Global Health Limited

ABN 75 091 377 892

Annual Report - 30 June 2019

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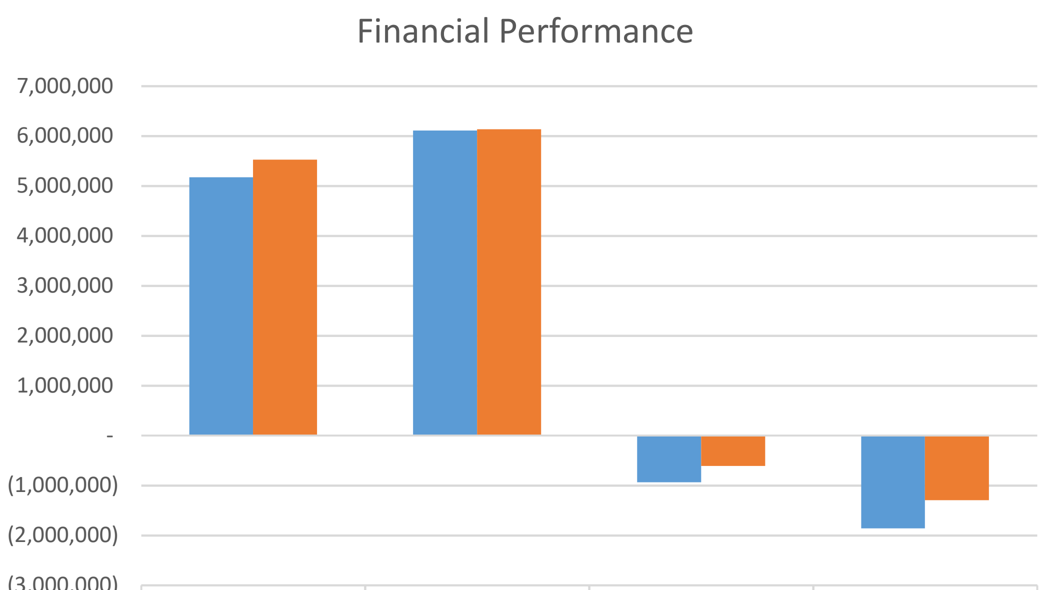
Global Health Limited
Corporate directory
30 June 2019

Directors	Steven Leigh Pynt - Non-executive Chairman Mathew Cherian - Chief executive officer and managing director Grant Smith - Non-executive director Robert Knowles AO - Non-executive director
Company secretary	Sam Butcher
Registered office	Level 2, 607 Bourke Street Melbourne, Victoria 3000 Australia Ph: +61 3 9675 0600
Principal place of business	Level 2, 607 Bourke Street Melbourne, Victoria 3000 Australia Ph: +61 3 9675 0600
Share register	Link Market Services Limited Tower 4, 727 Collins Street Melbourne Victoria 3008 Australia Ph: 1300 554 474
Auditor	Grant Thornton Audit Pty Ltd Collins Square 727 Collins Street, Tower 5 Melbourne Victoria 3008
Stock exchange listing	Global Health Limited shares are listed on the Australian Securities Exchange (ASX code: GLH)
Website	http://www.global-health.com

CEO Operations Report

- ✓ Financial turnaround
  - ❖ 35% improvement in EBITDA from ($934,818) to ($610,227)
  - ❖ 30% improvement in Net Profit from ($1,860,399) to ($1,296,793)
  - ❖ Debt reduced by $520K to $1.165M
  - ❖ 48% reduction in R&D as new SaaS platforms achieve MVP (Minimum Viable Product) status
- ✓ Positive market feedback for new Connected Health Record (CHR) SaaS platforms
  - ❖ New CHR SaaS platforms achieve Annualised Recurring Revenue (ARR) in excess of $280K
  - ❖ Total ARR (On-Premises + SaaS) now over $4M p.a.
- ✓ High demand for MasterCare EMR for Mental Health Case Management
  - ❖ Over 1000 new MasterCare EMR end-users
- ✓ Forecast return to profitability in FY19/20

Financial Performance



	Revenue	Expenses	EBITDA	NPAT
2018	5,174,508	6,109,326	(934,818)	(1,860,399)
2019	5,524,778	6,135,005	(610,227)	(1,296,793)

The Company had a strong second half-year with revenue up 36% on the first six months (to Dec-18) and up 13% on the prior year second-half. Over the full 12 months to Jun-19, revenue was up 7% (+$350K) on the prior year. Annual operating expenses remained constant resulting in in a 35% ($324K) EBITDA improvement from the prior year.

Net Profit After Tax improved by 30% or $563K from ($1,860K) to ($1,297K) for the full year.

Financial Position

The Company generated an operating cash surplus of $343K over the reporting period which was a $590K improvement on the prior year (2018: operating cash deficit of $246K). Net investing cashflow reduced by almost $1.2M from the prior year to a net cash outflow of approximately $170K.

Overall, cash + equivalents reduced by $354K primarily due to repayment of approximately $520K of borrowings.

	2018	2019	Change
Net operating cashflow	($245,765)	$343,232	+$589,997
Net investing cashflow	($1,357,521)	($169,975)	+$1,187,546
Net Financing cashflow	$217,410	($526,803)	-$744,213
Net decrease in cash and equivalents	**($1,385,876)**	**($353,546)**	**+$1,032,330**

A significant change on the balance sheet is the recording of "Contract Liabilities" in accordance with the new AASB-15 accounting standard. Contract Liabilities is the value of contracted subscriptions paid with a subscription period that includes future months.

As the Company transitions to a SaaS business model, the value of pre-paid subscriptions will trend down with reduced Accounts Receivable totals and tighter cashflow.

	2018	2019	Decreased Liability
Committed Contracts	$2,113,409	$1,829,128	$284,281

Prior to the Dec-18 half-year audit, R&D grants were recognised as "Other Income" within the Profit & Loss statement.

This was reassessed in the current reporting period such that R&D grants were recorded in the Balance Sheet against the capitalised intangible software asset. The net impact of this was a reduction in Intangible Assets of approximately $2.2 million being the cumulative effect relating to over 6 years of R&D grants recognised in the P&L in prior periods.

Investments in Innovation (R&D)

Continuous innovation is crucial in the technology business.

The Company's R&D roadmap comprises four SaaS platforms that are collectively referred to as "Connected Health Records" (CHR).

The goal of CHR is to deliver improved productivity and efficiency for healthcare organisations, streamlining the patient's journey through the healthcare system, and improving patient outcomes through more collaboration and connectivity between patients and their care teams.

Over the last 18 months, our new SaaS platforms have gradually been market tested with selected early adopters and achieved minimum commercial viability.

Over the last six years, the Company has invested over $7.6M generated from normal operations rather than new equity raisings, to develop the CHR suite of SaaS platforms.

	2014	2015	2016	2017	2018	2019	6Y Total
Gross Investment in Intangibles Assets	1,100,460	1,156,469	1,457,457	1,154,170	1,848,829	959,880	7,677,265

Over the reporting period, R&D investments reduced by approximately $889K to $960K which was 48% less than the prior year. As a percentage of revenue, this represents approximately 17% of revenue which is significantly lower than in the prior year when R&D expenditure was $1,849K or 36% of the prior year revenue.

5% per month increase in Lifecard SaaS consumer accounts

Through the reporting period, our focus within the CHR portfolio was on the LifeCard Personal Health Record (www.lifecard.com) for consumers with the initial deployment of Patient Portals (https://www.lifecard.com/patient-portal/) to selected hospital customers and larger mental health service providers.

In April the Company announced a new partnership with Diabetes Victoria which provides diabetes education and monitoring of diabetes-specific observations and measures to a potential market of over 300,000 Victorians living with diabetes.

One in four Australian adults over the age of 25 years either have diabetes or have impaired glucose metabolism. With no cure, an app such as Lifecard can significantly assist with managing and maintaining a healthy lifestyle, and the management of diabetes to avoid developing additional complications.

Digital marketing activities were undertaken over the year for smaller healthcare organisations and solo practitioners to engage online with their clients using the Company's HotHealth patient engagement platform (www.hothealth.com) within our CHR SaaS portfolio.

The key focus in this early stage for our Consumer platforms is to continue to shape the solution and maximise product/market fit. For the next 15-18 months to Dec-20, this focus will continue to ensure good market adoption and high satisfaction levels before scaling sales and marketing.

12% per month increase in ReferralNet Secure Messaging SaaS volumes

In the connectivity & collaboration segment, the volume of documents exchanged between our ReferralNet Secure Message Delivery (SMD) platform and Telstra Health's Argus SMD platform grew in excess of 12% per month.

The Company is close to finalising interoperability with the other major SMD platform in Australia with the goal of providing our customers a connectivity network to the majority of the Australian healthcare provider community.

As interchange and interoperability is achieved the goal is to increase the volume of documents exchanged between healthcare providers to improve patient outcomes and business productivity.
The steady increase in message volume has resulted in a steady increase in monthly subscription fees through the reporting period.

Delayed release of MasterCare+ SaaS platform for Allied Health Providers

In April, the Company announced an agreement with the Adelaide and Country South Australia Primary Health Networks (PHN) whereby any Allied Health Provider(AHP) in South Australia can enjoy 6 months free use of the MasterCare+ package for Allied Health including the ability to contribute to the national health data collection infrastructure known as "My Health Record" (https://www.mastercare.net.au/mastercare-plus/allied-health/).

