ordinary course of business to realise its assets and discharge its liabilities at values currently presented in the financial statements. These financial statements do not include any adjustment relating to the recoverability and classification of recorded assets amounts, nor to the amounts and classifications that may be necessary should the Group be unable to continue as a going concern.





Aether Pacific Pharmaceuticals Limited and Controlled Entity Notes to the consolidated financial statements (continued) For the 15-month period ended 30 June 2022

(5) Functional and Presentation currency

The Group's financial statements are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in New Zealand dollars which is the Group's functional and presentation currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

(6) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group, using exchange rates prevailing at the dates of the transactions (i.e. the spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from measurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in the reported profit or loss.

Non-monetary items measured at historical cost are not re-translated at each period-end, instead they are only translated once using the exchange rate at the transaction date. Non-monetary items measured at fair value are translated using the exchange rates at the date when the period-end fair value was determined.

The net balance of foreign exchange gains and losses that relate to monetary items (such as borrowings, cash and cash equivalents) are presented in the Statement of Comprehensive Income within "finance income" or "finance costs". All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit and loss are recognised in the Statement of Comprehensive Income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in fair value movements disclosed within other comprehensive income.

Transactions in foreign currencies that are settled in the accounting period are translated at the settlement rate. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to NZD at the foreign exchange rate ruling on the reporting date (i.e. balance date). Foreign exchange differences arising on translation are recognised in the profit or loss.

(7) Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the cost they are compensating.

(8) Trade and other receivables

Trade debtors are amounts due from customers for goods sold and services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors and other receivables are measured initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for any expected credit loss.

An allowance for expected credit loss is established where there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivable.

(9) Trade creditors and other payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.





Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements (continued) For the 15-month period ended 30 June 2022

(10) Inventories

Inventory is valued depending on the specific purpose of that inventory class.

Cost incurred for inventory held for research and development expenses are expensed when incurred.

Plants under cultivation are valued based on expected yield and stage of growth less an estimation of plant failure. Third party inventory is valued at the lower of cost less and net realisable value.

(11) Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses.

Additions and subsequent costs

Subsequent costs and the cost replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to profit or loss in the period in which the expense is incurred.

Disposals

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the profit or loss is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Property Under Construction

The Company has been developing and building new facilities in Christchurch New Zealand. This has been ongoing since the Company's inception. Accounting policy is to record fixed assets purchases in the Construction account. Each half year an assessment is made as to whether items are complete and productive. In which case the assets are transferred to the correct classification and depreciation commences.

Depreciation

Depreciation is charged on a diminishing value (DL) basis on all property, plant and equipment over the estimated useful life of the asset. Depreciation is charged to profit or loss and disclosed within operating expenses. The following depreciation rates have been applied at each class of property, plant and equipment:

Property Improvements	10%
Plant & Equipment	10-40%
Office Equipment	20%
Furniture & Fittings	15%

The residual value and useful life of property, plant and equipment is reassessed annually. An assets carrying amount is written down immediately to its revocable amount if the assets carrying amount is greater than its estimated recoverable amount.



Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements (continued)

For the 15-month period ended 30 June 2022

(12) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

The Group bases its impairment calculations on the most recent budget and forecast calculations, which are prepared separately for each of the Group CGUs to which the individual assets are allocated. These budgets and forecasts calculations generally cover a period of up to five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in expense categories consistent with the functions of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reverse only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation.

(13) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings, and other financial liabilities.

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- a) Amortised costs
- b) Fair value through Other Comprehensive Income(FVOCI) - Debt investments
- c) Fair value through Other Comprehensive Income(FVOCI) - Equity investments
- d) Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:

- it is held within a business model with an objective to hold the assets to collect contractual cash flow; and
- its contractual Cash flows comprise of solely principal and interest on the principal amount outstanding

These assets, mainly trade and other receivables including amount due from related parties, cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements (continued)

For the 15-month period ended 30 June 2022

(14) Right of use assets and corresponding liabilities

Right-of-use assets

A right -of-use asset is recognised at the commencement date of the lease. The right-to-use asset is measured at cost, which comprises the initial amount of the lease, adjusted for, as applicable, any lease payments made at or before the commencement date 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 assets, and restoring the site or asset.

