

**Jayex Healthcare Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Jayex Healthcare Limited  
ABN: 15 119 122 477  
Reporting period: For the half-year ended 30 June 2016  
Previous period: For the half-year ended 30 June 2015

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**2. Results for announcement to the market**

			<b>\$'000</b>
Revenues from ordinary activities	up	2237% to	5,910
Loss after income tax benefit for the period attributable to the owners Jayex Healthcare Limited	up	381% to	(1,476)
Loss for the period attributable to the owners of Jayex Healthcare Limited	up	381% to	(1,476)

*Dividends*

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

*Comments*

The loss for the Consolidated Entity after providing for income tax amounted to \$1,476,000 (30 June 2015: \$307,000).

For a brief explanation of any of the figures reported above, please refer to the financial report for the half-year ended 30 June 2016 released with this document.

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**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>(0.13)</u>	<u>(6.09)</u>

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**4. Control gained over entities**

Not Applicable

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**5. Loss of control over entities**

Not Applicable

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**6. Dividends**

*Current period*

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

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Financial Report.

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**11. Attachments**

*Details of attachments (if any):*

The half-year Financial Report of Jayex Healthcare Limited for the half-year ended 30 June 2016 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Date: 30 August 2016

Michael Boyd  
Executive Chairman

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**Jayex Healthcare Limited**  
(ABN 15 119 122 477)

**Interim Financial Report**  
**30 June 2016**

# Jayex Healthcare Limited

## Corporate Directory

### DIRECTORS

Michael Boyd (Executive Chairman)

Brian Renwick

Agam Jain

### COMPANY SECRETARY

Melanie Leydin

### PRINCIPAL & REGISTERED OFFICE

Level 4

100 Albert Road

South Melbourne VIC 3205

### AUDITORS

Grant Thornton Audit Pty Ltd

The Rialto

Level 30, 525 Collins Street

Melbourne VIC 3000

### BANKERS

National Australia Bank

Level 2, 151 Rathdowne Street

Carlton VIC 3053

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# Jayex Healthcare Limited

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# Jayex Healthcare Limited

## Directors Report

### For the six months ended 30 June 2016

#### 1. Directors and Company Secretary

The Directors and Company Secretary of the Company at any time during or since the end of the interim period are:

<b>Name</b>	<b>Role</b>
Mr Michael Boyd B.Comm (UWA) Grad. Dip App Fin	Executive Chairman
Mr Brian Renwick MBA, FCA, B.Bus (Accounting) Monash	Non-Executive Director
Mr Agam Jain (appointed 14 January 2016) B Sc.	Executive Director
Mr Shane Tanner (resigned 12 July 2016) FCPA, ACIS	Non-Executive Director
Mr John Allinson (resigned 29 July 2016) B.Design (Industrial) RMIT, P.Cert (Tech Comm) Melb Uni, MAICD	Non-Executive Director
Ms Melanie Leydin CA, B.Bus (Accounting and Corporate Law) Swinburne	Company Secretary

The Directors have been in office since the start of the six-month period to the date of this report unless otherwise stated.

#### 2. Directors' meetings

During the six-month period to 30 June 2016, six Directors' meetings were held for Jayex Healthcare Limited.

#### 3. Principal activities

During the period the principal continuing activities of the consolidated entity consisted of the development and provision of healthcare industry service technologies and the development of integrated dispensing automation systems for the pharmaceutical and healthcare sectors.

#### 4. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

# Jayex Healthcare Limited

## Directors Report

### For the six months ended 30 June 2016

#### 5. Operating and financial review

##### Operating Performance

The loss for the six months ended 30 June 2016 for the consolidated entity after providing for income tax amounted to \$1,476,000 (30 June 2015: \$307,000).

In the six months to 30 June 2016 the Company has continued to progress with its overall strategy to provide an integrated healthcare services delivery system not only domestically but internationally.

The Company has continued to focus on the integration and growth of the businesses acquired in 2015, being:

- Appointuit Pty Ltd acquired in September 2015, a patient engagement solution that enhances communication between patient and GP; and
- Jayex Technology Limited acquired in December 2015, a United Kingdom based business that operates the Enlighten platform, a patient management system that focuses on the workflow of patients through general practice clinics and hospitals.

The UK operations continued to perform well, with sales driven by a resurgence in the primary care division, which contributed to the overall result. The Acute care market in the UK has continued to prove challenging, however profitability has been maintained due to the restructuring and re-sizing of the team which took place earlier in the year.

In Australia operations continued to make good progress on the commercialisation of the Enlighten patient workflow platform, and the development and commercialisation of the Appointuit patient engagement solution in the Australian market.

The Company sold 62 Enlighten kiosks in the six months to 30 June 2016, a significant improvement on the prior year.

The Enlighten platform was successfully deployed into a third major hospital in Melbourne in the six months to 30 June 2016. This deployment followed a successful trial period and required a unique customisation of the Enlighten platform to serve the Hospitals individual requirements.

Appointuit practitioner numbers have continued to grow steadily during the period, with the Company now having 2,610 Appointuit health care practitioners.

The Pharmacy Delivery 2 U (P2U®) prescription delivery service development and commercialisation hit a key milestone in June 2016 with the installation of the solution in one medical centre for onsite trials. The trial is expected to continue for a further two months.

Internationally, the Company progressed a number of potential opportunities in the Asia Pacific region during the period, working through proposals to roll out the Enlighten Kiosk solution in 3 major hospitals. In addition to this, the Company also begun trials of Enlighten with an entity that represents 180 practices, with over 800,000 enrolled patients. If successful, both these opportunities will be significant not only the Company's footprint, but also on revenue growth.