This required the re-prioritisation and inclusion of new features within MasterCare+ to support the My Health Record functionality and consequently a nine-month delay of the MasterCare+ for AHP market release. The enhanced release is now expected in September with subscription revenue commencing 6 months later.

Over the reporting period, MasterCare+ subscription revenue was restricted to Referral Management (https://www.mastercare.net.au/mastercare-plus/referralmanagement/) and Secure Messaging functionality (https://www.mastercare.net.au/mastercare-plus/secure-messaging/).

Revenue doubles for new Connected Health Record SaaS platforms

It is pleasing to note in these early days, that the Company's portfolio of Connected Health Record (CHR) SaaS platforms has more than doubled over the reporting period to over $280K p.a. as at June 2019.

The early potential of our SaaS portfolio for Connected Health Records is additional to our core business revenue sourced from the licensing of our non-SaaS apps across the healthcare industry particularly the MasterCare EMR application that supports a variety of Mental Health services across Australia.

1000 new MasterCare EMR end-user across Mental Health, Alcohol and Other Drug Services

Last year the World Health Organization declared mental health to be one of the greatest areas of ill health and disability worldwide, affecting at least 450 million people at any given time. In Australia Mental Health is recognised as a significant issue socially and economically as both Commonwealth and State Governments struggle to meet the demand for appropriate care. This will continue to be the major growth market for Global Health.

MasterCare EMR continued its market-leadership in supporting the multi-disciplinary clinical and allied health teams that look after people with Mental Health conditions. MasterCare's support for the seamless collection of data required by the many and varied State and Commonwealth funding programs has been key to the growth in customers over the reporting period.

In September, Windana Drug & Alcohol service, a not for profit organisation offering residential and community-based services to more than 2,000 clients annually, went live with MasterCare EMR
Windana is a leading Melbourne-based drug and alcohol treatment centre specialising in holistic, client-focused recovery services programs.

In October, MasterCare EMR was successfully deployed at Bass Coast Health Community Services - the major public healthcare provider in South Gippsland, Victoria that provide a wide range of allied health, clinical nurse assessment and treatment services to clients within the Gippsland South Coast.

In January, Justice Health Victoria successfully deployed MasterCare EMR to support the clinical workflow of the mental health services, primary care, alcohol and drug services for persons in justice centres in Malmsbury, Parkville and other community outlets around Melbourne across the Youth Justice sector. Justice Health is a business unit of the Department of Justice & Community Safety responsible for the delivery of health services for persons in the Youth Justice Custodial and adult Correctional space in Victoria

In early March, the prestigious and internationally recognised Black Dog Institute in Sydney selected MasterCare EMR to support their Mental Health services. The Black Dog Institute in Sydney is a world-renowned research centre, where the collection and analysis of data is essential with multiple research projects being conducted at any given time. Among its other services, the Institute conducts various educational programs and diagnoses, supports and treats patients and is a strong advocate for the mental health sector.

This was followed by Monash Health, Victoria's largest public health service that selected MasterCare EMR for deployment across their Mental Health, Drug and Alcohol community Services.

In June, Sunraysia Community Health Service in North-West Victoria, went live with MasterCare EMR to support their Community Health Program, Commonwealth Home Support Program, Home and Community Care Program for Younger People, Alcohol and Other Drug programs, National Disability Insurance Scheme, Primary Health Networks and more.

Retirement of Practice2000 (P2K) Practice Management System

As the Company modernises the technology for our customers, out-dated systems need to be retired.

In December 2018, the Company ceased support and maintenance of the P2K Practice Management System due to the aged and unsupported 20-year-old technology from Microsoft. The retirement was relayed to our customers over 2 years ago and resulted in a reduction of approximately $400K in Annual Recurring Revenue (ARR) over the last 24 months.

The replacement product, PrimaryClinic Practice (https://www.primaryclinic.com.au/practice-management-software/) was released 12 months ago together with a fully featured clinical module (https://www.primaryclinic.com.au/medical-software/). The PrimaryClinic software is integrated to the Company's CHR Consumer (Lifecard, HotHealth) and Connectivity (ReferralNet) platforms and is targeted at the Australian General Practice, Specialist and Allied Health private market.

Forward Outlook

Demand for disruption in healthcare is strong in all markets.

The cost of healthcare services has created enormous pressure on healthcare providers and consumers. Global Health's consumer platforms enable individuals to become actively involved with their own healthcare management. We see this as an area of significant growth as the "age of chronic disease" impacts on the delivery of healthcare services. The Company's involvement with Diabetes Victoria is a good example this. During the next year we expect this consumer involvement in the management of their own healthcare and chronic conditions to increase significantly.

Our website: https://www.global-health.com/ sets out the comprehensive range of innovative healthcare platforms we provide across the various segments of the healthcare sector.

Subject to market and general external factors, the Company is forecasting a return to profitability this financial year ending 30 June 2020.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Global Health Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

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

Steven Leigh Pynt - Non-executive Chairman
Mathew Cherian - Chief executive officer and managing director
Grant Smith - Non-executive director
Robert Knowles AO - Non-executive director
Pattie Anne Beerens - Non-executive director (resigned 22 November 2018)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:
- the development, sales and support of application software for the healthcare sector; and
- the development of systems integration software that enables data to be securely exchanged between multiple, disparate applications within an enterprise and across the healthcare value chain.

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,296,793 (30 June 2018: $1,860,399 as restated).

Commentary regarding the consolidated entity's operations for the financial year is contained in the "CEO Operations Report" preceding this Directors' Report.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The consolidated entity will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year.

Environmental regulation
As the operations of the consolidated entity are limited to computer software development and support and professional consulting services, the consolidated entity has minimal involvement in and exposure to environmental risks and issues. The consolidated entity is not required to comply with any specific significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Steven Leigh Pynt
Title:	Independent Non-Executive Chairman
Qualifications:	LLB, BBus, MBA, MTax
Experience and expertise:	He is a Director of the Perth legal firm, MP Commercial Lawyers, and his main area of practice is in commercial law including corporations' law, franchising and contracts. He was formerly a member of the Racing Penalties Appeals Tribunal and Chairman of the Commercial Tribunal of WA.
Other current directorships:	Ephraim Resources Limited (under Administration) Gondwana Resources Limited
Former directorships (last 3 years):	Richfield International Limited
Special responsibilities:	Chairman of the Board Member of Audit Committee
Interests in shares:	257,408
Interests in options:	200,000

Name:	Mathew Cherian
Title:	Chief Executive Officer
Qualifications:	BBus (IS/IT), MACS, MAICD
Experience and expertise:	Mr Cherian has been in the information technology industry since 1981. In 1985 he established Working Systems Pty Ltd in Perth, Western Australia. Mr Cherian was appointed CEO of Working Systems Solutions Limited in January 2002, to re-focus the Group as a software product developer for the Healthcare sector. The initial phase culminated with the re-branding of the Company as Global Health Limited in December 2007. Mr Cherian plays an active role in product strategy and the development of overseas markets for the Company.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Managing Director
Interests in shares:	18,619,370
Interests in options:	Nil

Name:	Grant Smith
Title:	Independent Non-Executive Director
Qualifications:	BComm, AAIM, ASIA
Experience and expertise:	Mr Smith has worked in insurance, superannuation, investment and funds management for over 40 years. He started with National Mutual (now AMP) in the investments division and was responsible for the establishment of the funds management business for National Mutual. In 1984 he established an independent funds management group and floated Hospitals of Australia - the first healthcare investment fund in Australia. Hospitals of Australia owned and operated a number of hospitals throughout Australia. Mr Smith was intimately involved in the building of a number of hospitals including Strathfield private, Southern Highlands Private Hospital, Port Macquarie Hospital and the refurbishment of a number of other healthcare facilities. Hospitals of Australia was ultimately acquired by Mayne Nickless Limited. In the past 15 years Mr Smith developed and built the Medica Centre and opened the first digital (paperless) private surgical hospital in Australia. He is currently involved in developing new hospitals in Melbourne. Mr Smith is also involved in utilising digital technology to generate increased productivity and efficiencies for the healthcare sector.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit Committee
Interests in shares:	300,000
Interests in options:	100,000

Name:	Robert Knowles AO
Title:	Independent Non-Executive Director
Qualifications:	MAICD
Experience and expertise:	Mr Knowles is a farmer and company director. He is a director of the Silver Chain Group of Companies, IPG Pty Ltd, Drinkwise Australia Ltd and Beyond Blue Ltd. He is Chair of the Royal Children's Hospital. Mr Knowles was Victorian Minister for Health from 1996 until 1999 and a member of the Victorian Legislative Council from 1976 to 1999. He has also served as Chairman of Food Standards Australia and New Zealand, as a Commissioner with the National Mental Health Commission, and as an Aged Care Complaints Commissioner.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	20,000
Interests in options:	100,000

