impression healthcare limited

ABN 93 096 635 246

Appendix 4E

Preliminary final report

Information for ASX under listing rule 4.3A

For the year ended	30 June 2018
Previous corresponding period - year ended	30 June 2017

Results for announcement to the market

Item 2.1 Revenue has increased from $282,045 in FY17 to $1,012,233 in FY18. An increase of 259%

Item 2.2 Net loss after tax on ordinary activities has decreased from $20,691,360 in FY17 to $2,947,991 in FY18. A decrease of 86%

Item 2.3 Net loss after tax attributable to members decreased from $20,691,360 in FY17 to $2,947,991 in FY18. A decrease of 86%

Item 2.4 No dividends have been paid, declared or proposed in respect of the year ended 30 June 2018 (2017: nil)

Item 2.6 Refer to the attached financial statements for explanation of figures in items 2.1 to 2.4

Item 3 – 6 Statement of comprehensive income, financial position, cash flows, and changes in equity, together with notes to these financial statements are attached.

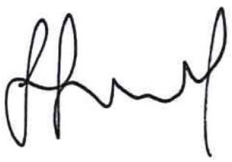
Item 9 Net tangible assets per security as at 30 June 2018 is $-0.001 (2017: $-0.001)

Item 14 Refer to the Review of Operations commentary within the Directors' Report of the attached financial statements for a commentary on the results for the period.

Item 15 The report is based on accounts which have been audited.

Item 17 The independent audit report is **not** subject to any modified opinion, emphasis of matter or other matter paragraph.

Items 2.5, 7, 8, 10, 11, 12, 13 and 16 of the Appendix 4e requirements are not applicable.



Glenn Fowles

Company Secretary

31 August 2018

ABN 93 096 635 246

Annual Financial Report

For the year ended 30 June 2018

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CORPORATE INFORMATION

Impression Healthcare Limited
A.B.N. 93 096 635 246

Directors

Troy Valentine (Non-Executive Chairman)
Peter Widdows (Non-Executive Director)
Alistair Blake (Executive Director)

Company Secretary

Glenn Fowles

Registered Office

13 Central Avenue
Moorabbin Victoria 3189
+61 (03) 9090 7993

Principal Place of Business

13 Central Avenue
Moorabbin Victoria 3189

Share Register

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross Western Australia 6153
1300 992 916

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth Western Australia 6000

Securities Exchange Listing

ASX Limited (Australian Securities Exchange)
Home Exchange: Melbourne Victoria
ASX Codes: IHL, IHLOA, IHLOB

Chairman's Message

On behalf of the Board of Directors, I am pleased to present Impression Healthcare's Annual Report for the financial year ended 30 June 2018. The past year has encompassed a period of important progress and change as the Board and management laid the foundations for a robust business that is intended to generate long term value for shareholders.

Sales revenue has grown strongly with FY18 sales of $1.012m, representing growth of 259% versus $282k in revenue reported in FY17. Increasing sales were the result of numerous factors, including the addition of new product offerings and increasing brand recognition.

Sales of The Knight Guard have steadily accelerated with 3,080 units sold over the course of the financial year. The introduction of the Sleep Guardian Silensor and, more recently, the Sleep Guardian Dorsal have also increased overall sales. These oral products, for the treatment of mild to moderate sleep apnoea and snoring, have the potential to disrupt major incumbents on price and efficacy in the Australian and New Zealand markets.

Impression has also successfully expanded its channels to market. The team has grown the Gameday Mouthguard preferred practitioner network to over 70 dental clinics - growth of which has been enhanced by a collaboration with Pacific Smiles Ltd executed in January. Gameday Mouthguards may now be purchased at participating Pacific Smiles clinics throughout Australia. Other similar networks are being pursued by the company, including for the Sleep Guardian Dorsal.

The Gameday Mouthguard brand has experienced significant success during the year. Gameday is officially a licensee of both the NRL and AFL. Team branded mouthguards are now for sale through our digital channels and B2B, via the preferred practitioner network. With these significant branding opportunities achieved by the company, Impression has commenced discussions with retailers to distribute our high-quality AFL and NRL branded mouthguards.

During the year, Impression undertook an internal review of all operating expenditures to reduce continuing costs and overheads so as to optimise the business. As announced in the June quarterly report, Impression has instituted numerous changes that has resulted in net cost savings of approximately $700k per annum. One of those key initiatives involves a shift towards success-based marketing arrangements with our affiliates, including our extensive list of brand ambassadors. Impression will continue to focus on cost rationalisation as we simultaneous work to build sales.

Finally, Impression is committed to innovation and the disruption of the oral devices and dental sector. The company has a great range of products and has numerous product development and other business opportunities to explore during the 2019 financial year.

Troy Valentine
Chairman

DIRECTORS' REPORT

Your directors submit the annual financial report of Impression Healthcare Limited ("**IHL**" or "**the Company**") and its wholly owned subsidiary ('**the Group**") for the financial year ended 30 June 2018 ("**Balance Date**"). In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities and other directorships

Troy Valentine – Non-Executive Chairman
B. Comm
Appointed 11 December 2017

Troy has 25 years' experience in Stockbroking, Corporate Finance and Capital Markets. Originally from Perth he began with Hartley Poynton (now Hartley's Limited) in 1994 before moving to Patersons Securities (Perth) in 2000 and subsequently transferring to Patersons Melbourne where he became an Associate Director of Private Clients. During this time, he was responsible for manging both retail and institutional accounts. Mr Valentine has significant Corporate and Capital raising experience specifically with start-ups and small to mid-cap size companies.

He is currently a director of boutique Melbourne Corporate Advisory Alignment Capital Pty Ltd which he co-founded in 2014.

Alistair Blake – Executive Director
Adv.Dip.Dental Prosthetics (RMIT) University Melbourne, Dip.Dental Technology
Appointed 20 October 2016

Alistair is the founder of Gameday mouthguards with vast experience in product development. He holds both a Diploma of Dental Technology and completed an Advanced Diploma of Dental Prosthetics at RMIT University Melbourne. He has over 19 years' experience in large scale commercial dental laboratories throughout Western Australia and Victoria, specialising in dental prosthetics. Alistair established Denture Innovations clinic and laboratory in 2009 and grew the business significantly to offer dentists and other specialists his services nationally, ultimately identifying the commercial opportunities available within the Australian mouthguard market. He also has a special interest in digital dentistry and dental sleep appliances.

Other Current Directorships: None

Former Directorships in the last 3 years: None

Peter Widdows – Non-Executive Director
ACA (ICAEW), BTec, MAICD
Appointed 1 March 2018

Peter is the former Regional CEO of the H. J. Heinz corporation, with responsibility for a large portion of Asia and Australasia. He has extensive experience in Australian and international consumer goods markets and has worked as a senior executive/CEO in numerous geographies, including Europe, the USA and Asia/Pacific. Peter has a strong track record of driving profitable growth in both small and large companies and turning around poor performing businesses. He is also a director of UK unlisted company, Tile Master Global Ltd.

Kelvin Smith – **Non-Executive Director**
Resigned 11 December 2017

John Worsfold – Non-Executive Director
Resigned 11 December 2017

Adam Wellisch – Non-Executive Director
Resigned 8 May 2018

Matthew Weston – Executive Director and Chief Executive Officer
Resigned 19 July 2018

COMPANY SECRETARY

Glenn Fowles
Appointed 7 December 2017
Glenn has over 30 years' experience working with listed companies having worked for HSBC Asset Management and Contango Asset Management in the funds management industry. He has held positions of Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary within these organisations as well as serving as a Director and Company Secretary of a number of companies listed on ASX.

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year, and the number of meetings attended by each director was as follows:

Name	Number of meetings eligible to attend	Number of meetings attended
Troy Valentine	6	6
Alistair Blake	10	10
Peter Widdows	6	6
Kelvin Smith	3	3
John Worsfold	3	3
Adam Wellisch	4	1
Matthew Weston	10	8

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the financial year are manufacturer and distributor of professionally made home-impression custom-fit dental products.

REVIEW OF OPERATIONS

Operating result for the year
The Group's loss for the year to 30 June 2018 after income tax was $2,947,991 (2017: Loss of $20,691,360).

Receipt of 2016/17 R&D Claim
Following the completion and submission of the required documentation for FY2017, the Company received a cash refund of $263,279 during the December 2017 quarter under the Federal Government's Research and Development (R&D) Tax Incentive Scheme. Under the scheme, the Company was entitled to a cash refund of 45 cents per dollar spent on eligible R&D expenditure. The Company's claim predominantly related to costs incurred in relation to its continued development of self-fitting custom dental systems and processes around these.

Board and management changes (in chronological order)

07-Dec-2017	Mr Glenn Fowles was appointed as Company Secretary replacing Mr Robert Marusco.
11-Dec-2017	Mr Troy Valentine was appointed as Chairman and Non-Executive Director.
11-Dec-2017	Messrs Kelvin Smith and John Worsfold resigned as Non-Executive Directors.
01-Mar-2018	Mr Peter Widdows was appointed as a Non-Executive Director.
08-May-2018	Mr Adam Wellisch resigned as a Non-Executive Director.
29-Jun-2018	Mr Matthew Weston resigned as CEO and ceased all activities with the Company including that of Executive Director on 19 July 2018.
29-Jun-2018	Mr Joel Latham accepted the position of CEO of the Company effective 1 July 2018.