##### Financial Position

The Company's cash balance has had a net decrease of \$2.895 million over the six-month period to 30 June 2016 to \$1.742 million.

Intangible assets decreased by \$3.281 million, due mainly an impairment of \$3.000 million to goodwill in relation to the Appointuit Pty Ltd CGU.

Trade and other payables decreased by \$2.035 million, due to a number of one-off costs in relation to the December 2015 IPO being settled in early 2016, along with the final settlement amount in relation to the Jayex Technologies Pty Ltd acquisition.

The Company remeasured the contingent consideration payable in relation to the Appointuit Pty Ltd acquisition in the prior period, reducing the payable from \$2.214 million as at 31 December 2015 to nil as at 30 June 2016. In assessing the fair value of the contingent consideration payable, the Company has reviewed the components that calculate the contingent consideration, these being discount rate, probability factor, share price and timing of first payment. Management agreed that a significant change to the probability was required due to changes in the competitive market place and difficulties with the integration of the product with other JHL technologies. These factors have had a substantial impact on the subsidiary's ability to achieve the EBITDA Targets set as part of the contingent consideration payable.

# Jayex Healthcare Limited

## Directors Report

### For the six months ended 30 June 2016

#### Business Strategies and Group Objectives

Jayex believes that its interconnected suite of technologies continues to be compelling proposition for both patients and healthcare professionals, providing versatility, flexibility and convenience, which the Company believes will:

- deliver improved patient convenience and online access to healthcare services;
- provide continued productivity gains for healthcare practitioners by increasing the efficient functioning of their practices and healthcare service delivery; and
- enhance the patient experience, especially for those who are “time-poor”, require medication management and the needs of an increasingly ageing population.

Jayex’s has a fourfold corporate strategy and objectives:

- Becoming a market leader – to secure its ‘first-mover’ advantages in markets in the United Kingdom and Australia, as well as in other markets in New Zealand, North America and key Asian markets.
- Commercialise – to rollout and commercialise Jayex’s suite of technology platforms in key markets as quickly as conditions and deregulation in each market allows, so as to secure a strong foothold in those markets, and leverage those footholds to offer further products and services to entrench customer loyalty and enhance maintainable earnings.
- Acquire – to identify and acquire other complementary or new technologies so as to expand or enhance Jayex’s service offerings and market position in providing integrated healthcare service delivery solutions.
- Develop – to continue to invest in our product and technology development, and bring to market and commercialise enhancements to our existing and acquired proprietary technologies.

#### 6. Significant changes in the state of affairs

On 2 February 2016 2,875,000 options were issued to employees under the approved staff option plan.

On 17 June 2016 125,000 options were exercised and converted to fully paid ordinary shares.

In the opinion of the Directors there were no further significant changes in the state of affairs of the Group during the interim financial period ended 30 June 2016 not otherwise reflected in these interim financial statements.

#### 7. Events subsequent to reporting date

The Directors believe no matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### 8. Dividends paid or recommended

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

#### 9. Likely developments

The business objectives for the remainder of 2016 will be a continued focus on the successful commercialisation of the Enlighten patient workflow platform, and ongoing development and commercialisation of the Appointuit patient engagement solution in the Australian market. The Company has been investing a significant amount of energy and time exploring international opportunities for the Enlighten product, as a result a number of proposals have been submitted and trials have begun. The Company is focused on converting these into commercial contracts in the next few months.

With regards to the United Kingdom business, the Company’s aim is to continue to grow the profitability of the business through gaining greater market share with Enlighten product and also exploring opportunities for introducing some of the Company’s other technologies such as Pharmacy Delivery 2 U (p2u). Further, the UK business is examining opportunities in both Europe and North America in which to extend the Enlighten product range.

#### 10. Environmental regulation

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



**Jayex Healthcare Limited**  
**Directors Report**  
**For the six months ended 30 June 2016**

**11. Indemnification and insurance of Officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company 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.

The Company has not provided any insurance or indemnity for the auditor of the Company.

**12. Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 31 and forms part of the Directors' report for the interim period ended 30 June 2016.

This report is made in accordance with a resolution of the Directors

Dated at Melbourne this 30th day of August 2016.

Signed in accordance with a resolution of the Directors:



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Michael Boyd  
Executive Chairman

## Jayex Healthcare Limited

### Consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 June 2016

	Note	30 June 2016 \$'000	30 June 2015 \$'000
<b>Revenue and other income</b>			
Revenue		5,910	253
Other		5	82
Fair value remeasurement of financial liabilities	16	2,064	-
<b>Expenses</b>			
Raw materials and consumables used		(2,160)	(64)
Employee benefits expense		(2,308)	(149)
Directors fees		(165)	-
Professional services expenses		(180)	-
Depreciation and amortisation expense		(301)	(6)
Share based payments	18	(222)	-
Consultancy expenses		(502)	(310)
Travel expenses		(208)	(20)
Other expenses		(475)	(71)
Impairment of goodwill	10,13	(3,000)	-
<b>Loss from operating activities</b>		<b>(1,542)</b>	<b>(285)</b>
Net foreign exchange gain/(loss)		(16)	-
Finance income		2	-
Finance expense		(4)	(22)
<b>Net finance income</b>		<b>(18)</b>	<b>(307)</b>
<b>(Loss) before income tax</b>		<b>(1,560)</b>	<b>(307)</b>
Income tax benefit/(expense)		84	-
<b>(Loss) after income tax benefit for the period attributable to the owners of Jayex Healthcare Ltd</b>		<b>(1,476)</b>	<b>(307)</b>
<b>Other comprehensive income</b>			
<b>Items that may subsequently be reclassified to the income statement</b>			
Foreign currency translation differences for foreign operations		(185)	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(185)</b>	<b>(307)</b>
<b>Total comprehensive income for the period attributable to the owners of Jayex Healthcare Ltd</b>		<b>(1,661)</b>	<b>(307)</b>
<b>(Loss) per share (cents per share)</b>			
Basic (loss) per share (cents)		(0.977)	(0.016)
Diluted (loss) per share (cents)		(0.977)	(0.016)