Name:	Pattie Anne Beerens (resigned 22 November 2018)
Title:	Independent Non-Executive Director
Qualifications:	LLB, Bcom, GAICD
Experience and expertise:	Pattie Beerens has worked in the health care sector for over 20 years and as the CEO of two health sector industry associations for over 12 years. Ms Beerens' early career was as a commercial solicitor and then as Company Secretary and General Manager for McEwans Limited in 1991. Ms Beerens established and launched Australia's first health only pharmacy franchise in 1998 for Faulding Limited and, as General Manager for Mayne Group Limited, took the lead on pharmacy systems and government relations. In 2005, as Executive Director of the National Pharmaceutical Services Association, Ms Beerens led the establishment of the Community Service Obligation (a Federal Government initiative), which recognised the importance of timely patient access, to medicines across Australia. The CSO commenced in 2005 and continues today to support access to medicines in rural Australia. Ms Beerens has an ongoing role as CEO of the Australian Diagnostic Imaging Association.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	N/A - not a director at date of this report

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

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

Company secretary
Mr Sam Butcher
Sam Butcher [LLB(Hons), BEc] was appointed as company secretary with effect from 21 June 2018. Mr Butcher was previously company secretary of BHP Billiton Limited, Zinifex Limited and Bonlac Foods Limited.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Steven L. Pynt	6	6	4	4
Mathew Cherian	6	6	-	-
Grant Smith	6	6	4	4
Robert Knowles	5	6	-	-
Pattie Anne Beerens	1	1	-	-

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
Remuneration of Directors and key management personnel of the consolidated entity is established by the Board. Remuneration is determined as part of an annual performance review, having regard to market factors and a performance evaluation process. The remuneration framework is designed to align executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. For Directors and executives, remuneration packages generally comprise salary and superannuation. Executives are also provided with longer-term incentives through the employee share and share option schemes, which act to align the executive's actions with the interests of the shareholders. Non-Executive Directors are not entitled to performance-based bonuses.

The Board meets annually to review its own performance. The Chairman also holds individual discussions with each Director to discuss their performance. The Non-executive Directors are responsible for evaluating the performance of the Chief Executive Officer, who in turn evaluates the performance of all other senior executives.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Performance based remuneration
Performance based remuneration is evaluated based on specific criteria, including the Group's business performance and achievement of turnover and Net Profit After Tax (NPAT) targets, whether long-term strategic objectives are being achieved and the achievement of individual performance objectives.

Non-executive directors' remuneration
Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors’ fees and payments are reviewed annually by the Board to ensure all payments are appropriate and in line with the market.

The Chairman’s fees are determined independently to the fees of Non-Executive Directors based on comparative roles in similar sized companies and sectors in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

There were no remuneration consultants used during the year.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 24 November 2009, where the shareholders approved a maximum annual aggregate remuneration of $350,000. This amount may be divided among Non-Executive Directors in the manner determined by the Board from time to time.

Executive directors' remuneration
The Executive Directors’ salary and conditions are determined by the Board of Directors and reviewed at the expiry of each contract period.

Executive remuneration
Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive’s pay is competitive with the market. There are no guaranteed base pay increases included in any senior executive’s contract.

Consolidated entity performance and link to remuneration
The remuneration principles are tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance bonus based on KPIs, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. There is no formal remuneration policy linking remuneration and the consolidated entity's performance.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')
At the 22 November 2018 AGM, 76.42% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Global Health Limited:
- Mr S Pynt- Non-executive Chairman
- Mr M Cherian - Chief executive officer and managing director
- Mr G Smith - Non-executive director
- Mr R Knowles - Non-executive director
- Ms P Beerens - Non-executive director (resigned 22 November 2018)

And the following personnel:
- Mr D Groenveld
- Mr K Jayesuria

2019	Short-term benefits: Cash salary and fees $	Short-term benefits: Annual leave accrued $	Short-term benefits: Allowances $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave accrued $	Share-based payments: Equity-Settled*** $	Total $
Non-Executive Directors:							
Mr S L Pynt	41,284	-	-	3,922	-	2,630	47,836
Mr G Smith	35,340	-	-	3,357	-	1,315	40,012
Mr R Knowles	35,140	-	-	3,357	-	1,315	39,812
Ms P Beerens*	10,775	-	-	1,024	-	-	11,799
Executive Director:							
Mr M Cherian**	221,776	19,337	24,000	22,044	4,190	-	291,347
Other Key Management Personnel:							
Mr D Groenveld	164,383	12,645	-	15,616	2,740	8,249	203,633
Mr K Jayesuria	153,671	12,645	-	15,550	2,740	8,249	192,855
	662,369	44,627	24,000	64,870	9,670	21,758	827,294

* Resigned 22 November 2018
** Allowance comprises $24,000 car allowance
*** Share based payments included above are in relation to the recognition of the expense relating to share options issued in previous years to directors and KMP.

2018	Short-term benefits: Cash salary and fees $	Short-term benefits: Annual leave accrued $	Short-term benefits: Allowances $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave accrued $	Share-based payments: Equity settled* $	Total $
Non-Executive Directors:							
Mr S L Pynt	51,605	-	-	4,902	-	7,868	64,375
Mr G Smith	32,036	-	-	3,043	-	3,934	39,013
Mr R Knowles	35,240	-	-	3,347	-	3,934	42,521
Ms P Beerens	35,160	-	-	3,340	-	-	38,500
Executive Director:							
Mr M Cherian	212,534	-	-	53,027	4,190	-	269,751
Other Key Management Personnel:							
Mr D Groenveld	164,383	-	-	15,616	2,740	15,819	198,558
Mr K Jayesuria	134,288	-	-	24,587	2,435	15,819	177,129
	665,246	-	-	107,862	9,365	47,374	829,847

* Share based payments included above are in relation to the recognition of the expense relating to share options issued in previous years to directors and KMP.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
Mr S L Pynt	95%	88%	-	-	5%	12%
Mr G Smith	97%	90%	-	-	3%	10%
Mr R Knowles	97%	91%	-	-	3%	9%
MS P Beerens	100%	100%	-	-	-	-
Executive Directors:						
Mr M Cherian	100%	100%	-	-	-	-
Other Key Management Personnel:						
Mr D Groenveld	96%	92%	-	-	4%	8%
Mr K Jayesuria	96%	91%	-	-	4%	9%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. It is Company policy that employment contracts contain provisions for termination with notice or payment in lieu of notice, and for termination by the Company without notice for serious misconduct or breach of contract. The Managing Director is entitled to receive a termination payment in addition to notice where the Company terminates employment on grounds of illness or incapacity. The notice period required to be given by the employee or the Company along with any termination payments are set out below.

Name:	Mr M Cherian
Title:	Managing Director
Term of agreement:	No fixed term
Details:	Notice period to be provided by Company: 6 months. Notice period to be provided by employee: 6 months. Termination payment: 6 months (if termination is by reason of the employee's illness or incapacity).

Name:	Mr D Groenveld
Title:	Principal Architect
Term of agreement:	No fixed term
Details:	Notice period to be provided by Company: 1 month. Notice period to be provided by employee: 1 month. Termination payment: none.

Name:	Mr K Jayesuria
Title:	Chief Operating Officer
Term of agreement:	No fixed term
Details:	Notice period to be provided by Company: 1 month. Notice period to be provided by employee: 1 month. Termination payment: none.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
19 Dec 2016	01 Dec 2018	30 Nov 2019	$0.75	$0.078
19 Dec 2016	01 Dec 2018	30 Nov 2021	$0.75	$0.127

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Number of options granted during the year 2019	Number of options granted during the year 2018	Number of options vested during the year 2019	Number of options vested during the year 2018
Mr S L Pynt	-	-	66,667	66,666
Mr G Smith	-	-	33,337	33,326
Mr R Knowles	-	-	33,337	33,326
Mr D Groenveld	-	-	60,000	60,000
Mr K Jayesuria	-	-	60,000	60,000
Mr M Cherian	-	-	-	-
Ms P Beerens	-	-	-	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the Year* %
Mr S L Pynt	-	-	-	5%
Mr G Smith	-	-	-	3%
Mr R Knowles	-	-	-	3%
Mr D Groenveld	-	-	-	4%
Mr K Jayesuria	-	-	72,000	4%
Mr M Cherian	-	-	-	-
Ms P Beerens	-	-	-	-

* Share based payments included above are in relation to the recognition of the expense relating to share options issued in previous years to directors and KMP. No share options were granted or exercised in the year.