Product Development

The company worked hard on developing new products and taking these into the market during FY18. It now has a stable of 4 product lines including Gameday Mouthguards, The Knight Guard (TKG), The Sleep Guardian (TSG), and Instant Teeth Whitening.

The mouthguard brand ‘Gameday Mouthguards’ was the first product offered by the Company and has captured significant market share since inception.

At the start of FY18, TKG, for the treatment of teeth clenching and grinding, was launched. There are 5 product lines under the TKG brand and they have all performed well during this financial year. TKG was also released into New Zealand during FY18.

In October 2017, we launched TSG Silensor-sl mandibular advancement splint (MAS) for the direct to consumer treatment of snoring. Once again, the product has been well received with consumers and we are confident both of the brands will continue to succeed as we build awareness and trust.

Each of these products experienced initial success through our go-to-market strategy, with TKG in particular, outperforming the company’s initial estimates on consumer uptake of new brands.

Business Model & Customer Engagement

Our business model offers a high-end DIY impression kit that allows customers to take their own impression in the comfort of their own home - convenience and affordability deliver strong consumer engagement and advocacy that is very important in building a trusted brand.

The company has also created a Preferred Practitioner Network (PPN), which utilises the private health care market via relationships with dental practitioners. The PPN allows us to service patients of dental clinics, connecting the company with customers, and still allowing them access to their rebates.

On the 30th of January IHL also announced the establishment of a call centre to assist in sales and customer service.

Outlook – The next 12 to 24 months

The future is promising and exciting. The company has placed a large emphasis on reducing costs, whilst continuously optimising product quality and overall business performance. The leadership team have been working on various product development opportunities, identifying new market segments and importantly channels to market with our unique existing range of products. The first 18 months of the business was spent creating our ‘core’ products to enter the market, and now the company can focus on marketing and building brand equity across all products and driving revenue.

There will be a continuation of research and development conducted in the business, as it is important we evolve, retain our market-leader position, offer new products, and enter new market segments.

The company also anticipates finalising retail opportunities, which will include the newly developed AFL and NRL team branded mouthguards.

There will also be emphasis placed on growing the PPN, identifying large scale corporate opportunities, such as the Pacific Smiles arrangement that was secured in FY18.

Building on the success of market entry into all states and territories in Australia, the company can commence expansion into international markets, with the initial focus being on Asia and New Zealand, where we can offer the same high quality, Australian-made products.

DIRECTORS' INTERESTS IN THE COMPANY

As at the date of this report, the interests of the directors in the shares and options of the Company were:

Director	Number of fully paid ordinary shares	Number of options over ordinary shares
Troy Valentine	19,234,248	37,462,149
Alistair Blake	15,923,182	555,184
Peter Widdows	Nil	Nil

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

AFTER BALANCE DATE EVENTS

Events occurring after 30 June 2018 are disclosed in detail in Note 23.

SHARE OPTIONS

The Company has the following options on issue as at the date of the Directors' Report.

Security Description	Number
Options exercisable at $0.12 expiring 31 December 2018 (Listed – "IHLOA")	17,266,857
Options exercisable at $0.040 expiring 30 September 2020 (Listed – "IHLOB")	126,570,156
Options exercisable at $0.120 expiring 31 December 2018 (Unlisted)	11,750,000
Options exercisable at $0.128 expiring 31 December 2018 (Unlisted)	1,171,879

Unissued Shares under Option

As at the date of this report, there were 156,758,892 unissued ordinary shares under options (30 June 2017: 30,188,736).

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year there were no ordinary shares issued as a result of the exercise of any options (2017: 908,333 at exercise price of $0.12).

Since balance date there have been no ordinary shares issued as a result of the exercise of any options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has agreed to indemnify the directors of the Company, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The Company has arranged directors' and officers' liability insurance, for past, present or future directors, secretaries, and executive officers. The insurance cover relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual directors or officers of the Company.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel of Impression Healthcare Limited (the "Company") for the financial year ended 30 June 2018.

The key management personnel of the Company are the Directors of the Company and the Chief Executive Officer.

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration Structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Independent advice is obtained when considered necessary to confirm that remuneration is in line with market practice.

Each director receives a fee for being a director of the Company. Non-executive directors may receive performance rights (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves.

Executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

The fixed remuneration component of key management personnel is detailed in Tables 1 and 2.

Variable Remuneration

The objective of the short-term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the KMP charged with meeting those targets. The total potential short-term incentive available is set at a level so as to provide sufficient incentive to the KMP to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Actual payments granted to each KMP depend on the extent to which specific operating targets set at the beginning of the financial year are met. No short-term incentive remuneration was paid during the financial year ended 30 June 2018.

The Company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth. The long-term incentive is provided in the form of performance rights and options over ordinary shares in the Company.

Employee Share Option Plan (ESOP)

The Impression Healthcare Limited ESOP provides for the directors to set aside shares in order to reward and incentivise employees. Directors will not set aside more than 5% of the total number of issued shares in the Company at the time of the proposed issue. Officers and employees both full and part-time are eligible to participate in the plan.

Performance Rights Plan (PRP)

Shareholders approved the Company's PRP at the Annual General Meeting held on 23 November 2011. The PRP is designed to provide a framework for competitive and appropriate remuneration so as to retain and motivate skilled and qualified personnel whose personal rewards are aligned with the achievement of the Company's growth and strategic objectives.

Executive Employment Contracts

For the year ended 30 June 2018, Mr Matt Weston, was appointed as Chief Executive Officer under an employment agreement. The material terms of the agreement are set out as follows:

- Commencement date: 1 February 2016
- Term: 4 years from commencement date
- Fixed remuneration: $264,000 per annum inclusive of superannuation
- Grant of 2,205,063 Performance Rights which vest on achieving certain financial criteria
- Termination for cause: no notice period
- Termination without cause: three-month notice period

Mr Weston submitted his resignation on 29 June 2018 and ceased all activities with the Company on 19 July 2018.

Mr Joel Latham, who commenced with the Company on 16 December 2016 as General Manager accepted the position as CEO on 29 June 2018 under an employment contract summarised below:

- Commencement date: 1 July 2018
- Term: No fixed term
- Fixed remuneration: $183,750 per annum inclusive of superannuation and vehicle allowance
- Variable remuneration up to 50% of base salary subject to achieving certain performance hurdles
- Grant of 5,000,000 Performance Rights (subject to shareholder approval) which vest on achieving certain financial criteria
- Termination for cause: no notice period
- Termination without cause: three-month notice period

Table 1: Remuneration of key management personnel (KMP) for the year ended 30 June 2018

Key Management Personnel	Short-term				Post-Employment		Long-term	Share-based payment	Total	Performance Related
	Salary & fees $	Cash bonus $	Consulting Fees $	Other $	Superannuation $	Performance Right $		Share Options $	$	%
Troy Valentine[1]	17,500	-	-	-	-	-	-	-	17,500	-
Peter Widdows[2]	10,000	-	-	-	-	-	-	-	10,000	-
Alistair Blake[3]	-	-	181,173	-	-	-	-	-	181,173	-
Joel Latham[4]	121,316	30,000	-	-	10,575	-	-	-	161,891	-
Kelvin Smith[5]	30,000	-	-	-	-	-	-	-	30,000	-
John Worsfold[6]	15,000	-	-	-	-	-	-	-	15,000	-
Adam Wellisch[7]	30,000	-	30,000	18,000	-	-	-	-	78,000	-
Matthew Weston[8]	269,063	-	-	44,000	17,178	-	-	-	330,241	-
Total	492,879	30,000	211,173	62,000	27,753	-	-	-	823,805	-

1. Mr Valentine was appointed as a director on 11 December 2017. The amount outstanding to Mr Valentine at 30 June 2018 is $17,500 included in accrued expenses.
2. Mr Widdows was appointed as a director on 1 March 2018. The amount outstanding to Mr Widdows at 30 June 2018 is $10,000 included in accrued expenses.
3. Fees were paid to Alistair Pty Ltd, an entity in which Mr Blake is a director. The amount outstanding to Alistair Pty Ltd at 30 June 2018 was $33,846 included in trade payables.
4. Mr Latham accepted the position as CEO on 29 June 2018, previously occupying the position of General Manager. Mr Latham was awarded a cash bonus for FY18 as part of his performance evaluation. The amount outstanding to Mr Latham at 30 June 2018 is $30,000 included in accrued expenses.
5. Fees were paid to MVP Financial Pty Ltd, an entity in which Mr Smith is a director. Mr Smith resigned as a director of the Company on 11 December 2017.
6. Fees were paid to John Worsfold Marketing Trust. Mr Worsfold resigned as a director of the Company on 11 December 2017
7. Fees were paid to K. Wellisch & Associates Pty Ltd, an entity in which Mr Wellisch is a director. Mr Wellisch resigned as a director of the Company on 8 May 2018.
8. $203,063 of salary and $17,178 of superannuation was paid to Mr Weston during the year. Directors' fees of $66,000 were paid to Zhuhai Consulting Pty Ltd, an entity in which Mr Weston is a director. The amount outstanding to Zhuhai Consulting Pty Ltd on 30 June 2018 is $44,000 included in trade payables. Mr Weston resigned as CEO on 29 June 2018 and ceased all activities with the Company including being a director on 19 July 2018.