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

**Jayex Healthcare Limited**  
**Consolidated interim statement of financial position**  
**As at 30 June 2016**

	Note	30 June 2016 \$'000	31 December 2015 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	11	1,742	4,637
Trade and other receivables	12	2,011	1,446
Inventories		454	273
Prepayment		116	75
<b>Total current assets</b>		<b>4,323</b>	<b>6,431</b>
<b>Non-current assets</b>			
Property, plant and equipment		101	128
Intangible assets	13	12,826	16,107
<b>Total non-current assets</b>		<b>12,927</b>	<b>16,235</b>
<b>Total assets</b>		<b>17,250</b>	<b>22,666</b>
<b>Current Liabilities</b>			
Trade and other payables	14	1,031	3,066
Borrowings		-	32
Employee benefits		172	85
Provisions		282	272
Other current liabilities	15	1,801	1,492
<b>Total current liabilities</b>		<b>3,286</b>	<b>4,947</b>
<b>Non-current liabilities</b>			
Borrowings		-	17
Deferred tax liabilities		1,329	1,414
Trade and other payables	16	-	2,214
<b>Total non-current liabilities</b>		<b>1,329</b>	<b>3,645</b>
<b>Total liabilities</b>		<b>4,615</b>	<b>8,592</b>
<b>Net assets</b>		<b>12,635</b>	<b>14,074</b>
<b>Equity</b>			
Issued capital	17	24,588	24,588
Reserves		436	399
(Accumulated losses)		(12,389)	(10,913)
<b>Total equity</b>		<b>12,635</b>	<b>14,074</b>

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

Refer to note 8 for detailed information on Restatement of comparatives.

**Jayex Healthcare Limited**  
**Consolidated statement of changes in equity**  
**For the six month period ended 30 June 2016**

<b>Consolidated</b>	<i>Notes</i>	<b>Share Capital \$'000</b>	<b>Accumulated Losses \$'000</b>	<b>Share Based Payments Reserve \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Total \$'000</b>
<b>Balance as at 1 January 2016</b>		<b>24,588</b>	<b>(10,913)</b>	<b>448</b>	<b>(49)</b>	<b>14,074</b>
<b>Loss after income tax expense for the period</b>		-	<b>(1,476)</b>	-	-	<b>(1,476)</b>
<i>Other comprehensive income for the period, net of tax</i>						
Foreign currency translation differences for foreign operations		-	-	-	<b>(185)</b>	<b>(185)</b>
Total other comprehensive income for the period		-	-	-	<b>(185)</b>	<b>(185)</b>
Total comprehensive income for the period		-	<b>(1,476)</b>	-	<b>(185)</b>	<b>(1,661)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Share based payment transactions	18	-	-	<b>222</b>	-	<b>222</b>
Total transactions with owners		-	-	<b>222</b>	-	<b>222</b>
<b>Balance at 30 June 2016</b>		<b>24,588</b>	<b>(12,389)</b>	<b>670</b>	<b>(234)</b>	<b>12,635</b>

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

**Jayex Healthcare Limited**  
**Consolidated statement of changes in equity (continued)**  
**For the six month period ended 30 June 2016**

	<i>Notes</i>	Share Capital \$'000	Accumulated Losses \$'000	Share Based Payments Reserve \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
<b>Balance as at 1 January 2015</b>		7,650	(7,935)	-	-	(285)
<b>Loss after income tax expense for the period</b>		-	(307)	-	-	(307)
<i>Other comprehensive income for the period, net of tax</i>						
Foreign currency translation differences for foreign operations		-	-	-	-	-
Total other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	(307)	-	-	(307)
<b>Transactions with owners, recorded directly in equity</b>						
Issue of ordinary shares		-	-	-	-	-
Total transactions with owners		-	-	-	-	-
<b>Balance at 30 June 2015</b>		7,650	(8,242)	-	-	(592)

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

**Jayex Healthcare Limited**  
**Consolidated statement of cash flows**  
**For the six months period ended 30 June 2016**

Note	30 June 2016 \$'000	30 June 2015 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	6,387	289
Cash paid to suppliers and employees	(7,628)	(284)
R&D tax incentive received	-	-
Interest and other finance costs paid (net)	(2)	(22)
<b>Net cash (used in) operating activities</b>	<b>(1,243)</b>	<b>(17)</b>
<b>Cash flows from investing activities</b>		
Acquisition of a subsidiary (net of cash acquired)	(1,062)	-
Payments for R&D	(129)	-
<b>Net cash (used in) investing activities</b>	<b>(1,191)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	-
Share issue costs	(240)	-
Proceeds from borrowings from related parties	-	40
Repayment of borrowings	(33)	(6)
<b>Net cash (used in) from financing activities</b>	<b>(273)</b>	<b>34</b>
<b>Net movement in cash and cash equivalents</b>	<b>(2,707)</b>	<b>17</b>
Cash and cash equivalents at beginning of the period	4,637	12
Effects of exchange rate changes on cash and cash equivalents	(188)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>1,742</b>	<b>29</b>

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

# Jayex Healthcare Limited

## Notes to the financial statements

### For the six month period ended 30 June 2016

#### 1. Reporting entity

Jayex Healthcare Limited (the “Company” or “JHL”) is a company domiciled in Australia. The address of the Company’s registered office is Level 4, 100 Albert Road, South Melbourne VIC 3205. The condensed consolidated interim financial statements as at and for the six months ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is a for-profit entity and primarily is involved in development and provision of healthcare industry service technologies and the development of integrated dispensing automation systems for the pharmaceutical and healthcare sectors.