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted $	Value of options vested $	Number of options lapsed	Value of options lapsed $
Mr S L Pynt	19 Dec 2016	01-Dec-18	-	-	5,260	-	-
Mr G Smith	19 Dec 2016	01-Dec-18	-	-	2,630	-	-
Mr R Knowles	19 Dec 2016	01-Dec-18	-	-	2,630	-	-
Mr D Groenveld	19 Dec 2016	01-Dec-18	-	-	7,614	-	-
Mr K Jayesuria	19 Dec 2016	01-Dec-18	-	-	7,614	300,000	72,000
Mr M Cherian			-	-	-	-	-
Ms P Beerens			-	-	-	-	-

Additional information
The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019 $	2018 (restated) $	2017 $	2016 $	2015 $
Sales revenue	5,475,024	5,157,539	4,607,570	4,493,297	3,954,336
Profit/(loss) after income tax	(1,296,793)	(1,860,399)	1,728,045	107,945	1,059,907

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2019	2018	2017	2016	2015
Share price at financial year end ($)	0.14	0.20	0.32	0.42	0.37

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other*	Balance at the end of the year
Ordinary shares					
Mr M Cherian	18,619,370	-	-	-	18,619,370
Mr S L Pynt	257,408	-	-	-	257,408
Mr G Smith	300,000	-	-	-	300,000
Mr R Knowles	20,000	-	-	-	20,000
Ms P Beerens	22,000	-	-	(22,000)	-
Mr D Groenveld	304,000	-	-	-	304,000
Mr K Jayesuria	4,000	-	-	-	4,000
	19,526,778	-	-	(22,000)	19,504,778

* Holdings as at date of cessation as a member of key management personnel.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr M Cherian*	150,000	-	-	-	150,000
Mr S L Pynt	200,000	-	-	-	200,000
Mr G Smith	100,000	-	-	-	100,000
Mr R Knowles	100,000	-	-	-	100,000
Mr D Groenveld	300,000	-	-	-	300,000
Mr K Jayesuria**	600,000	-	-	(300,000)	300,000
Ms P Beerens	-	-	-	-	-
	1,450,000	-	-	(300,000)	1,150,000

* Options held by a close family member, Kye Cherian.
** Options expired unexercised in year ended 30 June 2019

	Vested and exercisable	Vested and unexercisable	Unvested	Balance at the end of the year
Options over ordinary shares				
Mr S L Pynt	133,333	-	66,667	200,000
Mr G Smith	66,667	-	33,333	100,000
Mr R Knowles	66,667	-	33,333	100,000
Mr D Groenveld	120,000	-	180,000	300,000
Mr K Jayesuria	120,000	-	180,000	300,000
Mr M Cherian	-	-	-	-
Ms P Beerens	-	-	-	-
	506,667	-	493,333	1,000,000

Loans to key management personnel and their related parties
At the end of the reporting period, a loan of $8,323 (2018: $24,491) was outstanding from D Groenveld on which interest of $974 (2018: $1,772) had been charged during the year. There were no loans advanced to key management personnel during the year.

Amount payable to key management personnel and their related parties
At the end of the reporting period, Wages arrears totalling $75,390 (2018: $61,794) were payable to the Managing Director, Mathew Cherian. This amount payable is interest-free and unsecured.

Other transactions with key management personnel and their related parties
There were no other transactions conducted between the consolidated entity and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm’s length dealings with unrelated persons.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Global Health Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
10-Jun-16	10-Jun-20	$0.65	310,000
19-Dec-16	30-Nov-19	$0.75	400,000
19-Dec-16	30-Nov-21	$0.75	600,000
			1,310,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Global Health Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
During or since the end of the financial year, the company has not, in any respect for any person who is or has been an officer or director of the parent entity or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

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

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Grant Thornton Audit Pty Ltd
There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Steven Leigh Pynt
Non-Executive Chairman

30 September 2019

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Auditor's Independence Declaration

To the Directors of Global Health Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Global Health Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 30 September 2019

Global Health Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $	2018 Restated $
Revenue			
Software subscriptions	6	3,576,531	3,526,865
Professional services	6	1,712,194	1,408,076
Other sales revenue	6	186,299	222,598
		5,475,024	5,157,539
Other income	7	49,754	16,969
Expenses	8		
Salaries and related costs		(3,623,652)	(3,708,856)
Third party product and service costs		(1,428,294)	(1,310,185)
General and administration costs		(272,593)	(248,849)
Impairment of receivables		(77,338)	-
Marketing expenses		(87,607)	(50,052)
Professional fees		(183,558)	(272,958)
Rent and occupancy expenses		(158,645)	(225,303)
Telephone and internet expenses		(134,049)	(102,684)
Travel expenses		(169,269)	(190,439)
Earnings before interest, tax, depreciation and amortisation		(610,227)	(934,818)
Finance costs		(137,692)	(110,060)
Depreciation		(32,850)	(63,624)
Amortisation		(190,329)	(132,778)
Non-operating foreign exchange gains/(losses)		(632)	(166)
Loss before income tax expense		(971,730)	(1,241,446)
Income tax expense	9	(325,063)	(618,953)
Loss after income tax expense for the year attributable to the owners of Global Health Limited	26	(1,296,793)	(1,860,399)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Global Health Limited		(1,296,793)	(1,860,399)
		Cents	**Cents**
Basic earnings/(loss) per share	39	(3.86)	(5.56)
Diluted earnings/(loss) per share	39	(3.86)	(5.56)

Refer to note 4 for detailed information on restatement of comparatives.

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

Global Health Limited
Statement of financial position
As at 30 June 2019

	Note	2019 $	Consolidated 2018 Restated $	2017 Restated $
Assets				
Current assets				
Cash and cash equivalents	10	803,990	1,157,536	2,543,412
Trade and other receivables	11	436,125	619,137	1,476,959
Other assets	12	61,716	79,287	185,969
Total current assets		1,301,831	1,855,960	4,206,340
Non-current assets				
Receivables		-	-	140,911
Property, plant and equipment	13	54,844	87,694	150,738
Intangibles	14	4,089,825	4,110,178	2,630,767
Deferred tax	15	334,665	723,539	710,976
Security bond - office lease		113,490	108,465	-
Total non-current assets		4,592,824	5,029,876	3,633,392
Total assets		5,894,655	6,885,836	7,839,732
Liabilities				
Current liabilities				
Trade and other payables	16	1,786,261	1,259,217	1,079,282
Contract liabilities	17	1,621,494	1,222,627	1,844,217
Borrowings	18	559,983	515,657	389,880
Employee benefits	19	591,322	574,201	506,469
Total current liabilities		4,559,060	3,571,702	3,819,848
Non-current liabilities				
Contract liabilities	20	280,406	381,396	46,128
Borrowings	21	605,658	1,170,513	1,078,880
Deferred tax	22	1,141,160	1,257,785	626,269
Employee benefits	23	33,588	17,121	30,764
Total non-current liabilities		2,060,812	2,826,815	1,782,041
Total liabilities		6,619,872	6,398,517	5,601,889
Net assets/(liabilities)		(725,217)	487,319	2,237,843
Equity				
Issued capital	24	20,961,242	20,898,742	20,836,242
Reserves	25	174,211	152,454	105,079
Accumulated losses	26	(21,860,746)	(20,563,953)	(18,703,554)
Equity/(deficiency) attributable to the owners of Global Health Limited		(725,293)	487,243	2,237,767
Non-controlling interest	27	76	76	76
Total equity/(deficiency)		(725,217)	487,319	2,237,843

Refer to note 4 for detailed information on restatement of comparatives.

Global Health Limited
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	**Issued capital $**	**Option reserve $**	**Currency translation reserve $**	**Retained earnings $**	**Non-controlling interest $**	**Total equity $**
Balance at 1 July 2017	20,836,242	80,845	24,234	(16,079,686)	76	4,861,711
Adjustment due to prior period error	-	-	-	(2,356,988)	-	(2,356,988)
Adjustment due to adoption of AASB 15	-	-	-	(266,880)	-	(266,880)
Balance at 1 July 2017 - restated	20,836,242	80,845	24,234	(18,703,554)	76	2,237,843
Loss after income tax expense for the year (originally reported)	-	-	-	(421,234)	-	(421,234)
Less: adjustment for correction of prior period error	-	-	-	(1,226,032)	-	(1,226,032)
Less: adjustment for adoption of new revenue recognition standard	-	-	-	(213,133)	-	(213,133)
Reported loss after income tax expense for the year - restated	-	-	-	(1,860,399)	-	(1,860,399)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,860,399)	-	(1,860,399)
Transactions with owners in their capacity as owners:						
Share issue, net of transaction costs (note 24)	62,500	-	-	-	-	62,500
Share-based payments (note 40)	-	47,375	-	-	-	47,375
Balance at 30 June 2018	20,898,742	128,220	24,234	(20,563,953)	76	487,319

Refer to note 4 for detailed information on restatement of comparatives.

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

Global Health Limited
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	**Issued capital $**	**Option reserve $**	**Currency translation reserve $**	**Retained earnings $**	**Non-controlling interest $**	**Total deficiency in equity $**
Balance at 1 July 2018	20,898,742	128,220	24,234	(20,563,953)	76	487,319
Loss after income tax expense for the year	-	-	-	(1,296,793)	-	(1,296,793)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,296,793)	-	(1,296,793)
Transactions with owners in their capacity as owners:						
Share issue, net of transaction costs (note 24)	62,500	-	-	-	-	62,500
Share-based payments (note 40)	-	21,757	-	-	-	21,757
Balance at 30 June 2019	20,961,242	149,977	24,234	(21,860,746)	76	(725,217)

Refer to note 4 for detailed information on restatement of comparatives.

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

Global Health Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 $	2018 Restated $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,486,437	5,080,045
Payments to suppliers (inclusive of GST)		(6,018,929)	(5,232,719)
		467,508	(152,674)
Interest received		7,142	16,969
Interest and other finance costs paid		(131,418)	(110,060)
Net cash from/(used in) operating activities	38	343,232	(245,765)
Cash flows from investing activities			
Payments for property, plant and equipment	13	-	(580)
Payments for intangibles	14	(959,880)	(1,848,829)
Receipts from Research and Development Grants		789,905	491,888
Net cash used in investing activities		(169,975)	(1,357,521)
Cash flows from financing activities			
Proceeds from borrowings		-	602,807
Repayment of borrowings		(526,803)	(385,397)
Net cash from/(used in) financing activities		(526,803)	217,410
Net decrease in cash and cash equivalents		(353,546)	(1,385,876)
Cash and cash equivalents at the beginning of the financial year		1,157,536	2,543,412
Cash and cash equivalents at the end of the financial year	10	803,990	1,157,536

Refer to note 4 for detailed information on restatement of comparatives.