Table 2: Remuneration of key management personnel (KMP) for the year ended 30 June 2017

	Short-term				Post-Employment		Long-term	Share-based payment		
Key Management Personnel	**Salary & fees $**	**Cash bonus $**	**Consulting Fees $**	**Other $**	**Superannuation $**	**Performance Right $**		**Share Options $**	**Total $**	**Performance Related %**
Kelvin Smith[1]	35,000	-	-	-	-	-	-	-	35,000	-
Matthew Weston[8]	241,096	-	-	-	22,904	-	-	-	264,000	-
Alistair Blake[2]	-	-	215,417	-	-	-	-	-	215,417	-
John Worsfold[3]	30,000	-	-	-	-	-	-	-	30,000	-
Adam Wellisch[4]	9,000	-	9,000	-	-	-	-	-	18,000	-
Alec Pismiris[5]	43,550	-	-	-	-	-	-	-	43,550	-
David Leavy[6]	7,400	-	-	-	-	-	-	-	7,400	-
Michael Fennell[7]	8,000	-	-	-	-	-	-	-	8,000	-
Total	**374,046**	**-**	**224,417**	**-**	**22,904**	**-**	**-**	**-**	**621,367**	**-**

1. Fees were paid to MVP Financial Pty Ltd, an entity in which Mr Smith is a director.
2. Fees were paid to Alistair Pty Ltd, an entity in which Mr Blake is a director. The amount outstanding to Alistair Pty Ltd at the Reporting Date was $20,167 included in trade and other payables.
3. Fees were paid to John Worsfold Marketing Trust. The amount outstanding to John Worsfold Marketing Trust at the Reporting Date was $15,000 included in trade and other payables.
4. Fees were paid to K. Wellisch & Associates Pty Ltd, an entity in which Mr Wellisch is a director. The amount outstanding to K. Wellisch & Associates Pty Ltd at the Reporting Date was $18,000 included in trade and other payables.
5. Resigned as a director on 3 April 2017.
6. Resigned as a director on 20 October 2016
7. Resigned as a director on 20 October 2016.
8. On 6 January 2017 Matt Weston was granted 2,205,063 Performance Rights as part of his contract of employment with the following performance milestones:
    a. If the Company achieves an EBITDA in the 2017 financial year of greater than $1,250,000 or sale of 40,000 Dental Devices, 735,021 Performance Rights will vest into Shares (on a one for one basis);
    b. If the Company achieves an EBITDA in the 2018 financial year of greater than $2,500,000 or the sale of 70,000 Dental Devices, 735,021 Performance Rights will vest into Shares (on a one for one basis); and
    c. If the Company achieves an EBITDA in the 2019 financial year of greater than $4,000,000, 735,021 Performance Rights will vest into Shares (on a one for one basis).

Performance rights

Each performance right is convertible into one ordinary share upon achievement of the performance hurdles. No performance right will vest if the conditions are not satisfied, hence the minimum value of the performance rights set to vest is nil.

The assessed fair value at grant date of performance rights granted is expensed according to the performance or market-based conditions attached to the performance hurdle. Performance based hurdles are expensed to each reporting period evenly over the period from grant date to vesting date. Market based hurdles are expensed on the grant date. The relevant amount is included in the remuneration table (Table 1) above. Fair values at grant date are independently determined using binomial pricing model that takes into account the exercise price, term, the share price at grant date and expected price volatility of the underlying share, barrier price / performance hurdles, the expected dividend yield and the risk-free interest rate. For details on the valuation of performance rights, including assumptions used, refer to note 10.

Performance rights granted as part of remuneration for the year ended 30 June 2018

There were no performance rights granted as part of remuneration for the year ended 30 June 2018.

Performance rights granted as part of remuneration for the year ended 30 June 2017

2,205,063 performance rights were granted to Mr Matthew Weston as part of his contract of employment. The performance milestones are noted below. No value has been ascertained to these rights as the obtaining of the milestones are not yet considered probable.

Key Management Personnel – Performance Rights and Performance Share Holdings

The number of performance rights and performance shares held by Key Management Personnel of the Group during the financial year is as follows:

30 June 2018 – *Performance Rights*

Name	Balance at 1 July 2017 (or on appointment)	Granted by the Company	Expired	Balance at 30 June 2018 (or on cessation)
Troy Valentine	-	-	-	-
Peter Widdows	-	-	-	-
Alistair Blake	-	-	-	-
Joel Latham	-	-	-	-
Kelvin Smith	-	-	-	-
John Worsfold	-	-	-	-
Adam Wellisch	-	-	-	-
Matthew Weston	2,205,063	-	(1,470,042)	735,021

30 June 2017 – *Performance Rights*

Name	Held at 1 July 2016	Granted by the Company	Expired	Balance at 30 June 2017 (or on cessation)
Kelvin Smith	-	-	-	-
Matthew Weston	-	2,205,063	-	2,205,063
Alistair Blake	-	-	-	-
John Worsfold	-	-	-	-
Adam Wellisch	-	-	-	-
Alec Pismiris	-	-	-	-
David Leavy	-	-	-	-
Michael Fennell	-	-	-	-

Refer to notes tables 1 and 2 on pages 11 and 12 for details of appointment and resignation dates and terms applicable to Performance Rights.

30 June 2018 - *Performance Shares*

Name	Balance at 1 July 2017 (or on appointment)	Other changes during the period	Balance at 30 June 2018 (or on cessation)
Troy Valentine	1,858,408	-	1,858,408
Peter Widdows	-	-	-
Alistair Blake	13,805,310	-	13,805,310
Joel Latham	-	-	-
Kelvin Smith	1,592,920	-	1,592,920
John Worsfold	1,592,920	-	1,592,920
Adam Wellisch	-	-	-
Matthew Weston	-	-	-

30 June 2017 – *Performance Shares*

Name	On Acquisition of Impression Healthcare Ltd	Other changes during the period	Balance at 30 June 2017 (or on cessation)
Kelvin Smith	1,592,920	-	1,592,920
Matthew Weston	-	-	-
Alistair Blake	13,805,310	-	13,805,310
John Worsfold	1,592,920	-	1,592,920
Adam Wellisch	-	-	-
Alec Pismiris	-	-	-
David Leavy	-	-	-
Michael Fennell	-	-	-

Refer to notes in tables 1 and 2 on pages 11 and 12 for details of appointment and resignation dates.

Key Management Personnel – Option Holdings

The number of options held by Key Management Personnel of the Group during the financial year is as follows:

30 June 2018

Name	Balance at 1 July 2017 (or on appointment)	Other changes during the period	Balance at 30 June 2018 (or on cessation)	Exercisable
Troy Valentine	37,462,149	-	37,462,149	37,462,149
Peter Widdows	-	-	-	-
Alistair Blake	-	555,184	555,184	555,184
Joel Latham	787,500	-	-	787,500
Kelvin Smith	46,875	428,750	475,625	475,625
John Worsfold	-	500,000	500,000	500,000
Adam Wellisch	-	-	-	-
Matthew Weston	-	-	-	-

30 June 2017

Name	On Acquisition of Impression Healthcare Ltd	Other changes during the period	Balance at 30 June 2017 (or on cessation)	Exercisable
Kelvin Smith	46,875	-	46,875	46,875
Matthew Weston	-	-	-	-
Alistair Blake	-	-	-	-
John Worsfold	-	-	-	-
Adam Wellisch	-	-	-	-
Alec Pismiris	875,000	(375,000)	500,000	500,000
David Leavy	-	-	-	-
Michael Fennell	-	-	-	-

Refer to notes in tables 1 and 2 on pages 11 and 12 for details of appointment and resignation dates.

Key Management Personnel – Shareholdings

The number of ordinary shares in Impression Healthcare Limited held by each KMP of the Group during the financial year is as follows:

30 June 2018

Name	Balance held at 1 July 2017 (or on appointment)	Purchases / Other Acquisitions	Sales/ Other Disposals	Balance held at 30 June 2018 (or on cessation)
Troy Valentine	19,234,248	-	-	19,234,248
Peter Widdows	-	-	-	-
Alistair Blake	15,332,998	590,000	-	15,923,182
Joel Latham	1,395,795	-	-	1,395,795
Kelvin Smith	1,999,712	612,500	-	2,612,212
John Worsfold	1,752,212	500,000	-	2,252,212
Adam Wellisch	-	-	-	-
Matthew Weston	-	-	-	-

30 June 2017

Name	On Acquisition of Impression Healthcare Ltd	Purchases / Other Acquisitions	Sales/ Other Disposals	Balance at 30 June 2017 (or on cessation)
Kelvin Smith	1,939,712	60,000	-	1,999,712
Matthew Weston	-	-	-	-
Alistair Blake	15,185,841	147,157	-	15,332,998
John Worsfold	1,752,212	-	-	1,752,212
Adam Wellisch	-	-	-	-
Alec Pismiris	1,750,000	375,000	-	2,125,000
David Leavy	-	-	-	-
Michael Fennell	-	-	-	-

Refer to notes in tables 1 and 2 on pages 11 and 12 for details of appointment and resignation dates.