The consolidated annual financial report of the consolidated entity for the year ended 31 December 2015 is available on request at the Company’s registered office or from the Company’s website at [www.jayexhealthcare.com.au](http://www.jayexhealthcare.com.au)

#### 2. Statement of compliance

The condensed consolidated interim financial report has been prepared on a going concern basis in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The condensed consolidated interim financial report also complies with IAS 134 *Interim Financial Reporting*. The condensed consolidated interim financial report is presented in Australian dollars.

The condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial statements as at and for the period ended 31 December 2015.

The condensed consolidated interim financial report was authorised for issue by the Board of Directors on 30 August 2016.

#### 3. Functional and presentation currency

This condensed consolidated interim financial report is presented in Australian dollars, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency.

#### 4. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2015, except for the adoption of the new standards and interpretations as of 1 January 2016.

The Group has adopted all new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2016.

The adoption of these standards and amendments to standards had no impact on results or disclosures in the condensed consolidated interim financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective for the period ended 30 June 2016.

#### 5. Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with Australian Accounting Standards 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as and for the year ended 31 December 2015.

# Jayex Healthcare Limited

## Notes to the financial statements

### For the six month period ended 30 June 2016

#### 6. Financial risk management framework

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

#### 7. Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are carried at fair value and share based payment expenses which are recognised at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

##### Going concern basis of accounting

The condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group was listed on the Australian Securities Exchange ("ASX") on 17 December 2015 via an Initial Public Offering ("IPO") of 25 million shares at 32 cents per share, raising funds of \$8,000,000.

For the six-month period ended 30 June 2016 the Group had a net loss of \$1.48 million and had net equity of \$12.64 million. The net loss includes impairment of Goodwill in relation to the Appointuit acquisition of \$3.00 million (refer note 10). Partially offsetting the loss was a gain of \$2.06 million, being the re-measurement of the contingent consideration payable in relation to the Appointuit Pty Ltd acquisition. The impairment and re-measurement of the contingent consideration payable all have a non-cash impact.

As at 30 June 2016 the Group had cash and cash equivalents of \$1.74 million (December 2015: \$4.64 million). It had current assets of \$4.32 million (December 2015: \$6.43 million) and current liabilities of \$3.29 million (December 2015: \$4.95 million).

During the six-month period ended 30 June 2016 the cash outflow from operations was \$1.24 million. There were cash outflows from investing activities of \$1.19 million for the period. There were cash outflows from financing activities of \$0.27 million.

The Directors are satisfied with the Group's current financial position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- The Directors and Management have reviewed the Group's consolidated cash flow requirements and are satisfied that there is adequate cash on hand to meet the planned corporate activities and working capital requirements for at least 12 months following the date of signing the 2016 interim financial statements;
- The Group has the ability to raise additional funds, pursuant to the Corporations Act 2001; and
- The ability of the Group to scale back certain parts of their operating activities if required.

The Directors believe that with the achievement of certain sales targets and the current cash on hand, it will be sufficient to fund:

- The continued expansion of the Enlighten patient workflow platform into the Australian market;
- Continued operations of the Appointuit business, with the view to growing market share;
- Continued operations of Jayex UK, with the aim of introducing new products to that market in the future; and
- General working capital requirements and corporate expenses through to at least 31 August 2017.

If sales targets are not achieved, the Company may be required to reduce the scope of its operations.



**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**8. Restatement of comparatives**

*Retrospective fair value adjustments on finalisation of business combination accounting*

During the year ended 31 December 2015 the Consolidated Group made a number of business acquisitions, details of which are set out in Note 19.

In relation to the business acquisitions, the Consolidated Group originally performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition and for the purposes of the balance sheet as at 31 December 2015, the assets and liabilities were originally recorded at provisional fair values.

Under Australian Accounting Standards, the Consolidated Group has up to 12 months from the date of acquisition to complete its initial acquisition accounting. The Consolidated Group has completed this exercise to consider the fair value of intangible assets acquired in the acquisitions and, in accordance with Accounting Standards, has retrospectively adjusted the values of the relevant identifiable intangible assets and have transferred the differences between the provisional valuation and the finalised fair value to the respective Goodwill accounts.

The adjustments to the fair values have an equal and opposite impact on the goodwill recorded on acquisition. Accordingly, such adjustments have no impact on the aggregate of the net assets or the Consolidated Entity's net profit after tax with the exception of any amortisation charges.

Details of specific adjustments are set out in Note 19.