Lease Liabilities

A lease liability is recognised at the commencement date of the 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 incentive receivable, variable lease payments that depend on an index or a rate, amount 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 payment that do not depend on an index or a rate are expensed in the period in which they occurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amount are remeasured if there is a change in the following: future lease payment arising from a change in the 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 corresponding right-to-use asset or to the profit and loss if the carrying amount of the right-to-use assets is fully written down.

(15) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and tax.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must be met before revenue is recognised:

Sale of goods and consultancy services

Revenue from sale of goods is recognised when the Group has met its performance obligations to the customer. Performance obligation is generally considered to be met when the buyer has taken undisputed delivery of the goods.

Pain Clinic consultancy services are recognised at time of consultation.

(16) Finance costs

Finance costs recorded in the Statement of Comprehensive Income comprise the interest expenses charged on borrowings.

(17) Income tax

The income tax expense recognised in profit or loss comprises the sum of deferred tax movements and current tax not recognised in other comprehensive income or directly in equity.

Current income taxes

Current tax is the amount of income tax payable based on the taxable surplus for the current period, plus any adjustment to income tax payable in respect of prior periods. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.





Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements (continued)

For the 15-month period ended 30 June 2022

Deferred tax

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses (if any). Temporary differences are differences between the carrying amount of asset and liabilities in the financial statements and the corresponding tax bases used in the consumption of taxable surpluses.

Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects the tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available in future periods, against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of income tax in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(18) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

(19) Share capital

Share capital represents the consideration received for shares that have been issued. All transaction costs associated with the issuing of shares are recognised as a reduction in equity, net of any related income tax benefits.

Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. The shares have no par value.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(20) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aether Pacific Pharmaceuticals Limited (parent entity) at 30th June 2022 and the results of all subsidiaries for the period then ended. Aether Pacific Pharmaceuticals Limited and its subsidiaries together are referred to in these financial statement as the Group.

Subsidiaries are those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with entity and has 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 consolidated entity. They are pre-consolidated from the date that control ceases.





Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements (continued)

For the 15-month period ended 30 June 2022

(21) Patent Portfolio

Patents arise on the acquisition of a business or developed internally. The patent portfolio is measured at cost less accumulated amortisation based on the economic useful life of the patent and having regard to its expiry date. Patent valuation is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated amortisation and impairment losses. Impairment losses are taken to profit and loss and can be subsequently reversed.

(22) Employee Benefits and termination Benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are recognised in respect of employees' service to the end the reporting period and are measured at amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payable.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the follow dates; (a) when the group can no longer withdraw the offer of those benefits, and (b) when the Group recognises costs for a restructuring that involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(23) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classifications. An asset is classified as current when: it is expected to be realised or intended 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 equivalents 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 expected to be settled in the Group's normal operating cycle; it is held primarily for the purposes 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.

(24) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, 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.

(25) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill.



Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements (continued)

For the 15-month period ended 30 June 2022

(25) Business contributions continued

If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

(26) Intangible Assets

Intangible assets are recorded at cost less accumulated amortisation and impairment losses. Subsequent costs are added to the carrying amount of an intangible assets when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit and loss as an expense when incurred. Amortisation is charged to the profit and loss.

(27) Biological Assets

The Company defines biological assets as cannabis plants up to the point of harvest. Biological assets are measured at the lower of cost and net realisable value at the end of the reporting period.

Changes to accounting policies and disclosures

New NZ IFRS standards and interpretations issued but not yet adopted

A number of new standards and interpretations have been issued but are not yet effective for the current period-end. The reported results and financial position of the Group is not expected to change on adoption of these pronouncements as they do not result in any changes to the Group's existing accounting policies.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

Judgements

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the periods in which the estimate is revised and in future periods affected.