Other Key Management Personnel Transactions

There have been no transactions involving equity instruments other than those described in the above tables. Other transactions with key management personnel during the financial year and not disclosed above are noted below:

From 1 July 2017 until Mr Smith resigned on 11 December 2017, $80,903 fees were paid to MVP Financial Pty Ltd (“MVP”), an entity in which Mr Smith is a director. MVP was engaged by the company to provide accounting, taxation and company secretarial services.

From the appointment date of Mr Valentine on 11 December 2017 until 30 June 2018, $72,680 in fees were paid to Alignment Capital Pty Ltd (“Alignment”), an entity in which Mr Valentine is a director. Alignment was engaged by the company to act as lead manager in the capital raising conducted during February and March of 2018.

END OF REMUNERATION REPORT

Non-Audit Services

The Company has not engaged the auditor to perform any non-audit services during the year ended 30 June 2018 (2017: $5,500). Details of amounts paid to the auditor for non-audit services provided during FY17 are outlined in Note 17 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110: Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standard Board.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 18 and forms part of this directors' report for the year ended 30 June 2018.

Signed in accordance with a resolution of the directors.

Troy Valentine
Chairman
Melbourne, Victoria, 31 August 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Impression Healthcare Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**N G Neill**
31 August 2018	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

		Consolidated	
		2018	**2017**
	Notes	**$**	**$**
Sales	2	1,012,233	282,045
Cost of Sales		(524,079)	(516,499)
		488,154	(234,454)
Other income	2	19,634	9,427
Administration expense		(746,630)	(796,331)
Advertising and promotion		(1,177,049)	(550,412)
Compliance, legal and regulatory		(221,530)	(336,282)
Amortisation & depreciation expense		(54,627)	(30,857)
Finance cost		(12,884)	(49,802)
Listing expenses		-	(17,950,914)
Share based payments		(68,806)	(146,375)
Occupancy expenses		(212,259)	(75,205)
Salaries and employee benefit expense		(1,225,273)	(834,863)
Loss before income tax		**(3,211,270)**	**(20,996,068)**
Income tax benefit	3	263,279	304,708
Loss after tax		**(2,947,991)**	**(20,691,360)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year		**(2,947,991)**	**(20,691,360)**
Basic loss per share (cents per share)	5	(1.3)	(16.2)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		Consolidated	
		2018	2017
	Notes	$	$
Assets			
Current assets			
Cash and cash equivalents	6	228,406	506,911
Trade and other receivables	7	54,103	93,174
Other assets	9	33,533	12,281
Inventory	11	223,071	227,041
Total current assets		**539,113**	**839,407**
Non-current assets			
Intangible assets	12	71,066	116,731
Property, plant and equipment	8	97,678	44,040
Total non-current assets		**168,744**	**160,771**
Total assets		**707,857**	**1,000,178**
Liabilities			
Current liabilities			
Trade and other payables	13	709,967	771,562
Borrowings	14	200,000	-
Other liabilities	15	181,208	-
Total current liabilities		**1,091,175**	**771,562**
Non-current liabilities			
Borrowings	14	-	397,458
Total non-current liabilities		**-**	**397,458**
Total liabilities		**1,091,175**	**1,169,020**
Net liabilities		**(383,318)**	**(168,842)**
Equity			
Issued capital	16	24,410,905	21,740,790
Reserves	17	228,725	165,325
Accumulated losses		(25,022,978)	(22,074,957)
Net deficiency		**(383,318)**	**(168,842)**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

Consolidated	Issued Capital	Option Premium Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2016	**108,826**	**-**	**(810,307)**	**(701,481)**
Comprehensive loss for the year	-	-	(20,691,360)	(20,691,360)
Share issued on acquisition of Gameday (deemed consideration)	17,950,914	-	(573,290)	17,377,624
Options issued to advisors	-	165,325	-	165,325
Shares issued pursuant to prospectus	3,000,000	-	-	3,000,000
Conversion of convertible note	775,000	-	-	775,000
Shares issued to the advisor	36,000	-	-	36,000
Share issue costs	(179,950)	-	-	(179,950)
Share issue – promotional	50,000	-	-	50,000
Balance at 30 June 2017	**21,740,790**	**165,325**	**(22,074,957)**	**(168,842)**
Balance at 1 July 2017	21,740,790	165,325	(22,074,957)	(168,842)
Comprehensive loss for the year	-	-	(2,947,991)	(2,947,991)
Options issued to advisors	-	63,400	-	63,400
Shares issued	2,859,949	-	-	2,859,949
Shares issue costs	(189,834)	-	-	(189,834)
Balance at 30 June 2018	**24,410,905**	**228,725**	**(25,022,948)**	**(383,318)**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

		Consolidated	
		2018	**2017**
	Notes	**$**	**$**
Cash flows from operating activities			
Receipts from customers		1,022,672	230,159
Payments to suppliers and employees		(4,143,833)	(3,228,602)
Interest received		6,862	8,975
Finance costs paid		-	(571)
Research and development tax refund		263,279	304,708
Net cash (used in) operating activities	6(i)	(2,851,020)	(2,685,331)
Cash flows from investing activities			
Payments for property, plant and equipment		(47,600)	(50,123)
Cash acquired		-	3,055,261
Net cash from/(used in) investing activities		(47,600)	3,005,138
Cash flows from financing activities			
Proceeds from shares issued (net of costs)		2,820,115	10,560
Debt repaid		(200,000)	-
Proceeds from borrowing		-	171,963
Net cash from financing activities		2,620,115	182,523
Net increase/(decrease) in cash and cash equivalents		(278,505)	502,330
Cash and cash equivalents at beginning of the year		506,911	4,581
Cash and cash equivalents at end of the year	6	**228,406**	**506,911**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. Summary of significant accounting policies

Basis of preparation

These financial reports are general purpose financial reports, which have been prepared for a “for-profit” enterprises and in accordance with the requirement of the Corporation Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law. The financial report has been prepared on a historical cost basis, except for certain financial instruments which have been measured at the fair value.

The financial report covers the consolidated entity of Impression Healthcare Limited (“the legal Parent”) and its subsidiary (“the Group”). Impression Healthcare Limited (IHL) is a listed public company, incorporated and domiciled in Australia.

Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2018. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

Statement of compliance

The financial report was authorised for issue on 31 August 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Going concern

Notwithstanding the fact that the Group incurred an operating loss of $2,947,991 for the year ended 30 June 2018, has a cash balance of $228,406, and a net cash outflow from operating activities amounting to $2,851,020, the Directors are of the opinion that the Company is a going concern for the following reasons:

- Subsequent to year end the Group raised $145,000 of debt funding from professional and sophisticated investors
- The Directors also anticipate that further equity capital will be required during the first half of FY19
- While this process is underway, the directors and senior management are working with the company's suppliers and have foregone their own payments in order to ensure day-to-day liquidity requirements of the company are met.

Should this equity raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will be available to realise its assets and extinguish its liabilities in the normal course of business.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement in with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted by and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

a. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

b. Borrowing costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

c. Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts (if any) are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

d. Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

e. Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of comprehensive income, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income.

f. Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

g. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

h. Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

i. Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the statement of comprehensive income when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

j. Impairment of assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit 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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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 comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

k. Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

l. Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

m. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

n. Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

o. Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes or Binomial model.

The assessed fair value at grant date of performance rights granted is expensed according to the performance or market-based conditions attached to the performance hurdle. Performance based hurdles are expensed to each reporting period evenly over the period from grant date to vesting date. Market based hurdles are expensed on the grant date.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 5).

p. Issued capital

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

q. Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

r. Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both external and within the Company.

Key estimates:

Share based payments

Share based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets have not been recognised because it is not probable the future taxable profit will be available against which the Group can utilise the benefits therefrom.

2. Revenue and expenses

	Consolidated 2018 $	Consolidated 2017 $
(a) Revenue		
Sales revenue	1,012,233	282,045
Interest revenue	6,862	9,427
Rent	12,772	-
	1,031,867	291,472
(b) Expenses		
Executive director's remuneration		

3. Income tax

	Consolidated 2018 $	Consolidated 2017 $
The prima facie income tax (expense)/benefit on pre-tax accounting (loss)/profit from operations reconciles to the income tax benefit in the financial statements as follows:		
Accounting loss before tax from continuing operations	(3,211,270)	(20,996,068)
Income tax benefit at the applicable tax rate of 27.5% (2017:27.5%)	883,099	5,773,919
Non-deductible expenses at the applicable tax rate of 27.5% (2017: 27.5%)	-	(4,936,502)
Deferred tax asset not recognised	(883,099)	(837,417)
Research and Development Grant in relation to prior year	263,279	304,708
	263,279	304,708
Income tax benefit		
Unrecognised Deferred Tax Asset		
Deferred tax asset not recognised in the financial statements:		
Unused tax losses at 27.5% (2017: 27.5%)	1,946,496	1,063,397
Deductible temporary differences	-	-
Net unrecognised deferred tax asset	1,946,496	1,063,397

The potential deferred tax benefit has not been recognised as an asset in the financial statements because recovery of the asset is not considered probable in the context of AASB 112 Income Taxes.