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

Note 1. General information

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

Global Health Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 2, 607 Bourke Street Melbourne, Victoria 3000 Australia	Level 2, 607 Bourke Street Melbourne, Victoria 3000 Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Refer below regarding the impact on the financial performance and position of the consolidated entity arising from the adoption of these Accounting Standards and Interpretations.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

When adopting AASB 9, the consolidated entity has applied transitional relief and elected not to restate prior periods. There were no material differences arising from the adoption of AASB 9 in relation to classification, measurement or impairment that were required to be recognised in opening retained earnings as at 1 July 2018.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 July 2018. AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The consolidated entity has applied AASB 15 using the full retrospective approach. The details and quantitative impact of the changes in accounting policies are disclosed in Note 4.

Many of the consolidated entity’s contracts comprise a variety of performance obligations including, but not limited to, hardware, software, elements of design and customisation, after-sales services, and installation. Under AASB 15, the consolidated entity must evaluate the separability of the promised goods or services based on whether they are ‘distinct’. A promised good or service is ‘distinct’ if both:
- the customer benefits from the item either on its own or together with other readily available resources; and
- it is ‘separately identifiable’ (i.e. the consolidated entity does not provide a significant service integrating, modifying or customising it).

Under AASB 15, amounts relating to unrecognised revenues invoiced but not yet received have not been included in the balance sheet, resulting in a reduction to contract liabilities and trade receivables.

Going concern
As at 30 June 2019 the company has cash reserves of $803,990 (2018: $1,157,536) and an apparent excess of current liabilities over current assets of $3,257,229 (2018: $1,715,742, following restatement). However, the current liabilities as at 30 June 2019 contain Contract liability accounts, which represent the results of accounting adjustments and do not represent amounts currently payable, or expected to become payable, to third parties. If these liability accounts are removed from the calculation of the excess of current liabilities over current assets at 30 June 2019, the excess of current liabilities over current assets at that date is reduced to $1,635,735 (2018: excess of current liabilities over current assets of $493,115).

The current year loss before tax was $971,730 (2018:$1,241,446, following restatement).

The annual financial report has been prepared on a going concern basis which assumes that the consolidated entity will be able to meet their debts as and when they fall due. The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation in the financial statements:

(a) Success in continued operations
In the current financial year, the consolidated entity was successful in obtaining contracts with Government agencies and large community health organisations. This is expected to increase cashflows related to the operations of the entity. Management also have the ability to reduce operating costs in relation to development should the need arise. Increases in expected collections with the ability to reduce operating costs in relation to development will allow the group to increase its operating cash flows.

(b) Expansion into the ASEAN region
The consolidated entity continues its activities in the ASEAN region (Malaysia, Singapore, Indonesia, Thailand, and Vietnam). Management expect to leverage this position to increase operating cashflows through the sale of software and services targeted towards international markets. This includes sales of new software developed by the company.

(c) Availability of Finance
The consolidated entity, through its financial institutions, is able to acquire additional financial support if so required. The directors believe that the consolidated entity will be able to continue as a going concern and, accordingly, the financial statements have been prepared on that basis.

Note 2. Significant accounting policies (continued)

(d) Ability to raise capital
As the Company is an ASX-listed entity, the consolidated entity has the ability to raise additional funds by way of capital raising(s) if required.

(e) Deferral of creditor payments
The consolidated entity has reviewed current outstanding accounts payable balances and has determined that large balances can be gradually paid through payment plans with negotiations with our suppliers.

There is a material uncertainty related to these events that may cast significant doubt on the entity's ability to continue as a going concern. If the consolidated entity is not successful in these matters, the going concern basis may not be appropriate, with the result that the consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The financial statements have been prepared on a going concern basis as the directors believe that the consolidated entity will be able to pay its debts as and when they fall due and payable.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Global Health Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Global Health Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Significant accounting policies (continued)

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

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Global Health Limited's functional and presentation currency.

Foreign currency transactions

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

Foreign operations

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

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration, if applicable, and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue is recognised either at a point in time or over time, when (or as) the consolidated entity satisfies performance obligations by transferring the promised goods or services to its customers. The performance obligations are determined by reference to the relevant contracts. Any stand-alone selling prices are determined based on the commercial values of the relevant goods or services.

The consolidated entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the consolidated entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Note 2. Significant accounting policies (continued)

Subscription fees
Subscription fees refer to software provided as a service and is only accessible whilst the customer maintains an active subscription. Subscription fees are a non-refundable revenue stream. Clients subscribe to software services in advance – ranging from monthly, quarterly, half-yearly to annual payments. They are proportionally accrued in arrears, at the end of each month and recognised as revenue over the subscription period. An active subscription entitles the customer to a usage of software services (and cloud based services if available), help desk telephone support, online support and product enhancements as made available.

The performance obligations for subscription fees is the provision of the agreed software, and associated services as noted above, during the contracted subscription period.

For each active subscription contract, subscription fees revenue is recognised over time, on the provision of the service to the customer, which takes place on a constant and continuing basis over the fixed period of time set out in the customer contract.

Where a subscription fee includes an amount in excess of what normally would be charged for an annual subscription, this excess will be recognised over the expected lifespan of the client being five years.

In situations where a subscription is issued to a customer which does not include ongoing support/maintenance this will be classified as a “passive subscription” and the consolidated entity shall recognise all revenue associated with the subscription when access is provided to the customer. Such subscriptions require no further input from the consolidated entity to remain functional. Customers are made aware of these terms before the subscription is issued.

Other subscription revenue
Other subscription revenue can include, but is not limited to, excess usage fees, additional user accounts, SMS packages and upgrade fees.

Such revenue is recognised over time, on the provision of the service to the customer, which takes place over the fixed period of time set out in the customer contract.

Professional services
Treatment of our professional services revenue is dependent on the timing of services provided, the nature of services performed and when benefits are transferred to our customers.

Professional services are split into three distinct categories to allow for identification and recognition:

Implementation: These services are associated with bringing the software into use. Such services are not considered to be complex or overly time consuming and where applicable can be performed by a third party. Recognition or the revenue occurs at a point in time, being the delivery of the service to the customer. These services can included (but are not limited to): Software installation, usage training, system testing, deployment (local or cloud server) and configuration.

Development: Software provided to clients is done so in a ready to use capacity. Where further development and enhancement is required by the customer, it is done in addition to normal initiation and deployment services. The standard software is available for use during this process and enhancements are provided to the customer as they finish development. Recognition of revenue for these services occurs at a point in time which is the provision of performance obligation(s) which provide a benefit to the customer over what they would have received should they have used the unmodified software.

Other services: Other services are performed for customers on an as needs basis. The scope of such services is usually significantly smaller than other services performed. Recognition of revenue for such services is recognised at a point in time, being the time of completion of the services required by the customer.

Where a professional services contract includes payments not associated with a benefit to the client or fees payable to the consolidated entity not related to any performance obligation the revenue is recognised over the longer of the life of the contract or five years.

Note 2. Significant accounting policies (continued)

Interest
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

Government Grants
Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Grants relating to capitalised expenditure are recognised as offsets reducing the capitalised development costs to which they relate. Grants relating to expense items are recognised as income on the date of receipt of the grant.

The Government has the right to review grants paid and may clawback funds in the event of an excess claim.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

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

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

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

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

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

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

The consolidated entity makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 through profit or loss.

Financial Instruments
Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, any other financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets are to be classified into the following categories upon initial recognition:
• financial assets at amortised cost;
• if applicable, financial assets at fair value through profit or loss (FVPL).

Classifications are determined by both:
• The entity's business model for managing the financial asset
• The contractual cash flow characteristics of the financial assets

Note 2. Significant accounting policies (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):
• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The consolidated entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets
For trade and other receivables, the lifetime expected credit loss method is used to measure expected credit losses and an allowance for expected credit losses is recorded as required.

Classification and measurement of financial liabilities
The Consolidated entity's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where and to the extent applicable, adjusted for transaction costs unless the consolidated entity designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and if applicable charges in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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

Plant and equipment, leasehold improvements and furniture and fittings of the consolidated entity are depreciated/amortised on a diminishing value basis. Rates of depreciation/amortisation are calculated to allocate the cost, less estimated residual value at the end of the useful lives of the assets.

The depreciation/amortisation rates used for each class of depreciable assets are:

Leasehold improvements	29 - 37%
Plant and equipment	13 - 67%

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Note 2. Significant accounting policies (continued)

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets
Developed products
Developed products are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Developed products have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is 10 years.

Products under development
Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred. The carrying value of products under development are reviewed annually when the asset is not yet available for use, or when events or circumstances indicate that the carrying value may be impaired. On commercialisation of these products which is represented by when the asset is available for use, the capitalised costs relating to the project is transferred to Developed products.

Impairment of non-financial assets
Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 2. Significant accounting policies (continued)

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. On-costs are included in this amount.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. On-costs are included in this amount.