Leases - estimating the incremental borrowing rate

Where accounting policies required the choice of a discount rate (eg when valuing the lease liability at inception (accounting policy (i)), and where permitted by the relevant accounting standard), this rate has been based on the incremental borrowing rate as determined by management. In determining this rate management have looked at current borrowing rates both internal and externally, the trading history of the Group its risk profile and discussions with banking parties. This is a significant accounting estimate that materially affects the value of assets and liabilities.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arms length, or similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investment that will enhance the performance of the asset of the CGU being tested. The recoverable amount is sensitive to the discount rate used for DCF model as well as the expected future cash- inflows and the growth rate used for extrapolation purposes. These estimated are most relevant to intangibles recognised by the Group.



Aether Pacific Pharmaceuticals Limited and Controlled Entity

Notes to the consolidated financial statements (continued)

For the 15-month period ended 30 June 2022

Changes to accounting policies and disclosures (continued)

Estimation of useful economic lives of non-financial assets

Periodically management assesses the economic useful lives of non-financial assets to determine the applicability of current depreciation rates and whether a change is warranted. Changes will be determined based on age, technical advances and other relevant factors at the time.

Acquisition of Subsidiary and goodwill

During the period under review the Company acquired a subsidiary, Hardie Health Limited. The policy for acquisitions are to determine what is being acquired. If a business is being acquired and this results in the purchase price exceeding the fair value of assets acquired this is treated as Goodwill. In the case when the Company acquires assets (as apposed to a business) and there is an excess purchase price over the fair value of assets acquired then the this amount is written in the year of acquisition.

1. Revenue

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Provision of Services		
Pain Clinic	18,384	-
Total	18,384	-

2. Other income

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
R&D Grant	64,600	-
Wages subsidy received	-	11,732
	64,600	11,732

3. Significant operating expenses

		Group	
		15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Depreciation and amortization	9, 10 & 11	488,271	205,822
Employee benefits		931,976	167,987
Directors fees	25	450,829	236,165
Consultancy		363,314	168,943
Fines (FMA)	14	250,000	-
Legal		223,304	135,922

4. Net financing costs

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Interest Leases	94,511	47,977
Interest Loans	7,134	1,884
Net finance expense	101,645	49,861



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued) For the 15-
month period ended 30 June 2022

5. Income Tax

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Reconciliation between tax expense and the prima facie tax on the Group's accounting for income tax is as follows:		
Accounting (loss) before income tax	(7,789,020)	(1,115,922)
Tax at 28%	(2,180,925)	(312,458)
Add / (less) tax effect of:		
Non-deductible expenditure	1,087,238	11,942
Deferred tax not recognised	1,093,687	300,516
	-	-
Tax expense at 28%	(1,093,687)	(300,516)
Tax effect of losses not brought to account	1,093,687	300,516
Total income tax benefit	-	-
Other deferred assets and liabilities not recognised		
Leases	572,465	394,986
RTU Assets	(556,398)	(389,218)
Holiday pay	13,198	2,754
Total income tax benefit	29,265	8,522

The total tax losses not brought to account is estimated at \$5,356,787 (2021 \$1,525,842).

The benefit for tax losses will only be obtained if:

- (a) the Group derives assessable income of a nature and an amount sufficient to enable the benefit from the deduction for the losses to be realised
- (b) the Group continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in tax legislation adversely affect the ability of the Group to realise these benefits.





Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

6. Cash and Term Deposits

Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following Consolidated Statement of Financial Position amounts:

	Group	
	30-Jun-22	31-Mar-21
	\$	\$
Cash at bank (ANZ Group Banking Limited)	125,946	769,824
Cash at bank (ANZ Group Banking Limited Number 2 Account)	12,419	-
	138,366	769,824

Refer to Note 17 Financial Risk Management for risk exposure analysis for Cash and cash equivalents

7. Trade and other receivables

	Group	
	30-Jun-22	31-Mar-21
	\$	\$
Current		
GST	94,112	104,356
Deposits for Third Party Inventory	307,757	-
Prepayments	40,012	62,548
Other amounts receivable	233	2,232
	442,114	169,136

8. Inventory (current assets)

	Group	
	30-Jun-22	31-Mar-21
	\$	\$
Finished goods at cost less provision for impairment	122,032	8,453
Goods in transit at cost	30,219	-
Work in progress at cost	30,000	-
	182,251	8,453