The benefit will only be realised if:

a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised.
b) the Company complies with the conditions for deductibility imposed by the law; and
c) no changes in tax legislation adversely affect the Company in realising the benefit.

4. Dividends

The Company has not declared a dividend for the year ended 30 June 2018.

5. Loss per share

	Consolidated 2018 cents per share	2017 cents per share
Basic loss per share	(1.3)	(16.2)
Diluted loss per share	(1.3)	(16.2)

Basic loss per share	Consolidated 2018	2017
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:	$	$
- Loss ($)	(2,947,991)	(20,691,360)
- Weighted average number of ordinary shares (number)	227,990,054	127,634,611

6. Cash and cash equivalents

	$	$
Cash at bank and on hand	228,406	506,911
	228,406	506,911

Cash at bank earns interest at floating rates based on daily bank deposit rates.

i. Reconciliation of loss for the year to net cash flows from operating activities:

Loss after income tax	(2,947,991)	(20,691,360)
Write-off of non-current assets	-	89,594
Listing expenses	-	17,950,914
Share based payments	68,806	146,375
Depreciation and amortisation	54,628	30,857
Changes in net assets and liabilities:		
(Increase)/Decrease in receivables	39,071	(51,579)
(Increase)/Decrease in inventory	(3,939)	(168,701)
(Decrease)/Increase in payables	(61,595)	8,569
Cash flows from (used in) operations	(2,851,020)	(2,685,331)

7. Trade and other receivables (Current)

	Consolidated 2018	Consolidated 2017
Current	**$**	**$**
Receivables	10,422	8,090
GST recoverable	43,681	85,084
	54,103	93,174

8. Property, plant and equipment

	2018	2017
Property, plant & equipment – at cost	158,399	95,799
Less: accumulated depreciation	(60,721)	(51,759)
Total property, plant & equipment	97,678	44,040

Reconciliation: 30 June 2018	**Plant & Equipment $**	**Computer Equipment $**	**Office Furniture $**	**Total $**
Carrying value as at 1 July 2017	37,174	193	6,673	44,040
Additions	62,600	-	-	62,600
Depreciation	(7,435)	(193)	(1,334)	(8,962)
Balance at 30 June 2018	92,339	-	5,339	97,678

Reconciliation: 30 June 2017	**Plant & Equipment $**	**Computer Equipment $**	**Office Furniture $**	**Total $**
Carrying value as at 1 July 2016	16,047	385	8,342	24,774
Additions	37,036	8,736	4,351	50,123
Depreciation	(15,909)	(8,928)	(6,020)	(30,857)
Balance at 30 June 2017	37,174	193	6,673	44,040

9. Other assets (current)

	2018	2017
Prepayments	5,354	-
Office rental bond	28,179	12,281
	33,533	12,281

10. Share based payment plans

The Company has in place an Employee Share Option Plan (ESOP) and a Performance Rights Plan (PRP).

Shareholders approved the Impression Healthcare Limited PRP at the Annual General Meeting held on 23 November 2011. The PRP is designed to more closely align rewards for performance with the achievement of the Company's growth and strategic objectives. The plan provides for the issue of performance rights which, upon determination by the Board that the performance conditions attached thereto have been met and subject to the terms of the plan, convert into fully paid ordinary shares. Where the participant is a director of the Company, specific shareholder approval will have to be sought under the ASX Listing Rules prior to the grant of performance rights to such an individual.

For the year ended 30 June 2018:
- no options were granted under the ESOP, and no options remain on issue that were previously issued pursuant to the ESOP; and
- no performance rights were granted under the PRP, and no performance rights remain on issue that were previously issued pursuant to the PRP.

Fair value of performance rights granted
The fair values at grant date are independently determined using a binomial pricing model (refer note 1(o)and (e) (iii)) that takes into account the exercise price, the term of the rights, the share price at grant date, expected price volatility of the underlying share and the risk-free interest rate for the term of the rights.

There were no performance rights granted during the year ended 30 June

	Consolidated	
	2018	**2017**
	$	**$**

11. Inventories

	2018 $	2017 $
Current		
Raw materials – at cost	223,070	227,041
	223,070	227,041

12. Intangible assets

	2018 $	2017 $
Non-current		
Trademarks & IP	71,066	116,731
	71,066	116,731
Movement schedule – Trademarks & IP		
Opening Balance	116,731	206,325
Amortisation expense	(45,665)	(89,594)
Closing Balance	71,066	116,731

13. Trade and other payables (current)

	2018 $	2017 $
Trade payables	494,997	535,688
Accrued expenses	70,500	81,500
Employee leave entitlements	45,786	80,253
Convertible note accrued interest	82,184	74,121
Other payables	16,500	-
	709,967	771,562

14. Borrowings (current and non-current)

	Consolidated 2018 $	Consolidated 2017 $
Convertible notes - current		
Convertible notes on issue	200,000	700,000
Conversion to shares	-	(700,000)
Closing balance	200,000	-
Convertible notes - non-current		
Convertible notes on issue	-	397,458

Summary of balance

	2018 $	2017 $
Convertible notes – value at start	397,458	1,100,000
Repayment	(200,000)	(700,000)
Amount classified as equity	-	(51,952)
Unwinding of interest	2,542	49,410
Carrying amount of liability	200,000	397,458

Convertible notes terms and conditions

The remaining convertible notes have the following key terms:

- 13,333,335 converting notes with a face value of $0.015 each ($200,000)
- Interest on each converting note accrues daily and is calculated and paid on maturity.
- The notes mature on 31 January 2019.

There is no material equity component to the convertible notes.

Total borrowings

	2018 $	2017 $
Current	200,000	-
Non-current	-	397,458
	200,000	397,458

15. Other liabilities (current)

	2018 $	2017 $
Income received in advance	31,208	-
Capital subscriptions awaiting shareholder approval	150,000	-
	181,208	-

16. Issued capital

(a) Issued Capital 24,410,905 21,740,790

(b) Ordinary shares - movements during year	**Year ended 30 June 2018 (No. of shares)**	**Year ended 30 June 2017 (No. of shares)**
At start of year	155,922,734	113,000,001
Reconstruction of share capital on acquisition	-	(5,339,767)
Prospectus, advisor and promotional shares issued	-	38,575,000
Conversion of convertible notes	-	9,687,500
Placement of shares – September 2017	22,669,650	-
Rights issue and associated shortfall placement	67,242,414	-
Placement of shares – February 2018	42,453,450	-
At end of year	**288,288,248**	**155,922,734**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands, every shareholder present at a meeting is entitled to one vote and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(c) Movement in number of options on issue for the year

At 30 June 2018

Expiry date and exercise price	Balance at start of year	Granted during year *	Exercised during year	Balance at end of year
31-Dec-2018 $0.12 (IHLOA)	17,266,857	-	-	17,266,857
31-Dec-2018 $0.12 unlisted	11,750,000	-	-	11,750,000
31-Dec-2018 $0.128 unlisted	1,171,879	-	-	1,171,879
30-Sep-2020 $0.04 IHLOB	-	126,570,156	-	126,570,156
Total	**30,188,736**	**126,570,156**	**-**	**156,758,892**
Weighted average price ($)	$0.120	$0.040	-	$0.055

* Options were granted attaching to shares subscribed for during the rights issue and placements for no consideration. A total of $63,400 was expensed as share-based costs associated with the grant of these options.

At 30 June 2017

Expiry date and exercise price	Balance at start of year	Granted during year	Exercised during year	Balance at end of year
31-Dec-2018 $0.12 (IHLOA)	17,925,190	-	(658,333)	17,266,857
31-Dec-2018 $0.12 unlisted	4,500,000	7,500,000	(250,000)	11,750,000
31-Dec-2018 $0.128 unlisted	-	1,171,879	-	1,171,879
Total	**22,425,190**	**8,671,879**	**(908,333)**	**30,188,736**
Weighted average price ($)	$0.120	$0.121	$0.120	$0.120

(d) Movement in number of Performance Shares and Performance Rights for the year

At 30 June 2018

Security Description	Balance at start of year	Granted by the Company	Expired	Balance at end of year
Performance Rights	2,205,063	-	(1,470,042)	735,021
Performance Shares	40,000,004	-	-	40,000,004

At 30 June 2017

Security Description	Balance at start of year	Granted by the Company	Expired	Balance at end of year
Performance Rights	-	2,205,063	-	2,205,063
Performance Shares	-	40,000,004	-	40,000,004

17. Reserves

	Consolidated	
(a) Option premium reserve	**2018**	**2017**
	$	**$**
Movement in option premium reserve		
Balance at 1 July	165,325	-
Options issued to vendors	-	21,375
Options issued to advisors	63,400	143,950
At 30 June 2018	228,725	165,325

The option premium reserve is used to record the value of options issued to raise capital.