<b>Extract</b>	<b>31 December 2015</b>	<b>Adjustment</b>	<b>31 December 2015</b>
	<b>Reported</b>		<b>Restated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Expenses</i>			
Depreciation and amortisation	(397)	330	(67)
Loss before income tax benefit	(2,975)	330	(2,615)
Income tax benefit	73	(99)	(26)
Loss after income tax (expense)/benefit for the year attributable to the owners of JHL	(2,902)	231	(2,671)
Foreign currency translation differences for foreign operations	(84)	35	(49)
<b>Total comprehensive income for the year attributable to the owners of JHL</b>	<b>(2,986)</b>	<b>266</b>	<b>(2,720)</b>

	<b>31 December 2015</b>	<b>Adjustment</b>	<b>31 December 2015</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
	<b>Reported</b>	<b>Adjustment</b>	<b>Restated</b>
Basic earnings per share	(2.779)	0.222	(2.557)
Diluted earnings per share	(2.779)	0.222	(2.557)

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**8. Restatement of comparatives (continued)**

*Statement of financial position at the end of the earliest comparative period*

<b>Extract</b>	<b>31 December 2015 Reported \$'000</b>	<b>Adjustment \$'000</b>	<b>31 December 2015 Restated \$'000</b>
<i>Non-current assets</i>			
Intangibles	17,161	(1,054)	16,107
Total non-current assets	17,289	(1,054)	16,235
Total assets	23,720	(1,054)	22,666
<i>Non-current liabilities</i>			
Deferred tax liability	2,734	(1,320)	1,414
Total non-current liabilities	4,965	(1,320)	3,645
Total liabilities	9,912	(1,320)	8,592
Net assets	13,808	266	14,074
<i>Equity</i>			
Reserves	364	35	399
Accumulated losses	(11,144)	231	(10,913)
Total Equity	13,808	266	14,074

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**9. Segment reporting**

The Group has two reportable segments: Australia and United Kingdom (UK). The Group has identified these segments based on the internal reports used and reviewed by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation), excluding capital-raising expenses and share-based payments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

*Major customers*

The Consolidated Entity does not have a major customer that contributes more than 10% or more to the Consolidated Entity's revenue.

	Australia \$'000	United Kingdom \$'000	Total \$'000
<b>30 June 2016</b>			
<i>Revenue</i>			
Sales to external customers	1,064	4,846	5,910
Total revenue	1,064	4,846	5,910
Segment operating expenses	(2,512)	(3,504)	(6,016)
Fair value adjustment to financial liabilities	2,064	-	2,064
Impairment of goodwill	(3,000)	-	(3,000)
<b>EBITDA</b>	<b>(2,384)</b>	<b>1,342</b>	<b>(1,042)</b>
	Australia \$'000	United Kingdom \$'000	Total \$'000
<b>30 June 2015</b>			
<i>Revenue</i>			
Sales to external customers	253	-	253
Total sales revenue	253	-	253
Segment operating expenses	(636)	-	(636)
<b>EBITDA</b>	<b>(383)</b>	<b>-</b>	<b>(383)</b>

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**9. Segment reporting (continued)**

The total Revenue and Loss after income tax presented in the Consolidated Entity's operating segments reconcile to the corresponding key financial figures as presented in its Statement of profit or loss and other comprehensive income as follows:

	<b>For six month ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Revenue</i>		
Total reportable segment revenues	5,910	253
Other revenue	5	82
<b>Group Revenues</b>	<b>5,915</b>	<b>335</b>
	<b>For six month ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Profit or loss</i>		
Total reportable segment EBITDAs	(1,042)	(383)
Other revenue	5	82
Depreciation and amortisation expense	(301)	(6)
Share-based payments expense	(222)	-
Income tax (expense)/benefit	84	-
<b>Group profit/(loss) after income tax expense/benefit</b>	<b>(1,476)</b>	<b>(307)</b>

**Geographical information**

The geographical non-current assets below are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

	<b>30 June 2016</b>		<b>30 June 2015</b>	
	<b>Sales to external customers</b>	<b>Geographical Non-current assets</b>	<b>Sales to external customers</b>	<b>Geographical Non-current assets</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Australia	1,064	1,904	253	616
United Kingdom	4,846	11,023	-	-
<b>Total</b>	<b>5,910</b>	<b>12,927</b>	<b>253</b>	<b>616</b>

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**10. Impairment**

Company has performed an impairment assessment based on its cash generating units (CGU), which were the Appointuit Pty Ltd CGU and Jayex Technology Ltd CGU. As a result of the assessment the Company has recognised an impairment to goodwill asset of \$3.000 million in relation to the Appointuit Pty Ltd CGU during the six months ended 30 June 2016.

The Company determined that the recoverable amount in relation the Jayex Technology Ltd CGU exceeded its carrying value of assets as at 30 June 2016, therefore no adjustments to carrying value were required.

As a result of the recoverable amount analysis performed in relation the Appointuit Pty Ltd CGU, the following impairment was recognised.

**Impairment of assets recognised for period six months to 30 June 2016**

	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Goodwill	(3,000)	-
<b>Total write-down of assets</b>	<b>(3,000)</b>	<b>-</b>

**Methodology**

An impairment loss expense in the profit or loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The Company determined the recoverable amounts of both the Appointuit Pty Ltd CGU and Jayex Technology Ltd CGU using a value in use approach.

The recoverable amounts of both CGUs have been determined by valuation models that estimated the future cash flows relying on historical performance and growth, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to each particular CGU.

The discounted cash flow model used in the assessment of value in use is sensitive to a number of key assumptions, including revenue growth rates, discount rates, operating costs and foreign exchange rates. These assumptions can change over short periods of time and can have a significant impact on the carrying value of the assets.

Based on the estimated recoverable amount for the Appointuit Pty Ltd CGU, the Group has recognised an impairment to goodwill, due primarily to the effect of changes in competition and market conditions, expectations around performance and growth not being achieved, and ongoing difficulties regarding integration. For the Appointuit Pty Ltd CGU, while the recoverable amount represents management's best estimate at 30 June 2016, any variation in the key assumptions used to determine value in use would result in a change of the assessed recoverable amount. If the variation in assumptions were to have a negative impact on the recoverable amount, it could, in the absence of other factors indicate a requirement for additional write down to non-current assets.