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

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Note 2. Significant accounting policies (continued)

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

At each reporting date, the entity revises its estimate of the number of options that is expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

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

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.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the net profit or loss attributable to the owners of Global Health Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019. The directors expect that AASB 16 will be adopted by the consolidated entity by applying the modified retrospective method, measuring the right-of-use asset at an amount equal to the lease liability. Accordingly, the adoption of AASB 16 will result in lease assets and liabilities being recognised on balance sheet and a change in how related expenses are incurred. It is expected that:
- total property leases of approximately $440,000 will be recognised on the balance sheet as right-of-use assets and lease liabilities;
- during the year commencing 1 July 2019, annual rental payments of approximately $229,000 will be reclassified from occupancy costs to interest expense (approximately $19,000) and liability payments (approximately $210,000); and
- during the year commencing 1 July 2019, right-of-use asset depreciation expense of approximately $220,000 will be recorded.

Note 3. Critical accounting judgements, estimates and assumptions

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

Impairment - intangible assets
The consolidated entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. Impairment tests are carried out on intangibles, receivables and subsidiaries.

With respect to cash flow projections in Australia and overseas, modest growth rates have been factored into valuation models for the next five years on the basis of management’s expectations around the consolidated entity’s continued ability to capture market share from competitors.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Provisions for expected credit losses
The consolidated entity uses a provision matrix to calculate the expected credit loss (ECL) for trade receivables. The provision rates are based on days past due for groupings of carious customer segments that have similar loss patterns.

The provision matrix is initially based on the consolidated entity's historical observed default rates. Additionally, the consolidated entity adjusts the historical credit loss experience with forward-looking information.

The amount of the ECL recognized is sensitive to changes in circumstances and of forecast economic conditions. The consolidated entity's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Capitalisation of development costs
Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Note 4. Restatement of comparatives

Correction of prior period error
During the year ended 30 June 2019 there was discovered to be an error in the recognition of research and development incentives received in prior financial statements where they had been incorrectly recognised as other income instead of being offset against the capitalised development costs to which they related. The impact of the restatement is noted below. This also resulted in adjustments related to the consolidated entity's deferred tax position related to these balances. The treatment of receipts from research and development grants in the cash flow has been amended to cash flows from investing activities respectively.

Change in accounting policy
As noted in Note 2, the consolidated entity has adopted AASB 15 *Revenue from Contracts with Customers*, with effect from 1 July 2018, using the full retrospective approach.

Accordingly, the resulting change to the consolidated entity's revenue policy has led to a restatement of prior period financial statements of the consolidated entity. This has affected subscription revenues revenue streams. The impacts of the change in accounting policy is set out below.

Amounts where which previously disclosed as deferred revenue are now referred to as "contract liability" under AASB 15.

Under AASB 15, amounts relating to unrecognised revenues invoiced but not yet received have not been included in the balance sheet, resulting in a reduction to contract liabilities and trade receivables.

Reclassification
Some expense items shown on the Statement of profit and loss and other comprehensive income have been reclassified to different expense descriptions in the current year, compared to the prior year. Where this reclassification has taken place, the prior year comparative amounts in the Statement of profit and loss and other comprehensive income have been reclassified accordingly.

Note 4. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

Extract	2018 $ Reported	$ Correction of prior period error	Consolidated $ Change in revenue recognition policy	$ Total restatements	2018 $ Restated
Revenue					
Maintenance contracts	2,613,225	-	(304,476)	(304,476)	2,308,749
Other income	682,352	(491,888)	-	(491,888)	190,464
Loss before income tax benefit	(445,082)	(491,888)	(304,476)	(796,364)	(1,241,446)
Income tax benefit/(expense)	23,848	(734,144)	91,343	(642,801)	(618,953)
Loss after income tax benefit for the year attributable to the owners of Global Health Limited	(421,234)	(1,226,032)	(213,133)	(1,439,165)	(1,860,399)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year attributable to the owners of Global Health Limited	(421,234)	(1,226,032)	(213,133)	(1,439,165)	(1,860,399)

	Cents Reported	Cents Adjustment	Cents Adjustment	Cents Adjustment	Cents Restated
Basic earnings/(loss) per share	(1.26)	(3.67)	(0.64)	(4.30)	(5.56)
Diluted earnings/(loss) per share	(1.26)	(3.67)	(0.64)	(4.30)	(5.56)

Note 4. Restatement of comparatives (continued)

Amount of restatement of statement of financial position at beginning of the earliest comparative period

	Consolidated				
	1 July 2017				1 July 2017
	$	$	$	$	$
Extract	**Reported**	**Correction of prior period error**	**Change in revenue recognition policy**	**Total restatements**	**Restated**
Assets					
Current assets					
Other receivables	344,139	(344,139)	-	(344,139)	-
Current tax asset	481,842	(481,842)	-	(481,842)	-
Non-current assets					
Intangibles	4,817,920	(2,187,153)	-	(2,187,153)	2,630,767
Deferred tax asset	596,599	-	114,377	114,377	710,976
Total assets	10,738,489	(3,013,134)	114,377	(2,898,757)	7,839,732
Liabilities					
Current liabilities					
Contract liabilities	1,462,960	-	381,257	381,257	1,844,217
Non-current liabilities					
Deferred tax liability	1,282,415	(656,146)	-	(656,146)	626,269
Total liabilities	5,876,778	(656,146)	381,257	(274,889)	5,601,889
Net assets	4,861,711	(2,356,988)	(266,880)	(2,623,868)	2,237,843
Equity					
Accumulated losses	(16,079,686)	(2,356,988)	(266,880)	(2,623,868)	(18,703,554)
Total equity	4,861,711	(2,356,988)	(266,880)	(2,623,868)	2,237,843

Note 4. Restatement of comparatives (continued)

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

	Consolidated				
	2018				2018
	$	$	$	$	$
Extract	**Reported**	**Correction of prior period error**	**Change in revenue recognition policy**	**Total restatements**	**Restated**
Assets					
Current assets					
Trade and other receivables	2,262,567	(1,134,044)	(509,386)	(1,643,430)	619,137
Current tax asset	805,136	(805,136)	-	(805,136)	-
Total current assets	4,304,526	(1,939,180)	(509,386)	(2,448,566)	1,885,960
Non-current assets					
Intangibles	6,533,971	(2,423,793)	-	(2,423,793)	4,110,178
Deferred tax asset	517,819	-	205,720	205,720	723,539
Total non-current assets	7,247,949	(2,423,793)	205,720	(2,218,073)	5,029,876
Total assets	11,552,475	(4,362,973)	(303,666)	(4,666,639)	6,885,836
Liabilities					
Current liabilities					
Trade and other payables	1,312,032	(52,815)	-	(52,815)	1,259,217
Contract liabilities	1,427,676	-	(205,049)	(205,049)	1,222,627
Total current liabilities	3,829,566	(52,815)	(205,049)	(257,049)	3,571,702
Non-current liabilities					
Contract liabilities	-	-	381,396	381,396	381,396
Deferred tax liability	1,984,923	(727,138)	-	(727,138)	1,257,785
Total non-current liabilities	3,172,557	(727,138)	381,396	(345,742)	2,826,815
Total liabilities	7,002,123	(779,953)	176,347	(603,606)	6,398,517
Net assets	4,550,352	(3,583,020)	(480,013)	(4,063,033)	487,319
Equity					
Accumulated losses	(16,500,920)	(3,583,020)	(480,013)	(4,063,033)	(20,563,953)
Total equity	4,550,352	(3,583,020)	(480,013)	(4,063,033)	487,319

Note 5. Operating segments

Identification of reportable operating segments
The consolidated entity operates in a single segment, being the computer technology, software and services industry with particular emphasis on healthcare and associated professional services. The consolidated entity has identified its operating segment(s) based on the internal reports that are reviewed and used by the executive management team ('the chief operating decision maker' or 'CODM') in assessing performance and in determining the allocation of resources.

During the current financial year, the consolidated entity and the CODM reassessed its operating segment identification and reporting and determined that, in light of developments in the consolidated entity's products and services, and the delivery of these products and services to its customer base, that it now regarded itself as operating in only one segment, as set out above, rather than the additional segments as previously reported. In addition, during the current year, the consolidated entity did not conduct material activities outside the Australian geographic area.

Accordingly, the consolidated entity has not provided separate segment reporting for the current financial year, however it discloses below comparative segment information for the previous financial year, restated to reflect the adjustments referred to in Note 4, Restatement of comparatives.

In the previous financial year, the CODM reviewed EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM were consistent with those adopted in the financial statements.

Intersegment transactions
There were no intersegment transactions.

Major customers
During the year ended 30 June 2019 $689,735 (approximately 10.5%) of the consolidated entity's external revenue was derived from sales to a single customer.(2018: $1,164,805 (approximately 17.5%), but to a different customer than 2019).

Operating segment information

Consolidated - 2018 Restated	Acute $	Non-acute $	Other $	Corporate $	Total $
Revenue					
Sales to external customers	1,046,145	4,036,752	74,642	-	5,157,539
Total revenue	1,046,145	4,036,752	74,642	-	5,157,539
EBITDA	200,204	1,616,347	(23,795)	(2,744,543)	(951,787)
Depreciation	(8,687)	(24,855)	(1,011)	(29,071)	(63,624)
Amortisation	(24,686)	(95,117)	(12,975)	-	(132,778)
Interest revenue	-	-	-	16,969	16,969
Finance costs	-	-	-	(110,060)	(110,060)
Non-operating foreign exchange loss	-	-	-	(166)	(166)
Profit/(loss) before income tax expense	166,831	1,496,375	(37,781)	(2,866,871)	(1,241,446)
Income tax expense					(618,953)
Loss after income tax expense					(1,860,399)
Assets					
Segment assets	1,400,652	4,955,642	529,542	-	6,885,836
Total assets					6,885,836
Liabilities					
Segment liabilities	1,186,146	4,580,909	631,462	-	6,398,517
Total liabilities					6,398,517

Note 5. Operating segments (continued)

Geographical information

	Sales to external customers 2018 Restated $	Geographical non-current assets 2018 Restated $
Australia	5,142,539	4,306,337
International	15,000	-
	5,157,539	4,306,337

Geographical information for the current financial year is not included as there were no material sales or non-current assets outside Australia.