18. Remuneration of auditors

Audit or review of the financial reports of the company

Amounts received & receivable by the auditor:		
Audit services – HLB Mann Judd	37,800	38,450
Investigating accountant report – HLB Mann Judd	-	5,500
	37,800	43,950

19. Financial Instruments

The Group's principal financial instruments comprise cash and short-term deposits and convertible notes.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial liabilities such as trade payables, which arise directly from its operations. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate.

The Group's exposure to interest rate on financial assets and financial liabilities is detailed in the sensitivity analysis section of this note.

(b) Sensitivity analysis

During 2018, if interest rates had been 50 basis points higher or lower than the prevailing rates realised, with all other variables held constant, there would have been an immaterial change in post-tax result for the year. The impact on equity would have been the same.

(c) Net fair values

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying value.

(d) Commodity price risk

The Group's exposure to price risk is minimal.

(e) Credit risk

There are no significant concentrations of credit risk within the Group.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.
Since the Group trades only with recognised third parties, there is no requirement for collateral.

(f) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of share issues and convertible notes.

The Group's payment commitments at 30 June 2018 were as follows:

Description	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Total**
Consolidated	**$**	**$**	**$**	**$**	**$**
Payables & Accruals	709,967	-	-	-	709,967
Borrowings	-	150,000	-	-	150,000
Convertible notes	-	-	200,000	-	200,000
	709,967	150,000	200,000	-	1,059,967

The Group's payment commitments at 30 June 2017 were as follows:

Description	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Consolidated	**$**	**$**	**$**	**$**	**$**
Payables & Accruals	771,562	-	-	-	771,562
Convertible notes	-	-	-	400,000	400,000
	771,562	-	-	400,000	1,171,562

(g) Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's past activities, being mineral exploration, it does not have ready access to credit facilities and therefore is not subject to any externally imposed capital requirements, with the primary source of Group funding being equity raisings and unsecured convertible notes. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating fund raisings as required.

20. Commitments and contingencies

Operating lease commitments – group as lessee

In 2017, the Group entered into a commercial lease for its office premises and office equipment. Future minimum payments under these contracts as at 30 June are as follows:

	Consolidated	
	2018	**2017**
	$	**$**
Within one year	106,314	126,314
Total minimum contract payments	106,314	126,314

21. Key Management Personnel compensation and related party disclosures)

The Key Management Personnel of Impression Healthcare Limited during the year were:

Troy Valentine (Appointed as a director on 11 December 2017)
Peter Widdows (Appointed as a director on 1 March 2018)
Alistair Blake
Joel Latham (Appointed as CEO on 29 June – previously General Manager)
Kelvin Smith (Resigned as a director on 11 December 2017)
John Worsfold (Resigned as a director on 11 December 2017)
Adam Wellisch (Resigned as a director on 8 May 2018)
Matthew Weston (Resigned as CEO on 29 June 2018 and ceased all activities including being a director on 19 July 2018)

Key management personnel compensation	Consolidated 2018 $	2017 $
Short-term employee benefits	796,052	598,463
Post-employment benefits	27,753	22,904
Total KMP compensation	823,805	621,367

Transactions with related entities

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

From 1 July 2017 until Mr Smith resigned on 11 December 2017, $80,903 fees were paid to MVP Financial Pty Ltd (“MVP”), an entity in which Mr Smith is a director. MVP was engaged by the company to provide accounting, taxation and company secretarial services.

From the appointment date of Mr Valentine on 11 December 2017 until 30 June 2018, $72,680 fees were paid to Alignment Capital Pty Ltd (“Alignment”), an entity in which Mr Valentine is a director. Alignment was engaged by the company to act as lead manager in the capital raising conducted during February and March of 2018.

22. Details of the controlled entity

The consolidated financial statements include the financial statements of Impression Healthcare Limited and the subsidiary Gameday International Pty Ltd, a Company incorporated in Australia. Impression Healthcare Limited owns 100% of the issued ordinary shares in Gameday International Pty Ltd (2017: 100%).

23. Events Subsequent to Reporting Date

Mr Mathew Weston submitted his resignation as CEO on 29 June 2018 and ceased all activities with the Company on 11 July 2018. Mr Joel Latham was appointed as CEO on 1 July 2018.

On 17 August the Company engaged Alignment Capital Pty Ltd to secure convertible loan funding up to $1,000,000. Loans are subject to 10% interest and proceeds plus interest are convertible into ordinary shares at the Company’s discretion at the same price applied to the next capital raising that the Company undertakes.

On 22 August 2018, a general meeting of shareholders approved all resolutions outlined in the Notice of Meeting which included:

a) The appointment of Mr Troy Valentine and Mr Peter Widdows as directors of the Company;
b) Ratification of the February 2018 share placement of 42,453,450 ordinary shares for $0.025 per share;
c) The issue of 20,113,362 Options (“IHLOB”) to Alignment Capital Pty Ltd resulting from completion of the February 2018 placement; and
d) The issue of 4,000,000 ordinary shares to Mr Peter Widdows (Director) and 2,000,000 ordinary shares to Mr Glenn Fowles (Company Secretary) for consideration of $100,000 and $50,000 respectively (under the same terms and price as the February share placement).

There have been no other material events subsequent to balance date.

24. Parent entity disclosures

The individual financial statements for the parent entity show the following aggregate amounts. The information presented has been prepared using accounting policies as discussed in Note 1.

Financial Position		
Current assets	195,730	464,497
Non-Current assets	5,266,255	2,136,000
Total assets	5,461,985	2,600,497
Current liabilities	(629,829)	(281,156)
Non-Current liabilities	-	(397,458)
Total liabilities	(629,829)	(678,614)
Net assets	4,832,156	1,921,883
Issued capital	24,410,905	20,856,964
Reserves	228,725	165,325
Accumulated losses	(19,807,474)	(19,100,406)
Shareholders' equity	4,832,156	1,921,883

Contingencies of the Parent Entity

There are no contingent liabilities involving the parent entity (2017: Nil).

Guarantees of the Parent Entity

There are no guarantees involving the parent entity (2017: Nil)

25. Segment Information

During the year, the Group operated in the one reporting segment as a manufacturer and distributor of professionally made home-impression custom-fit dental products.

DIRECTORS' DECLARATION

1. In the opinion of the Directors:

   a. the accompanying financial statements, notes and additional disclosures 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 2018 and of its performance for the year then ended; and

      ii. complying with Accounting Standards and Corporations Regulations 2001; and

   b. subject to the matters set out in note 1 "Going Concern", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

This declaration is signed in accordance with a resolution of the Board of Directors.

Troy Valentine
Chairman
Dated this 31 August 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report to the Members of Impression Healthcare Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Impression Healthcare Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

HLB Mann Judd

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition Refer to Note 2 *Revenue and Expenses*	
A substantial amount of the Company's revenue relates to the sale of mouthguards and impression kits. Revenue was recognised from sales of goods. Revenue recognition was a key audit matter due to the importance of the matter to users understanding of the financial report.	Our procedures included but were not limited to: - We evaluated management's process and key controls regarding accounting for the Company's sales revenues; - Ensuring that accounting policies comply with Australian Accounting standards; - Performing testing over a sample of revenue to supporting evidence; - Considering the amounts included within deferred revenue for compliance with accounting policies.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Impression Healthcare Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glade

N G Neill
Partner

Perth, Western Australia
31 August 2018

CORPORATE GOVERNANCE STATEMENT

Impression Healthcare Limited, ("IHL" or "the Company") and its controlled entities (the "Group") have adopted the corporate governance framework and practices set out in this statement. The Board of the Company is responsible for its corporate governance, that is, the system by which the Group is managed. The corporate governance framework and practices have been in place throughout the financial year, and comply with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Recommendations"), unless otherwise stated below.

This statement has been approved by the Board, and the information in the statement remains current as at 31 August 2018. Company policies and charters are available in the 'Corporate' section of the Company's website at www.impression.healthcare

Principle 1: Lay Solid Foundations for Management and Oversight

1.1 Role of the Board and Management

The Board is responsible for evaluating and setting the strategic direction for the Group, establishing goals for management and monitoring the achievement of those goals.

The Board has responsibility for the following:

- appointing and removing the Chief Executive Officer ("CEO") and managing director, chief financial officer ("CFO"), company secretary and any other executives and approving their remuneration;
- determining the strategic direction of the Group and measuring performance of management against approved strategies;
- review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- adopting operating and capital expenditure budgets at the commencement of each financial year, approving acquisitions and divestitures, and monitoring progress by both financial and non-financial key performance indicators;
- monitoring the Group's medium-term capital and cash flow requirements;
- approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Group's corporate governance practices are continually reviewed and improved as required.

1.2 Information on New Directors

The Company has access to an external supplier to undertake appropriate checks on any potential director appointments. Under the Company's Constitution, all directors appointed throughout the year as an additional director or to fill a casual vacancy hold office to the AGM. Current directors hold office and are required to be considered by Shareholders for re-election under the Listing Rules.

All directors, whether appointed throughout the year as an additional director or to fill a casual vacancy or who are due for election under the Listing Rules, are disclosed in the Notice of AGM, with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. The company's constitution provides that at each annual general meeting, one third of the Board (other than any managing director in office from time to time) or, if their number is not a multiple of three, the number nearest to one third, must retire and, if the retiring directors so chose, may offer themselves for re-election.