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**11. Cash and cash equivalents**

	<b>30 June 2016 \$'000</b>	<b>31 December 2015 \$'000</b>
Bank balances	1,742	4,637
<b>Cash and cash equivalents</b>	<b>1,742</b>	<b>4,637</b>

All cash and cash equivalents are available for use by the Group.

**12. Trade and other receivables**

	<b>30 June 2016 \$'000</b>	<b>31 December 2015 \$'000</b>
Trade receivables	1,986	1,326
Other receivables	-	17
GST/VAT receivable	25	103
	<b>2,011</b>	<b>1,446</b>

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**13. Intangible assets**

	Goodwill \$'000	Patents and trademarks \$'000	Software platform \$'000	Customer relationships \$'000	Total \$'000
<b>30 June 2016</b>					
<i>Cost</i>					
<b>As at 1 January 2016</b>	<b>10,855</b>	<b>586</b>	<b>958</b>	<b>3,738</b>	<b>16,137</b>
Impairment	(3,000)	-	-	-	(3,000)
Effect of movement in exchange rates	-	-	-	-	-
<b>As at 30 June 2016</b>	<b>7,855</b>	<b>586</b>	<b>958</b>	<b>3,738</b>	<b>13,137</b>
<i>Amortisation and impairment</i>					
<b>As at 1 January 2016</b>	-	-	(12)	(20)	(32)
Amortisation charge for the period	-	-	(94)	(185)	(279)
<b>As at 30 June 2016</b>	-	-	(106)	(205)	(311)
<b>Net book value:</b>					
<b>At 30 June 2016</b>	<b>7,855</b>	<b>586</b>	<b>852</b>	<b>3,533</b>	<b>12,826</b>

In 2015, the consolidated entity acquired Jayex Technology Limited (JUK), which is based in the United Kingdom, and Appointuit Pty Ltd (Appointuit). Both of these companies operate technologies which are complementary to the technology which is the subject of the patents and therefore now has enhanced technology business relationships upon which to pursue discussions in key world markets. The majority of the Consolidated Entity's technologies were acquired through the acquisitions of JUK and Appointuit.

The valuation of intangibles recognised as part of the various business combinations was initially provisionally measured as at 31 December 2015. The company has finalised the acquisition accounting as part of the interim financial report.

**Impairment testing for CGUs containing goodwill**

Goodwill arose in the business combinations for the acquisition of Jayex Technologies and Appointuit Pty Ltd in 2015. It represented the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired and contingent liabilities assumed at the date of acquisition. Goodwill is allocated to the Group's cash generating units (CGUs) identified according to the Group's operating segments for impairment testing purposes.

In assessing whether an impairment adjustment is required for the carrying value of an asset, its carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

**Value in use and key assumptions**

The Company estimates the value-in-use of the Appointuit CGU and Jayex Technology CGU using a discounted cash flow.

The calculation of value-in-use is most sensitive to a number of assumptions:

- Discount rate
- Growth projections
- Operating costs
- Foreign exchange rates

Based on the estimated recoverable amount, the Group has made an impairment adjustment to goodwill in relation to the Appointuit Pty Ltd CGU.

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**14. Trade & other payables - current**

	<b>30 June 2016 \$'000</b>	<b>31 December 2015 \$'000</b>
Trade payables	567	1,419
Accrued expenses	205	231
Current consideration payable on business acquisition	-	1,098
GST/VAT payable	62	93
Other payables	197	225
	<b>1,031</b>	<b>3,066</b>

The current consideration payable on business acquisition related to the acquisition of Jayex Technology Limited and was paid in full during the current reporting period.

**15. Other current liabilities**

	<b>30 June 2016 \$'000</b>	<b>31 December 2015 \$'000</b>
Deferred revenue	1,673	1,392
Other payables	128	100
	<b>1,801</b>	<b>1,492</b>

Deferred revenue represents sales invoiced in advance of the provision of contracted services.

**16. Trade & other payables – non-current**

	<b>30 June 2016 \$'000</b>	<b>31 December 2015 \$'000</b>
Contingent consideration payable on business acquisition	-	2,214
	<b>-</b>	<b>2,214</b>

The Company remeasured the contingent consideration payable in relation to the Appointuit Pty Ltd acquisition in the prior period, reducing the payable from \$2.214 million as at 31 December 2015 to nil as at 30 June 2016. In assessing the fair value of the contingent consideration payable, the Company has reviewed the components that calculate the contingent consideration, these being discount rate, probability factor, share price and timing of first payment. Management agreed that a significant change to the probability was required due to changes in the competitive market place and difficulties with the integration of the product with other JHL technologies. These factors have had a substantial impact on the subsidiary's ability to achieve the EBITDA Targets set as part of the contingent consideration payable.



**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**17. Share capital**

	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Share Capital	24,828	24,828
Costs of raising equity	(240)	(240)
	<b>24,588</b>	<b>24,588</b>

**Movements in shares on issue:**

	<b>No of shares</b>	<b>Issue price \$</b>	<b>\$'000</b>
<b>Opening balance at 1 January 2016</b>	<b>150,997,874</b>		<b>24,588</b>
<i>Movements in 2016</i>			
Options exercised and converted to fully paid ordinary shares	125,000	0.00	-
<b>Closing share capital balance at 30 June 2015</b>	<b>151,122,874</b>		<b>24,588</b>

The Company does not have authorised capital or par value in respect of its issued shares. All issued share are fully paid. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**18. Share based payments**

**Overall impact of share based payments**

	<b>For the six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Share options granted – equity settled	222	-
Shares issued to employees as bonus	-	-
Shares issued to suppliers in lieu of cash payment	-	-
<b>Total expense recognised as a share based payment cost</b>	<b>222</b>	<b>-</b>

**Movements in options on issue:**

	<b>Date of issue/exercise</b>	<b>Number of options</b>	<b>Exercise price \$</b>	<b>Expiry date</b>
<b>Closing balance as at 31 December 2015</b>		-		
Issue of options	02 February 2016	2,875,000	0.00	02 February 2019
Exercise of options	17 June 2016	(125,000)	0.00	
<b>Closing balance as at 30 June 2016</b>		<b>2,750,000</b>		

As at 31 December 2015 no options had been issued under the share option plan, however options granted to the Chief Executive Officer of Jayex Australia after 31 December 2015 were determined to relate to services performed during the period ended 31 December 2015 and, in accordance with Accounting Standards, amortisation of the value of the options was recognised as a share based payment expense during that period. The amount of the expense recognised was \$448,000 (June 2015: Nil).