9. Property Plant and Equipment

	Group	
	15 months 30-Jun-22	Year to 31-Mar-21
	\$	\$
Property under construction cost		
Balance at beginning of period	-	-
Additions/Disposals	1,334,075	-
Closing Balance	1,334,075	-
Property Improvements - Cost		
Balance at beginning of period	988,033	-
Additions/Disposals	653,042	988,033
Closing Balance	1,641,075	988,033
Plant and equipment - cost		
Balance at the beginning of period	499,963	-
Additions/Disposals	1,727,132	499,963
Closing Balance	2,227,095	499,963



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

9. Property, plant and equipment (Continued)

	Group	
	15 months 30-Jun-22	Year to 31-Mar-21
	\$	\$
Furniture and fittings - cost		
Balance at the beginning of period	7,504	-
Additions/Disposals	9,570	7,504
Closing Balance	17,074	7,504
Office equipment - cost		
Balance at beginning of period	7,402	2,117
Additions/Disposals	49,894	5,285
Closing Balance	57,296	7,402
Closing balances - cost	5,276,615	1,502,902
Property improvements - accumulated depreciation		
Balance at the beginning of period	43,693	-
Depreciation	119,818	43,693
Closing Balance	163,511	43,693
Plant and equipment - accumulated depreciation		
Balance at the beginning of period	56,693	-
Depreciation	130,988	56,693
Closing Balance	187,681	56,693
Furniture and fittings - accumulated depreciation		
Balance at the beginning of period	710	-
Depreciation	1,551	710
Closing Balance	2,261	710
Office equipment - accumulated depreciation		
Balance at the beginning of period	2,269	266
Depreciation	12,125	2,003
Closing Balance	14,394	2,269
Closing balance - accumulated depreciation	367,847	103,365
Closing book value		
Property under construction	1,334,075	-
Property improvements	1,477,564	944,340
Plant and equipment	2,039,414	443,270
Furniture and fittings	14,814	6,794
Office equipment	42,902	5,133
Closing property, plant & equipment	4,908,769	1,399,537



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

10. Non-current assets - intangibles

	15 months 30-Jun-22 \$	Group Year to 31-Mar-21 \$
At cost		
Balance at the beginning of period	14,030	14,030
Additions/Disposals	8,310	-
Closing balance	22,340	14,030
Accumulated amortization		
Balance at the beginning of period	10,597	7,164
Amortization	1,931	3,433
Closing balance	12,528	10,597
Closing book value	9,812	3,433



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

11. Right of use assets

	Group	
	15 months 30-Jun-22	Year to 31-Mar-21
	\$	\$
Land and buildings		
Balance at the beginning of period	1,489,355	-
Additions/Disposals	815,908	1,489,355
Closing Balance	2,305,263	1,489,355
Motor vehicle		
Balance at beginning of period	-	-
Additions/Disposals	72,546	-
Closing Balance	72,546	-
Accumulated depreciation		
Land and buildings		
Balance at the beginning of period	99,291	-
Depreciation	218,835	99,291
Closing Balance	318,126	99,291
Motor vehicles		
Balance at the beginning of period	-	-
Depreciation	3,023	-
Closing Balance	3,023	-
Closing book value	2,056,660	1,390,064
Lease Liability		
Current Liability	252,163	123,053
Non Current Liability	1,858,509	1,287,612
Closing Balance	2,110,672	1,410,665

During the period the Group signed three new premises leases with terms of 3 years, 4 years and 10 years. The Group also entered into a new vehicle lease with a 36 month term. Apart from the above leases the Company has no other leases and no short term leases.

Lease expenses and cashflow

Interest expense on lease liability	94,511	47,977
Depreciation expense on right of use	221,858	99,291
Cash outflow in relation to leases	268,536	126,667





Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

12. Investment in subsidiary

The Group acquired 100% of Hardie Health Limited (incorporated in New Zealand) on 1st May 2021 and issued shares in the Company (share swap). The purpose being to expand the Company product portfolio to cover other nutraceutical products in addition to cannabis products.