1.3 Contracts with Directors

On appointment, directors are provided with a formal letter of appointment and executive management with written employment agreements incorporating job descriptions (where relevant).

1.4 Professional Advice

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Group's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

The finance function is outsourced to an external consultant with appropriate skills. The company secretarial function is currently performed by Robert Marusco. The Company Secretary is accountable to the Board through the Chairman on corporate governance matters pertaining to the company secretarial role. All directors have access to the Company Secretary.

1.5 Diversity

Recommendation 1.5 is that the Company should establish and disclose a diversity policy. Due to the Company's size and nature of operations, the Board has not yet implemented a diversity policy but the Board recognises the value of diversity and the opportunities that it brings. As the Company grows and positions become available, the Board remains conscious of the requirement to establish a diversity policy and will seek to promote and increase diversity.

Recommendation 1.5 also states that the Company should report against a set of measurable objectives for achieving gender diversity. Due to the Company's size and nature of operations, the Board has not yet established measurable objectives for achieving gender diversity.

The Company currently has no permanent full-time employees and uses the services of a number of consultants. There are three directors on the Board, all of whom are male.

1.6 Performance Review – Board and Directors

Due to the size of the Company and the Board, an informal self-assessment is normally undertaken in relation to the Board's collective performance and the performance of the Chairman and individual directors during each financial year. There are currently no formal policies in place for these evaluations. The Board, its committees and non-executive directors continually monitors its performance during the year in accordance with the processes described above.

Recommendation 1.6 includes the requirement to disclose whether a performance evaluation for the Board and directors has taken place in the reporting period. A formal self-assessment was not performed during the 2018 financial year but a performance review is scheduled to take place in the next financial period.

1.7 Performance Review – senior executives

Arrangements put in place by the Board to monitor the performance of the Group's executives include:

- a review by the Board of the Group's financial performance;
- annual performance appraisal meetings, incorporating analysis of key performance indicators with each individual, to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Group;
- an analysis of the Group's prospects and projects; and
- a review of feedback obtained from third parties, including advisors.

Recommendation 1.7 includes a requirement to disclose whether a performance evaluation for senior executives has taken place in the reporting period. Due to the changes in the employment arrangements that occurred during the year, this process was not undertaken during the 2018 financial year.

Principle 2: Structure of the Board to Add Value

2.1 Nomination Committee

Recommendation 2.1 is that the Board should establish a nomination committee. The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the formation of a nomination committee at this time. The Board as a whole considers the following factors when selecting new directors and when recommending directors to shareholders for appointment or re-election:

- the aim of having a majority of independent directors on the Board and of having an independent non-executive chairman;
- the aim of having an independent director, other than the Board chairman, as the chairman of the Audit and Risk Management Committee;
- that between them, the directors have the appropriate skill base and range of expertise, experience and diversity to discharge the Board’s mandate;
- that each individual director has sufficient time to meet his/her commitments as a director of the Company;
- the duration of each existing director’s tenure, noting the retirement provisions of the Constitution as set out below; and
- whether the size of the Board is appropriate to facilitate effective discussions and efficient decision-making.

Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board. To date, new candidates to join the Board have predominantly been sought through referrals, rather than through professional intermediaries.

Directors are initially appointed by the full Board, subject to election by shareholders at the next annual general meeting. Under the Company's Constitution a director (other than the managing director and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his/her last appointment. The nomination of existing directors for reappointment is not automatic and is contingent on performance and on the current and future needs of the Company.

2.2 Board Skills Matrix

The Board has developed a Board skills matrix, to simplify the process for identifying any ‘gaps’ in the Board’s skills, expertise and experience. As part of the review of the skills matrix the Board monitor the skills, expertise and experience that are relevant to the Company and assesses those requirements against the collective attributes of the directors. The Board skills matrix will be reviewed by the directors on an annual basis.

Details of the Directors’ skills, experience, expertise and attendance at meetings are set out in the Directors’ Report in each year’s Annual Report.

2.3/2.4 Independent Directors

The Company currently has the following Board members, who served as directors throughout the year unless otherwise stated below:

- Mr Troy Valentine Non-Executive Chairman (appointed 11 December 2017)
- Mr Alistair Blake Executive Director (appointed 20 October 2016)
- Mr Peter Widdows Non-Executive Director (appointed 1 March 2018)

The Board currently consists of one executive and two Non-executive Directors.

Details of the directors' skills, experience, expertise, special responsibilities, attendance at Board meetings and dates of appointment are set out in the directors' report.

In assessing the independence of the directors, the Board has defined an independent director as a director who:

- is non-executive;
- is not a substantial shareholder (i.e. greater than 5%) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; ??? TROY
- has not within the last three years been employed in an executive capacity by the Company or another Group member;
- has not within the last three years been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- has no material contractual relationship with the Company or another Group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount which is greater than five percent of either the net assets of the Company or an individual director's net worth is considered material for these purposes.

Troy Valentine is a substantial shareholder of the Company and is therefore not independent.

Alistair Blake is the technical adviser of Impression Healthcare Limited and is therefore not independent.

Peter Widdows is deemed to be an independent director.

The Company's Constitution provides that the number of directors shall not be less than three and not more than seven. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of additional independent non-executive directors.

The Board believes that the three individuals on the Board can, and do, make independent judgments and act in the best interests of shareholders.

In accordance with the Corporations Act 2001 and the Company's Constitution, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

2.5 Chairman

Troy Valentine performs the role of chairman.

The Chairman's responsibilities include leadership of the Board and the efficient organisation and conduct of the functioning of the Board. The Board generally manages the day-to-day affairs of the Group.

2.6 Director Induction

The Board implements an induction program for new Directors which involves providing information about the company, its constitution and policies and practices. The Board is continually informed by Senior Management of key developments in the Company's business and the industry in which the Company operates.

Principle 3. Act ethically and responsibly

3.1 Code of Conduct

The Group has a Code of Business Conduct in place which provides guidelines aimed at maintaining high ethical standards, corporate behavior and accountability within the Group.

All Group personnel and directors are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Group information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Group's reputation as a good corporate citizen, which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

Any member of Group personnel that breaches the Code of Ethics and Conduct may face disciplinary action. If a member of Group personnel suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must report that breach to management. No member of Group personnel will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Principle 4. Safeguard Integrity in Corporate Reporting

4.1 Audit Committee

Recommendation 4.1 is that the Board should establish an Audit and Risk Management Committee. The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the formation of an audit committee at this time. During the year, the full Board reviews the integrity of the Company's financial reporting and the processes to ensure the independence and competence of the external auditors.

The Board currently fulfils the responsibilities which are usually assigned to an audit committee including:

- considering whether the Company's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company;
- ensuring that the quality of financial controls is appropriate for the business of the Company;
- considering the appointment or removal of the external auditor, the rotation of the external audit partner and approving the remuneration and terms of engagement of the external auditor;
- monitoring and reviewing the external auditor's independence, objectivity and performance, taking into consideration relevant professional and regulatory requirements; and
- reviewing the Company's risk management and internal control systems.

4.2 CEO/CFO declarations

The Board has received a written assurance from the Company Secretary for each financial reporting period that in their opinion, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

4.3 External Auditors present at the Annual Meeting

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is considered annually and applications for tender for external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. The audit engagement partner is rotated periodically, as required by the Corporations Act.

A representative from the external auditor attends each annual general meeting to answer any questions concerning the audit of the Group and the contents of the auditor's report.

Principle 5. Make Timely and Balanced Disclosure

5.1 Market Disclosure Policy

The Market Disclosure Policy requires executive management to determine when a market release is required to comply with the ASX Listing Rule continuous disclosure requirements. The Policy sets out details of accountability for the preparation and approval of ASX releases, and is available on the Company's website.

Principle 6. Respect the Rights of Shareholders

6.1 Website Information

The Company discloses information about itself, ASX announcements, its Corporate Governance Statement and all its Corporate Governance Policies on the Company's website.

6.2 Investor Relations

The Group places considerable importance on effective communications with shareholders.

The Group communicates with shareholders and other stakeholders in an open, regular and timely manner, so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The following communications are posted on the Company's website:

- ASX Quarterly Cash Flow Reports;
- Half Yearly Report;
- presentations at the Annual General Meeting/General Meetings;
- Annual Report; and
- other announcements lodged with ASX.

6.3 Participation at Shareholder Meetings

The Board encourages full participation of shareholders at the Annual General Meeting. Shareholders who are unable to attend general meetings are encouraged to lodge proxy appointments in advance of the meeting.

6.4 Electronic Communications

Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website, and may electronically lodge proxy instructions for items of business to be considered at general meetings.

Principle 7. Recognise and Manage Risk

7.1 Risk Committee

Recommendation 7.1 is that the Board should establish a committee to oversee risk. The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the formation of a risk committee at this time.

The Board currently fulfils the responsibilities which are usually assigned to a risk committee. Senior executives and the Board regularly consider strategic and operational areas of risk for the Group and records any remedial action the Group has taken in the management of those risks.