During the interim financial period, 2,875,000 options were issued under the share option plan, with 125,000 options being exercised, thus bringing options issued over ordinary shares in the Company to 2,750,000 as at 30 June 2016.

The Staff Option Plan offers individuals the opportunity to acquire options over fully paid ordinary shares in the Company. Share options granted under the plan carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share subject to satisfying vesting conditions and performance criteria. The shares when issued rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**18. Share based payments (continued)**

**Inputs for the measurement of grant date fair value**

The inputs used in the measurement of the fair values at grant date of the options granted under the Staff Option Plan and outstanding at year end are outlined below:

<b>Option Grant Date</b>	<b>02/02/2016</b>	<b>02/02/2016</b>	<b>02/02/2016</b>	<b>02/02/2016</b>
Fair value at grant date	\$0.32	\$0.32	\$0.32	\$0.25
Share price at grant date	\$0.25	\$0.25	\$0.25	\$0.25
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00
Performance hurdle	A	B	C	A
Performance period	-	D	E	-
Expiry date	02/02/2019	02/02/2019	02/02/2019	02/02/2019
Option life in years	3	3	3	3
Risk Free Interest Rate	1.87%	1.87%	1.87%	1.87%

Note

- A. Performance hurdle: options vest immediately upon issue
- B. Performance hurdle: options vest 31 December 2016.
- C. Performance hurdle: options vest 31 December 2017.
- D. Performance period: 222 days after grant date.
- E. Performance period: 587 days after grant date.

**During the period Directors and employees were granted options. The grants of these options are:**

	<b>Options granted No.</b>
<b>Directors</b>	-
<b>Employees</b>	<b>2,500,000</b>
<b>Service providers</b>	<b>375,000</b>
<b>Total</b>	<b>2,875,000</b>

## Jayex Healthcare Limited

### Notes to the financial statements

### For the six month period ended 30 June 2016

#### 19. Business combinations

There were no business combinations completed during the six-month period ended 30 June 2016.

During the period ended 31 December 2015, the Consolidated Group undertook two separate acquisitions of businesses owned by Jayex Technology Limited (Jayex UK) and Appointuit Pty Ltd (Appointuit) as part of its business strategy to acquire a set of complementary technologies in the health services sector.

Full details of these acquisitions were disclosed in the Consolidated Group's Annual Report for the period ended 31 December 2015.

In relation to the business acquisitions, the Consolidated Group initially performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition. For the purposes of the balance sheet, the assets and liabilities were recorded at their provisional fair values. Under Australian Accounting Standards, the Consolidated Group has up to 12 months from the date of acquisition to complete its initial acquisition accounting.

The Consolidated Group has carried out this exercise to consider the fair value of intangible assets acquired in the acquisitions. This has resulted in Purchase Price Adjustments to the carrying values of certain intangible assets, and a restatement of the amortisation of those assets as from the respective dates of acquisition, as set out below. In all cases, the amounts of the adjusted values have been reallocated from the valued assets to the Goodwill asset of the relevant business. Accordingly, the adjustments have no impact on the aggregate of the net assets or the Consolidated Group's net profit after tax with the exception of any amortisation charges.

#### *Enlighten Business - Jayex Technology Limited*

Jayex Technology Limited (Jayex UK), was established in 1978 and has developed a number of technologies, including a patient self-arrival and check-in solution which has been developed into its current form as 'Enlighten'. On 15 December 2015 Jayex Healthcare Limited (JHL) acquired 100% of the shares in Jayex UK. The total consideration paid by JHL for the Jayex UK shares was \$9,165,000, comprising: 19,003,378 JHL shares issued at their IPO issue price of \$0.32, totalling \$6,081,000; and cash of \$3,084,000, \$2,038,000 of which was payable upon acquisition date, and \$1,046,000 of which was payable in January 2016.

Following completion of acquisition accounting the following purchase price adjustments were made:

- an amount of \$4,454,000 was reallocated from the acquisition value of Software;
- an amount of \$2,597,000 was reallocated to the acquisition value of Customer relationships;
- an amount of \$214,000 was reallocated from the deferred tax liability relating to the acquired intangible assets;
- net of these adjustments increasing amount allocated to goodwill by \$1,643,000.