The transaction involved:

Assets acquired at valuation	Cost	Impairment	Written off	Carry value
Patent Portfolio	2,018,462	2,018,462	-	-
Excess consideration of fair value	1,291,525		1,291,525	-
Total purchase consideration	3,309,987	2,018,462	1,291,525	-

The shares were issued in two tranches. The first being 4,004,156 shares on 1st May 2021 and the second amounting to 651,839 shares issued on 7th September 2021. In both cases an independent valuer valued the shares at 71.091 cents per share. Total shares issued were 4,655,995.

A valuation was performed by an independent firm Sapere Research Group Limited. The valuer valued the shares in Aether Pacific Pharmaceuticals Limited at the acquisition date (1st May 2021 and 7th September 2021) at 71.091 cents per share. Additionally a valuation by the same company, Sapere was undertaken and determined the fair value of assets acquired amounted to \$3,309,987, being patent portfolio and excess value.

The key assumptions in valuing the acquisition were:

- Both companies are early stage ventures and forecasts supplied by management were relied upon in forming the valuation
- Hardie Health Limited financial position at valuation date (1st May 2021) consisted only of the intangible asset noted above, being the patent portfolio.

Impairment

The Directors resolved to write off excess purchase value, amounting to \$1,291,525 in the profit and loss account as at 30th June 2022. The directors took the view that this amount represented the purchase of assets (patent portfolio) rather than a business. However the directors are of the view that the acquisition will result in a business being developed in the nutraceuticals.

The Directors further considered the value of patents acquired and decided that the patent portfolio being impaired 100% as at 30th June 2022 amounting to \$2,018,462. The directors took the view that the business has not been developed and future income streams are not guaranteed at this time. However the directors are of the view that as the business is developed the value of patents will be reviewed and re-stated as appropriate.

13. Patents

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
At cost		
Opening balance	-	-
Additions	50,370	-
Closing balance	50,370	-
At valuation		
Opening balance	-	-
Additions	2,018,462	-
Impairment	(2,018,462)	-
Closing balance	-	-
Closing book value	50,370	-





Aether Pacific Pharmaceuticals Limited and Controlled Entity Notes to the consolidated financial statements

For the 15-month period ended 30 June 2022

14. Capital and reserves

Reconciliation of movement in capital and reserves

	Quantity of shares	Issued capital	Crowd funding	Accumulated losses	Total
30 June 2022					
Opening Balance	39,495,759	1,926,937	1,919,554	(1,865,183)	1,981,308
Total comprehensive income/(loss) net of tax	-	-	-	(7,789,020)	(7,789,020)
Return of capital	(462,951)	-	(462,951)	-	(462,951)
Issued capital (gross)	10,104,899	8,329,925	-	-	8,329,925
Issued capital (costs)		(341,507)			(341,507)
Share swap	12 4,655,995	3,309,987	-	-	3,309,987
Closing Balance	53,793,702	13,225,342	1,456,603	(9,654,203)	5,027,743

	Quantity of shares	Issued capital	Crowd funding	Accumulated losses	Reserves	Total
31 March 2021						
Opening Balance	651,000	535,000	-	(749,259)	26,177	(188,082)
Total comprehensive income/(loss) net of tax			-	(1,115,924)	-	(1,115,924)
Issued capital (gross)	38,844,759	1,647,997	1,919,554	-	-	3,567,551
Issued capital (costs)		(256,060)				(256,060)
Converted to Ordinary shares	-	-	-	-	(26,177)	(26,177)
Closing Balance	39,495,759	1,926,937	1,919,554	(1,865,183)	-	1,981,308

During the 15 months to 30th June 2022, 462,951 shares were bought back from shareholders who participated in a Crowd Funding exercise pursuant to an enforceable undertaking by the Financial Markets Authority (FMA). The undertaking included an offer to refund the investment of any Aether Pacific Pharmaceuticals Limited shareholder who joined through the company's crowdfunding program in 2020. Of those shareholders, 136 opted for a refund at \$1.00 per share entry price, and a total of \$462,951 has now been returned to them by the Company.