7.2 Risk Management Review

Recommendation 7.2 is that the Board or a Committee should review the risk management framework at least annually. During the year, ongoing monitoring, mitigating and reporting on material risks by senior executives and the Board took place in accordance with the processes disclosed.

The Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards. The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value.

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system.

Key elements of the Group's internal control systems include:

- the Code of Conduct, which sets out an ethical and legal framework for all employees in the conduct of the Group's business; and
- financial and reporting systems to provide timely, relevant and reliable information to management and the Board.

During the year and up to the date of this statement, management and the Company Secretary reported directly to the Board on the Group's key risks and the effectiveness of the Company's management of those risks.

7.3 Internal Audit Function

The Board, has determined not to have an internal audit function due to the size of the Company.

The Company's external auditors are engaged to perform a half year review and full year audit as required under the Corporations Act 2001. Senior executives and the Board have regular meetings and contact with the external auditors during the year and for the review and audits.

7.4 Material Exposure to Risk

Recommendation 7.4 is that the Board should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if so, how it manages those risks. The Group believes that the following operational risks are inherent in the industry in which the Group operates, having regard to the Group's circumstances (including financial resources, prospects and size):

- fluctuations in commodity prices and exchange rates;
- accuracy of mineral reserve and resource estimates;
- reliance on licenses, permits and approvals from governmental authorities;
- ability to obtain additional financing;
- acquisition of new business opportunities; and
- changed operating, market or regulatory environments.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by the Group, and are not necessarily an exhaustive list.

Principle 8. Remunerate Fairly and Responsibly

8.1 Remuneration Committee

Recommendation 8.1 is that the Board should establish a remuneration committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for directors and executives of the Company.

Details of the Group's remuneration policy are set out in the remuneration report.

8.2 Remuneration Disclosure for Non-Executive and Executive Directors

The remuneration of non-executive directors is determined by the Board as a whole having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry. Due to the size of the Company, the structure of both executive and non-executive directors' remuneration includes a long-term incentive component, linked to the performance of the Group.

The non-executive directors receive no retirement benefits, other than statutory superannuation contributions. Any increase in the maximum total remuneration of the non-executive directors of the Company, which is set at $500,000 is subject to the approval of shareholders. Further information on directors' and executives' remuneration is set out in the directors' report under the heading Remuneration Report in the Directors' Report in each year's Annual Report.

Any directors or IHL personnel participating in equity-based remuneration schemes are prohibited from entering into transactions in associated products which limit the economic risk of their unvested entitlements.

SECURITIES EXCHANGE INFORMATION

Additional information required by the ASX Limited Listing Rules, and not disclosed elsewhere in this report.

SHAREHOLDINGS

An extract of the Company's register of substantial shareholders is set out below:

	No. of fully paid ordinary shares
ALISTAIR PTY LTD	15,685,841

CLASS OF SHARES AND VOTING RIGHTS

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

Options do not carry any voting rights.

DISTRIBUTION OF SHAREHOLDERS (as at 27 August 2018)

Range	Total Holders	Units	% Issued Capital
1 - 1,000	58	20,790	0.007%
1,001 - 5,000	52	156,234	0.054%
5,001 - 10,000	33	249,716	0.087%
10,001 - 100,000	247	10,836,540	3.759%
100,001 and above	276	277,024,968	96.093%
Total	**666**	**288,288,248**	**100.000%**

There were 219 shareholders holding less than a marketable parcel at 27 August 2018.

DISTRIBUTION OF OPTIONHOLDERS – "IHLOA" $0.012 31/12/18 (as at 27 August 2017)

Range	Total Holders	Units	% Issued Capital
1 - 1,000	55	20,440	0.118%
1,001 - 5,000	42	114,035	0.660%
5,001 - 10,000	13	96,086	0.556%
10,001 - 100,000	46	1,807,010	10.465%
100,001 and above	43	15,229,283	88.201%
Total	**199**	**17,266,857**	**100.000%**

DISTRIBUTION OF OPTIONHOLDERS – "IHLOB" $0.040 30/09/20 (as at 27 August 2017)

Range	Total Holders	Units	% Issued Capital
1 - 1,000	14	4,949	0.004%
1,001 - 5,000	22	59,289	0.047%
5,001 - 10,000	16	114,363	0.090%
10,001 - 100,000	59	2,996,042	2.367%
100,001 and above	93	123,395,513	97.492%
Total	**204**	**126,570,156**	**100.000%**

There is no current on-market buy back taking place.

During the reporting year the Company used its cash and assets in a manner consistent with its business objectives.

The Company had the following unlisted equity securities on issue as at 27 August 2018:

Class	Number
Options exercisable at $0.12 and expiring 31 December 2018	11,750,000
Options exercisable at $0.128 and expiring 31 December 2018	1,171,879
Performance shares	40,000,004
Performance rights	2,205,063
Convertible notes @ $0.015 maturing 31 January 2019	13,333,335

TWENTY LARGEST SHAREHOLDERS (as at 27 August 2018)

	HOLDER NAME	NUMBER HELD	PERCENTAGE
1	ALISTAIR PL	15,685,841	5.441%
2	MALYNIAK ANTHONY MICHAEL	11,500,000	3.989%
3	EZR SYSTEMS PL	10,553,000	3.661%
4	UPDATE NOM PL	9,213,450	3.196%
5	ALIGNMENT CAP PL	9,150,000	3.174%
6	ZERO NOM PL	7,818,007	2.712%
7	GORB PL	7,008,850	2.431%
8	R & D ADAMS SUPER FUND PL	7,000,000	2.428%
9	ALITIME NOM PL	6,813,085	2.363%
10	BYASS BRIAN PETER	4,072,500	1.413%
11	SL INVRS PL	4,000,000	1.388%
12	BAGBO PL	4,000,000	1.388%
13	BLACKWALL INV PL	3,802,434	1.319%
14	RICHSHAM NOM PL	3,788,125	1.314%
15	WEBSTAR GRP INTNL PL	3,601,770	1.249%
16	BERETTA NICKEL PL	3,567,430	1.237%
17	HELENA-SMITH MARIA	3,270,189	1.134%
18	STOW COURT PL	3,262,500	1.132%
19	SLADE TECHNOLOGIES PL	3,250,000	1.127%
20	CITYSIDE INV PL	3,190,000	1.107%
		12,4547,181	**43.202%**

TWENTY LARGEST "IHLOA" OPTIONHOLDERS (as at 27 August 2018)

	HOLDER NAME	NUMBER HELD	PERCENTAGE
1	KING'S RANSOM VIC PL	1,066,667	6.178%
2	GHIMIRE OM PRAKASH	1,000,000	5.791%
3	WILLIAMS CHRISTOPHER	1,000,000	5.791%
4	RISING FAST HLDGS PL	729,167	4.223%
5	ALITIME NOM PL	600,000	3.475%
6	ZERO NOM PL	567,823	3.289%
7	VISON PL	561,249	3.250%
8	CAP INV PTNRS PL	525,187	3.042%
9	PATEL JIGARKUMAR M	500,000	2.896%
10	ACP INV PL	500,000	2.896%
11	TOPAZE ENTPS PL	458,017	2.653%
12	CASSIM SALIM	447,950	2.594%
13	FENNELL G J + C A	438,389	2.539%
14	GAB S/F PL	432,442	2.504%
15	ZIMBALI NOM PL	368,193	2.132%
16	OCEAN VIEW WA PL	333,333	1.930%
17	RICHSHAM NOM PL	332,532	1.926%
18	ELLAZ PL	312,500	1.810%
19	NEESHAM DAVID C + P C	300,001	1.737%
20	TRANAJ NOM PL	300,000	1.737%
		10,773,450	**62.394%**

TWENTY LARGEST "IHLOB" OPTIONHOLDERS (as at 27 August 2018)

	HOLDER NAME	NUMBER HELD	PERCENTAGE
1	TRANAJ NOM PL	12,936,804	10.221%
2	EKIRTSON NOM PL	12,436,803	9.826%
3	ALIGNMENT CAP PL	8,250,000	6.518%
4	MALYNIAK ANTHONY MICHAEL	6,000,000	4.740%
5	EZR SYSTEMS PL	5,000,000	3.950%
6	ELLAZ PL	4,548,803	3.594%
7	MUNRO EMILY	4,500,000	3.555%
8	LAY PAUL	4,075,267	3.220%
9	BAGBO PL	3,600,000	2.844%
10	UNION SQUARE CAP PL	3,500,000	2.765%
11	RICHSHAM NOM PL	3,333,125	2.633%
12	CIPATER PL	3,042,055	2.403%
13	MALYNIAK ANTHONY MICHAEL	3,000,000	2.370%
14	EDENTOWER PL	2,500,000	1.975%
15	ALITIME NOM PL	2,210,387	1.746%
16	SNELL JOHN RICHARD	2,000,000	1.580%
17	LOZIN MUST INV PL	2,000,000	1.580%
18	CRONIN BARRY F + K A	1,750,000	1.383%
19	LOOBY ROBERT GREGORY	1,655,000	1.308%
20	VALPLAN PL	1,500,000	1.185%
		87,838,244	**69.399%**