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**19. Business combinations (continued)**

*Enlighten Business - Jayex Technology Limited (continued)*

Details of the acquisition are as follows:

	<b>Fair Value at acquisition date \$'000</b>
<b>Assets</b>	
Cash and cash equivalents	1,501
Trade and other receivables	1,228
Inventories	317
Other current assets	214
Plant and equipment	101
Software	865
Customer relationships	3,591
<b>Total Assets</b>	<b>7,817</b>
<b>Liabilities</b>	
Trade and other payables	(1,067)
Provisions	(277)
Revenue received in advance	(1,491)
Bank loans	(1,232)
Deferred tax liability	(18)
Deferred tax liability relating to acquired intangible assets	(1,337)
<b>Total Liabilities</b>	<b>(5,422)</b>
<b>Total identifiable net assets at fair value</b>	<b>2,395</b>
<b>Goodwill</b>	<b>6,770</b>
<b>Acquisition-date fair value of the total consideration transferred</b>	<b>9,165</b>
Representing:	
Cash paid or payable to vendor	3,084
Jayex Healthcare Ltd shares issued to vendor	6,081
	<b>9,165</b>
Acquisition costs expensed to profit or loss (Acquisition expenses)	168
The cash flow on acquisition is as follows:	
Cash paid	2,037
Cash acquired	(1,501)
<b>Net cash used</b>	<b>536</b>

*Appointuit Business - Appointuit Pty Ltd*

Appointuit is a patient engagement solution that optimises clinic workflow, replaces appointment systems, enables staff to engage with patients to provide tailored health care services, and allows patients to control booking of their medical appointments at their convenience with an on-line appointment booking function. The Appointuit business was developed and owned by Appointuit Pty Ltd.

On 22 September 2015 Jayex Healthcare Limited (JHL) acquired 100% of the shares in Appointuit Pty Ltd. The total consideration for the Appointuit Pty Ltd shares acquisition comprises:

- 6,286,187 JHL shares issued to the vendors upon acquisition. The shares were issued at their IPO issue price of \$0.32, totalling \$2,012,000;
- contingent consideration of up to 3,384,870 JHL shares to be issued to the vendors upon the Appointuit business achieving certain earnings targets over the period 1 July 2015 to 30 June 2019. The acquisition date fair value of this consideration component was estimated to be \$411,000; and
- contingent consideration of a cash incentive payment of up to \$10,000,000 to be paid to the vendors upon the Appointuit business achieving certain earnings targets over the period 1 July 2015 to 30 June 2019. The acquisition date fair value of this consideration component was estimated to be \$1,803,000.

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**19. Business combinations (continued)**

*Appointuit Business - Appointuit Pty Ltd (continued)*

Following completion of acquisition accounting the following purchase price adjustments were made:

- an amount of \$3,669,000 was reallocated from the acquisition value of Software;
- an amount of \$346,000 was reallocated from the acquisition value of Customer relationships;
- an amount of \$1,205,000 was reallocated from the deferred tax liability relating to the acquired intangible assets;
- net of these adjustments increasing amount allocated to goodwill by \$2,810,000.

Details of the acquisition are as follows:

	<b>Fair Value at acquisition date \$'000</b>
<b>Assets</b>	
Cash and cash equivalents	25
Trade and other receivables	109
Plant and equipment	2
Software	88
Customer relationships	147
<b>Total Assets</b>	<b>371</b>
<b>Liabilities</b>	
Trade and other payables	(96)
Provisions	(64)
Deferred tax liability relating to acquired intangible assets	(70)
<b>Total Liabilities</b>	<b>(230)</b>
<b>Total identifiable net assets at fair value</b>	<b>141</b>
<b>Goodwill</b>	<b>4,085</b>
<b>Acquisition-date fair value of the total consideration transferred</b>	<b>4,226</b>
Representing:	
Jayex Healthcare Ltd shares issued to vendor	2,012
Contingent consideration	2,214
	<b>4,226</b>
Acquisition costs expensed to profit or loss (Acquisition expenses)	76
The cash flow on acquisition is as follows:	
Cash paid	-
Cash acquired	(25)
<b>Net cash used</b>	<b>(25)</b>

**Jayex Healthcare Limited**  
**Notes to the financial statements**  
**For the six month period ended 30 June 2016**

**20. Expenditure commitments**

**Lease commitments – operating**

*Committed at the reporting date but not recognised as liabilities, payable:*

Payable not later than one year  
 Payable later than one year, not later than five years  
 Payable later than five years

	<b>30 June 2015 \$'000</b>	<b>31 December 2015 \$'000</b>
	<b>261</b>	182
	<b>769</b>	615
	-	-
	<b>1,030</b>	797

There are no other commitments as at reporting date.

**21. Contingencies**

Apart from the matters referred to in Note 16, the Directors are of the opinion that no material contingent obligations exist and therefore provisions for contingencies are not required, this is consistent with prior year.

**22. Subsequent events**

There has not arisen in the interval between the 30 June 2016 and the date of this report any item, transaction or event of a material nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the result of those operations, or the state of affairs of the Group, in future financial years.

## Jayex Healthcare Limited

### Directors' declaration

1. In the opinion of the Directors of Jayex Healthcare Limited ('the Company'):
  - a) the consolidated financial statements and notes set out on pages 13 to 29 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
    - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 30th day of August 2016.



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Michael Boyd  
Chairman



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Auditor's Independence Declaration  
To The Directors of Jayex Healthcare Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Jayex Healthcare Limited for the half-year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B.A. Mackenzie  
Partner - Audit & Assurance

Melbourne, 30 August 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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## Independent Auditor's Review Report To the Members of Jayex Healthcare Limited

We have reviewed the accompanying half-year financial report of Jayex Healthcare Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' responsibility for the half-year financial report

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

### Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Corporations Act 2001 including: giving a true and fair view of the Jayex Healthcare Limited consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Jayex Healthcare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

#### Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Jayex Healthcare Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its financial performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulation 2001.

#### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 7 in the financial report which indicates that the group incurred a net loss of \$1.48 million during the half-year ended 30 June 2016 and a cash outflows from operations of \$1.24million. These conditions, along with other matters as set forth in Note 7, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B.A. Mackenzie  
Partner - Audit & Assurance

Melbourne, 30 August 2016