In addition, Aether Pacific Pharmaceuticals Limited has published a correction on misstatements that were made during the crowdfunding program and the Company has paid a fine the FMA \$250,000 in lieu of a pecuniary penalty. Aether Pacific Pharmaceuticals Limited has adopted an Approved Disclosure Policy for governance around future statements made to investors.

15. Loans and Borrowings

	Group	
	30-Jun-22	31-Mar-21
Current	\$	\$
Loans Financial Synergy	11,653	46,149
	11,653	46,149

16. Trade and other payables

	Group	
	30-Jun-22	31-Mar-21
Trade payables	\$ 591,139	\$ 287,829
Employee entitlements	47,134	9,386
Interest on convertible notes (refer note 14)	-	4,660
	638,273	302,325



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

17. Financial risk management

i. Overview

The financial risk arising from the Group's operations comprise market, liquidity and credit risk. These risks arise in the normal course of business, and the Group manages its exposure to them in accordance with the Group's portfolio risk management strategy.

The Group holds the following financial instruments:

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Financial assets		
<i>Amortised cost</i>		
Cash and cash equivalents (ANZ Banking Group Ltd)	138,366	769,824
Trade and other receivables	442,114	169,136
	580,480	938,960
Financial liabilities		
<i>Amortised cost</i>		
Trade and other payables	591,139	302,325
Lease liabilities	2,110,672	1,410,665
	2,701,811	1,712,990

ii. Financial risk management objectives

The overall financial Risk Management Strategy focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects on the financial performance and protect financial security.



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

iii. Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations.

	Group	
	30-Jun-22	31-Mar-21
	\$	\$
Cash and cash equivalents (ANZ Banking Group Ltd)	138,366	769,824
	138,366	769,824

iv. Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintain adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure and liabilities.

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying value as the impact of the discounting is not significant.

Contractual maturities of financial liabilities	Less than	6-12	More than	Total (\$)	Carrying amount (\$)
	6 months	months	12 months		
	(\$)	(\$)	(\$)		
Group - at 30th June 2022					
Trade payables	591,139	-	-	591,139	591,139
Lease liabilities	124,560	127,602	1,858,509	2,110,673	2,110,673
Total	715,699	127,602	1,858,509	2,701,812	2,701,812
Group - at 31st March 2021					
Trade payables	302,325	-	-	302,325	302,325
Lease liabilities	60,759	62,294	1,287,612	1,410,665	1,410,665
Total	363,084	62,294	1,287,612	1,712,990	1,712,990

**Aether Pacific Pharmaceuticals Limited and Controlled
Entity Notes to the consolidated financial statements
For the 15-month period ended 30 June 2022**



Aether Pacific Pharmaceuticals Limited
MEDICINAL CANNABIS

v. Market risk (continued)

Market risk is the risk that changes in market prices, such as foreign exchange rates may affect the Group's income or the value of its holdings of financial instruments. The objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

vi. Foreign exchange risk

The Group is exposed to currency risk on financial assets and liabilities that are denominated in a currency other than the respective currencies of the Group's functional currency. Other currencies are USD, AUD and EUR.

The Group does not hedge as the foreign currency risk is considered immaterial.

vii. Interest rate risk

The Group has no significant exposure to interest rate risk, other than lower interest rates, reducing the investment returns in the Group On Call bank account.

The Group has right to use lease liabilities which attract an imputed interest rate which is fixed in the short term and does not represent an exposure that requires risk management.

At reporting date, the interest rate profile of the Group's interest - bearing financial instruments are:

Variable Rate Instruments	Group	
	15 months 30-Jun-22	Year to 31-Mar-21
	\$	\$
Cash and deposits	138,366	769,824
Borrowings	-	-
	<u>138,366</u>	<u>769,824</u>
The Group held cash balances as follows:		
Cash at bank and on hand	138,366	769,824
Cash on deposit	-	-
	<u>138,366</u>	<u>769,824</u>
	Cash Available for use	Total

30th June 2022

Cash and cash equivalents	\$138,366	\$138,366
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31st March 2021

Cash and cash equivalents	\$769,824	\$769,824
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Up to the end of the reporting period, the Group did not have any hedging policy with respect to interest rate risk as exposure to such risk was not deemed to be significant by the directors since assets are a short-term nature. Management considers the potential impact on the profit and loss of a defined interest rate shift that is reasonably probable at the end of the reporting period to be immaterial.