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

Note 6. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2019 $	2018 Restated $
Major product lines		
Subscription fees - Active subscription	3,549,531	3,525,450
Subscription fees - Point in time subscription	27,000	1,415
Other Product Revenue	186,299	222,598
Professional Services - Implementation	697,080	402,145
Professional Services - Development	668,765	578,065
Professional Services - Other Services	346,349	427,866
	5,475,024	5,157,539
Geographical regions		
Australia	5,467,437	5,142,539
Other	7,587	15,000
	5,475,024	5,157,539
Timing of revenue recognition		
- Point in time	1,924,838	1,614,683
- Over time	3,550,186	3,542,856
	5,475,024	5,157,539

Note 7. Other income

	Consolidated 2019 $	Consolidated 2018 $
Interest income	12,167	16,969
Other income	37,587	-
Other income	49,754	16,969

Note 8. Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax includes the following specific expenses:		
Rental expense relating to operating leases		
Minimum lease payments	139,805	154,693
Superannuation expense		
Defined contribution superannuation expense	289,308	343,941
Share-based payments expense		
Share-based payments expense	21,757	47,375
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation net of capitalised development costs	3,334,344	3,364,915

Note 9. Income tax expense

	Consolidated 2019 $	Consolidated 2018 Restated $
Income tax expense		
Current tax	52,814	-
Deferred tax - origination and reversal of temporary differences	272,249	618,953
Aggregate income tax expense	325,063	618,953
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (note 15)	388,874	(12,563)
Increase/(decrease) in deferred tax liabilities (note 22)	(116,625)	631,516
Deferred tax - origination and reversal of temporary differences	272,249	618,953
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(971,730)	(1,241,446)
Tax at the statutory tax rate of 27.5%	(267,226)	(341,398)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other expenses (non-deductible)	52,340	98,795
Entertainment (non-deductible)	9,278	2,185
Legal expenses (non-deductible)	-	2,829
Other deductible expenses	(90,551)	-
Tax losses not recognised as a deferred tax asset	321,632	122,398
Derecognition of previously recognised tax losses	299,590	-
Prior period error (corrected)	-	734,144
	325,063	618,953
Refundable tax offsets	-	-
Income tax expense	325,063	618,953

	Consolidated 2019 $	Consolidated 2018 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	2,626,184	2,304,552
Potential tax benefit @ 27.5%	722,201	633,752

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 10. Current assets - cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash at bank	399,814	657,289
Cash on deposit	404,176	500,247
	803,990	1,157,536

Note 11. Current assets - trade and other receivables

	Consolidated 2019 $	Consolidated 2018 Restated $
Trade receivables	534,701	619,137
Less: Loss allowance	(106,899)	(29,560)
	427,802	589,577
Other receivables	8,323	29,560
	436,125	619,137

Loss allowance
The consolidated entity has recognised a loss of $77,339 (2018: $Nil) in profit or loss in respect of loss allowance for the year ended 30 June 2019.

The ageing of the receivables and loss allowance provided for above are as follows:

Consolidated	Expected credit loss rate 2019 %	Carrying amount 2019 $	Allowance for expected credit losses 2019 $
Within maturity (0-30 days)	5.03%	209,052	10,515
31-60 days	66.89%	15,776	10,553
61-90 days	0.21%	23,920	50
90-120 days	2.64%	66,444	1,754
> 120 days	38.28%	219,509	84,027
		534,701	106,899

Movements in the loss allowance are as follows:

	Consolidated 2019 $	Consolidated 2018 $
Opening balance	29,560	29,560
Additional provisions recognised	77,339	-
Closing balance	106,899	29,560

Note 12. Current assets - other assets

	Consolidated 2019 $	Consolidated 2018 $
Prepayments	61,716	79,287

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Leasehold improvements - at cost	178,787	178,787
Less: Accumulated depreciation	(148,145)	(135,765)
	30,642	43,022
Plant and equipment - at cost	232,844	232,842
Less: Accumulated depreciation	(208,642)	(188,170)
	24,202	44,672
	54,844	87,694

Reconciliations

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

Consolidated	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2017	61,060	89,678	150,738
Additions	-	580	580
Depreciation expense	(18,038)	(45,586)	(63,624)
Balance at 30 June 2018	43,022	44,672	87,694
Depreciation expense	(12,380)	(20,470)	(32,850)
Balance at 30 June 2019	30,642	24,202	54,844

Note 14. Non-current assets - intangibles

	Consolidated 2019 $	Consolidated 2018 Restated $
Developed products - at cost*	3,998,111	2,844,203
Less: Accumulated amortisation	(1,378,153)	(1,187,823)
Less: Impairment	(917,381)	(917,381)
	1,702,577	738,999
Products under development - at cost	2,387,248	3,371,179
	4,089,825	4,110,178

Note 14. Non-current assets - intangibles (continued)

* This represents costs arising from the development phase of internal projects. Development costs incorporate directly attributable employee benefit expenses, fees to register a legal right and other direct material and services costs to develop the project.

Developed products have finite useful life of 10 years which are amortised on a straight line basis over their effective life. The current amortisation charges for intangible assets have been separately presented as amortisation expense in the consolidated statement of profit or loss and other comprehensive income.

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

Consolidated	Products under development $	Developed products $	Total $
Balance at 1 July 2017	1,758,990	871,777	2,630,767
Additions	1,848,829	-	1,848,829
R&D tax offset allocated	(236,640)	-	(236,640)
Amortisation expense	-	(132,778)	(132,778)
Balance at 30 June 2018	3,371,179	738,999	4,110,178
Additions	959,880	-	959,880
R&D tax offset allocated	(789,904)	-	(789,904)
Transfers in/(out)	(1,153,907)	1,153,907	-
Amortisation expense	-	(190,329)	(190,329)
Balance at 30 June 2019	2,387,248	1,702,577	4,089,825

Impairment testing of products under development
Irrespective of whether there is any indication of impairment, the company will test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed as at the end of the financial period. The impairment testing had been performed based on the cash generating units identified by software product lines.

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. The cash flows are discounted using a pre-tax discount rate of 20% (2018: 10%). The following key assumptions were used in the value-in-use calculations:

- Growth rates (sales) – existing products – 33% decrease to 5% growth (2018 – 2.1%)
- Growth rates (sales) – new products – 10% to 487% growth (2018 – 2.1%)

Management has based the value-in-use calculations on budgets for each type of product. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the consolidated entity operates.

Note 15. Non-current assets - deferred tax

	Consolidated 2019 $	2018 Restated $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	-	299,590
Contract liabilities	102,816	205,720
Provisions	231,849	218,229
Deferred tax asset	334,665	723,539
Movements:		
Opening balance	723,539	710,976
Credited/(charged) to profit or loss (note 9)	(388,874)	12,563
Closing balance	334,665	723,539

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the consolidated entity's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit.

Note 16. Current liabilities - trade and other payables

	Consolidated 2019 $	2018 Restated $
Trade creditors	657,461	384,692
Other creditors and accruals	1,128,800	874,525
	1,786,261	1,259,217

Refer to note 29 for further information on financial instruments.

Note 17. Current liabilities - contract liabilities

	Consolidated 2019 $	2018 Restated $
Contract liabilities	1,621,494	1,222,627

Contract liabilities comprises Annual licence and maintenance in advance fees for the right to use our software, minor fixes, rights to updated versions and limited help line support. These are invoiced up to 12 months in advance. The revenue is recognised monthly as the services are provided to clients.

Note 18. Current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Borrowings	559,983	515,657

Interest bearing liabilities are provided to the consolidated entity on terms of 5 years and an average effective interest rate of 8.60%.

Refer to note 29 for further information on financial instruments.

Note 19. Current liabilities - employee benefits

	Consolidated 2019 $	Consolidated 2018 $
Employee benefits	591,322	574,201

	Consolidated 2019 $	Consolidated 2018 $
Summary of employee benefits provisions		
Current	591,322	574,201
Non-current (Note 23)	33,588	17,121
	624,910	591,322

	Consolidated 2019 $	Consolidated 2018 $
Reconciliation of total current and non-current employee benefits provisions		
Opening balance	591,322	537,233
Additional provisions	251,545	249,651
Amount utilised	(217,957)	(195,562)
Closing balance	624,910	591,322

Note 20. Non-current liabilities - contract liabilities

	Consolidated 2019 $	Consolidated 2018 Restated $
Contract liabilities	280,406	381,396

Note 21. Non-current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Borrowings	605,658	1,170,513

Note 21. Non-current liabilities - borrowings (continued)

Interest bearing liabilities are provided to the consolidated entity on terms of 5 years and an average effective interest rate of 8.60%.