Cash Flow sensitivity Analysis for Variable Rate instruments

The Board's assessment of a reasonable possible change in interest rates relating to the Groups Cash and Cash equivalents and borrowings is disclosed in the table below.

	Number of basis points
Cash and cash equivalents	50
Borrowings	100

Management considers the potential impact on profit and loss of a reasonable change in interest rates at the end of the reporting period to be immaterial based on the current amounts of cash and cash equivalents and applicable interest rates.





Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

18. Capital management

The Group manages its capital to ensure that the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the group consists of cash and equity, comprising issued capital and retained earnings.

The Board reviews the capital structure on a regular basis. The group is not subject to externally imposed capital requirements. The Groups overall strategy remains unchanged from the prior period.

19. Reconciliation of profit/(loss) for the period with the net cash from operating activities

		Group	
		15 months 30-Jun-22	Year to 31-Mar-21
		\$	\$
Loss for the period		(7,789,020)	(1,115,922)
Adjustments for:			
- Depreciation and amortization		488,271	205,822
- Legal		-	(78,690)
Excess purchase consideration over fair value	12	1,291,525	-
Impairment of Patents	12	2,018,462	-
		3,798,258	127,132
Changes in working capital			
Increase/(Decrease) in Sundry Creditors		303,517	194,108
Increase/(Decrease) in Employee Benefits		37,298	-
Increase/(Decrease) in Interest in Advance		1,999	(2,232)
Decrease/(Increase) in Prepayments		(285,221)	(62,548)
Decrease/(Increase) in Inventory		(173,798)	(8,453)
Increase/(Decrease) in GST Payable		10,037	(96,742)
		(106,169)	24,133
Net Cash from Operating Activities		(4,096,930)	(964,657)

20. Changes in liabilities arising from financing activities

	31-Mar-21	Cash Flow	New Leases	Interest	Other	30-Jun-22
Current lease liabilities	\$123,053	\$(277,684)	252,163	94,940	\$59,691	\$252,163
Current Advances	\$46,149	\$(46,149)			\$11,633	\$11,633
Interest payable on Convertible Notes	\$4,660	\$(4,660)				\$-
Non Current lease liabilities	\$1,287,612		602,632		\$(31,735)	\$1,858,509
Total liabilities from financing activities	\$1,461,474	\$(328,493)	\$854,795	\$94,940	\$39,589	\$2,122,305

21. Contingent liabilities

The Board is not aware of any circumstances or information, which leads them to believe there are any other material contingent liabilities outstanding at 30th June 2022.



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

22. Subsequent events

Shareholder advances

12 July 2022: \$AUD 3,000,000 upon terms contained within a secured convertible loan agreement and share option with an existing shareholder containing a two year term and 7% interest and allowing for an AUD \$1.35 per share or 90% of listed price if the Company is quoted on the Australian Stock Exchange. The share option allows for a further 1 in 10 issue of ordinary shares should the option be taken up.

21 March 2023: \$AUD 300,000 as an extension and on the same terms as those of 12 July 2022 above except for the loan for 12 months and interest rate is 5%.

31 March 2023: \$100,000 upon terms with an existing shareholder on 6 month term and 20% interest and is unsecured.

6-12 April 2023: \$31,500 upon terms with an existing shareholder on demand and 5% interest and is unsecured.

27 April 2023: \$100,000 upon terms contained within a secured convertible loan agreement with an existing shareholder containing a one year term and 5% interest and allowing for an AUD \$0.80 per share or 90% of listed price if the Company is quoted on the Australian Stock Exchange.

Peter Win provided an unsecured loan totalling \$23,000 in April 2023. It has yet to be repaid.

Jason Whitelaw provided a short term loan of 5 days in February 2023 totalling \$190,000.

4 July - 7 August 2023: Aldo Miccio provided an unsecured loan totalling \$270,000.

4 July - 7 August 2023: Peter Win provided an unsecured loan totalling \$270,000.

Share subscriptions

On various dates a further sum total of \$811,528.49 by way of various share subscriptions for ordinary shares by various shareholders.

9 August 2023: An agreement with Meridian Asset Management Limited was entered into, with \$1,500,000 fully paid ordinary shares to be issued at a value of \$1.04 per share.

On various dates a further sum total of \$187,650.00 has been raised by various shareholders by way of the Company's capital raise on stock exchange platform Catalist.

Debt Funding

From 31 March 2023 to 30 September 2023 the company raised \$477,000 of total funds from Meridian Asset Management Limited.

On 9 June 2023 the Company entered into a \$100,000 convertible note agreement with Beyond Capital Limited. As at signing this remains on the Balance Sheet as debt.

On 23rd September the Company entered into an agreement for the sale and lease back of a dryer and extraction machine with Meridian Asset management Limited. The value of consideration was \$1,000,000 made up of \$300,000 cash received between 20 September and 26 October 2023 and \$700,000 of shares.

Meridian Asset Management Limited has provided additional debt funding between November 2023 and January 2024 of \$256,000.





Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

23. Remuneration of auditors

During the period the following fees were paid or payable for services provided by the Auditors of the Group.

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Audit and Other Assurance Services		
Crowe New Zealand Partnership	69,524	31,000

24. Fair values of financial assets and liabilities

At 30th June 2022 and 31st March 2021, the carrying values of financial assets and liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities.

The fair value of non-current assets and non-current liabilities are not materially different from their carrying amounts.

25. Related Party Disclosures

The ultimate legal parent company of the Group is Aether Pacific Pharmaceuticals Limited, which owns 100% of the issued capital in Hardie Health Limited. Both companies are incorporated in New Zealand and have a reporting date of 30 June.

Key Management Personnel

	Group	
	15 months 30-Jun-22 \$	Year to 31-Mar-21 \$
Short-term employee benefits	624,997	310,179
Directors Fees	450,829	236,165
	1,075,826	546,344



Aether Pacific Pharmaceuticals Limited and Controlled Entity
Notes to the consolidated financial statements (continued)
For the 15-month period ended 30 June 2022

25. Related Party disclosures continued

Related party	Relationship	Group	
		15 months 30-Jun-22	Year to 31-Mar-21
		\$	\$
Cataldo Miccio (April Trust)	Founding shareholder & managing director		
Kim Miccio (April Trust)	Wife of Cataldo Miccio		
Transaction with related parties			
Aldo Miccio (April Trust)	Managing Director/CEO fees	143,333	72,001
Aldo Miccio (April Trust)	Director Fees	62,498	45,831
Kim Miccio (April Trust)	Bookkeeping Fees	9,100	21,417
There are no amounts outstanding at balance date			
Jason Whitelaw	Employee	120,000	-

During the 15 months to 30th June 2022, Artmatic Limited a company controlled by Jason Whitelaw entered an Agreement with the Company to assist in raising capital for the Company. The Agreement called for a commission of 4% be paid to Artmatic. An amount of \$120,000 was paid to Artmatic under this Agreement, which has been shown as a deduction against share capital received.

26. Commitments

The Company has a Lease Agreement in respect of premises in Christchurch, New Zealand and three other smaller premises which it leases for the Pain Clinic business. Refer to Note 17 for details of the lease liabilities.

Other than the above the company has no other commitments.



Aether Pacific Pharmaceuticals Limited

Directory

As at 30 June 2022

Nature of Business	Pharmaceutical Products
Registered Office	MMP Lawyers L2, 241 Hardy Street, PO Box 656 NELSON 7010
Directors	Cataldo Miccio Peter James Win James Tracy Gough (Resigned 30 November 2023) Loren Heaphy (Resigned 30 March 2023) Jack Yin Rocco Pienaar (Appointed 29 August 2023)
Date of Incorporation	14 December 2018
Accountants	Baker Tilly Staples Rodway Level 2, Tavendale Centre, 329 Durham Street North, PO Box 8039 CHRISTCHURCH 8440
Auditor	Crowe New Zealand Audit Partnership CHRISTCHURCH
Bankers	ANZ Banking Group Limited
Company Number	7135337