Refer to note 29 for further information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2019 $	Consolidated 2018 $
Borrowings	1,165,641	1,686,170

In relation to the above loans, lender have liens over approximately $70,000 of office equipment which can be claimed in the event of default.

Note 22. Non-current liabilities - deferred tax

	Consolidated 2019 $	Consolidated 2018 Restated $
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Prepayments	16,973	19,557
Intangible assets	1,124,187	1,238,228
Deferred tax liability	1,141,160	1,257,785
Movements:		
Opening balance	1,257,785	626,269
Charged/(credited) to profit or loss (note 9)	(116,625)	631,516
Closing balance	1,141,160	1,257,785

Note 23. Non-current liabilities - employee benefits

	Consolidated 2019 $	Consolidated 2018 $
Employee benefits	33,588	17,121

Note 24. Equity - issued capital

	Consolidated 2019 Shares	Consolidated 2018 Shares	Consolidated 2019 $	Consolidated 2018 $
Ordinary shares - fully paid	33,678,592	33,470,259	20,961,242	20,898,742

Note 24. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	33,354,995		20,836,242
Shares issued for the purchase of the medical software assets of Abaki Pty Ltd	31 August 2017	115,264	$0.54222	62,500
Balance	30 June 2018	33,470,259		20,898,742
Shares issued for the purchase of the medical software assets of Abaki Pty Ltd	22 January 2019	208,333	$0.30	62,500
Balance	30 June 2019	33,678,592		20,961,242

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

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

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2018 Annual Report.

Note 25. Equity - reserves

	Consolidated	
	2019 $	2018 $
Foreign currency reserve	24,234	24,234
Options reserve	149,977	128,220
	174,211	152,454

Note 25. Equity - reserves (continued)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Options reserve
The reserve is used to recognise the value of equity benefits, by way of the issue of options, provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Currency translation reserve $	Option reserve $	Total $
Balance at 1 July 2017	24,234	80,845	105,079
Share based payment expense	-	47,375	47,375
Balance at 30 June 2018	24,234	128,220	152,454
Share based payment expense	-	21,757	21,757
Balance at 30 June 2019	24,234	149,977	174,211

Note 26. Equity - accumulated losses

	Consolidated	
	2019 $	**2018 Restated $**
Accumulated losses at the beginning of the financial year	(20,563,953)	(18,703,554)
Loss after income tax expense for the year	(1,296,793)	(1,860,399)
Accumulated losses at the end of the financial year	(21,860,746)	(20,563,953)

Note 27. Equity - non-controlling interest

Global Health Limited has a 93.8% (2018: 93.8%) interest in the subsidiary Working Systems Solutions (Malaysia) Sdn Bhd. Retained earnings attributable to the non-controlling interest are as follows

	Consolidated	
	2019 $	**2018 $**
Retained profits	76	76

Note 28. Equity - dividends

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

Note 29. Financial instruments

Financial risk management objectives
The consolidated entity's financial instruments consist primarily of trade receivables, trade payables and borrowings. The consolidated entity does not have significant risk exposure to financial instruments and as such risk exposures are generally managed as part of the consolidated entity's overall strategic and operational risk management strategies. Consequently, there is currently no specific risk mitigating techniques employed. However, as the consolidated entity expands both domestically and internationally, management continues to monitor its exposure and will implement suitable policies when deemed necessary.

The financial instruments held by the consolidated entity are as follows:

	Consolidated	
	2019 $	2018 Restated $
Financial Assets		
Cash and cash equivalents	803,990	1,157,536
Trade and other receivables	436,125	619,137
	1,240,115	1,776,673
Financial Liabilities		
Trade and other payables	(1,786,261)	(1,259,217)
Borrowings	(1,165,641)	(1,686,170)
	(2,951,902)	(2,945,387)

Market risk

Foreign currency risk
The consolidated entity controls subsidiaries in Malaysia and Singapore and participates in a joint venture in Malaysia. The consolidated entity is therefore exposed to foreign exchange risk arising from exposure to currencies of these respective countries. Such risk arises from future transactions and assets and liabilities that are denominated in functional currencies other that the Australian dollar. Management does not engage in an active program of hedging exposure to foreign currencies.

At present, the consolidated entity's foreign currency exposure is not considered to be material.

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

	Assets		Liabilities	
Consolidated	2019 $	2018 $	2019 $	2018 $
Malaysian ringgit	48,510	41,100	-	-

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk.

Note 29. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity and essentially arises from holdings of cash and deposits, trade receivables and loans receivable as well as from the parent's potential obligations under the indemnity guarantee provided to banks. The risk is largely managed through a policy of only dealing with creditworthy counterparties. Periodic assessments of debtor balances are undertaken and provisions for impairment are recognised where appropriate.

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements arising from the consolidated entity's recognised financial assets is considered to be equivalent to their carrying values at reporting date. Maximum exposures arising from the indemnity guarantee are as disclosed at Note 31: Commitments and Contingencies. The consolidated entity does not have any significant credit risk exposure to any single counterparty or groups of counterparties having similar characteristics.

The majority of customers have long standing business relationships with the consolidated entity and their credit quality with respect to trade receivables is assessed as high.

All cash and cash equivalents are held with large reputable financial institutions within Australia, Malaysia and Singapore and therefore credit risk is considered very low.

Liquidity risk

Liquidity risk is managed through monitoring current funds available, undrawn facilities and anticipated recovery of receivables and comparing with future funding requirements contained in management budgets and forecasts. In this regard, the timing of expected settlement of liabilities is also analysed so as to minimise risk with respect to obligations becoming past due. This is consistent with the prior year.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	1,914,679	-	-	1,914,679
Interest-bearing - fixed rate					
Borrowings	8.60%	632,241	684,458	-	1,316,699
Total non-derivatives		2,546,920	684,458	-	3,231,378

Consolidated - 2018 Restated	Weighted average interest rate %	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	1,259,217	-	-	1,259,217
Interest-bearing - fixed rate					
Borrowings	8.60%	632,241	1,294,634	-	1,926,875
Total non-derivatives		1,891,458	1,294,634	-	3,186,092

Note 29. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 30. Key management personnel disclosures

Directors
The following persons were directors of Global Health Limited during the financial year:

Mr S Pynt	Non-executive Chairman
Mr M Cherian	Chief executive officer and managing director
Mr G Smith	Non-executive director
Mr R Knowles	Non-executive director
Ms P Beerens (resigned 22 November 2018)	Non-executive director (resigned 22 November 2018)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr D Groenveld	Principal Architect
Mr K Jayesuria	Chief Operating Officer

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

	Consolidated	
	2019	2018
	$	$
Short-term employee benefits	730,996	665,246
Post-employment benefits	64,870	107,862
Long-term benefits	9,670	9,365
Share-based payments	21,758	47,374
	827,294	829,847

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2019	**2018**
	$	**$**
*Audit services - Grant Thornton Audit Pty Ltd**		
Audit or review of the financial statements	89,000	106,357
*Other services - Grant Thornton Audit Pty Ltd**		
Taxation services	-	3,409
	89,000	109,766
Audit services - TY Teoh International (Malaysia)		
Audit or review of the financial statements	-	601
Audit services - J Wong and Associates (Singapore)		
Audit or review of the financial statements	-	4,240
Audit services - Shine Wing Australia		
Additional audit fees for audit of June 2018 annual financial statements	9,000	-

* The company had a change of auditor in 2019. All 2019 amounts relate to Grant Thornton Audit Pty Ltd and the 2018 amounts relate to the company's previous auditor, ShineWing Australia.

Note 32. Contingent liabilities

	Consolidated	
	2019	**2018**
	$	**$**
The parent has provided a cash security bond in favour of the property owner of the parent entity's leased office premises	102,187	102,187

Note 33. Commitments

	Consolidated	
	2019	**2018**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	228,708	214,907
One to five years	236,713	452,643
	465,421	667,550

Operating lease commitments comprises contracted amounts for office rental under non-cancellable operating leases expiring within 5 years.

Note 34. Related party transactions

Parent entity
Global Health Limited is the parent entity.

Note 34. Related party transactions (continued)

Subsidiaries
Interests in subsidiaries are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2019 $	2018 $
Current borrowings:		
Wage arrears payable*	75,390	61,794

* Wages arrears payable to the Managing Director, Mathew Cherian. This amount payable is interest-free and unsecured.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates, except where otherwise stated.

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019 $	2018 Restated $
Loss after income tax	(1,254,058)	(1,863,621)
Total comprehensive loss	(1,254,058)	(1,863,621)

Note 35. Parent entity information (continued)

Statement of financial position

	Parent	
	2019 $	2018 Restated $
Total current assets	1,253,321	1,304,651
Total assets	5,846,145	6,334,508
Total current liabilities	4,559,060	3,062,316
Total liabilities	6,619,872	5,889,131
Equity		
Issued capital	20,961,242	20,898,742
Reserves	174,212	152,454
Accumulated losses	(21,909,181)	(20,605,819)
Total equity/(deficiency)	(773,727)	445,377

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 nor 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 nor 30 June 2018, except as stated elsewhere in these financial statements.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 nor 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 36. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Global Health (Australia) Sdn Bhd	Kuala Lumpur	100.00%	100.00%
Working Systems Solutions (Malaysia) Sdn Bhd	Kuala Lumpur	94.00%	94.00%
Working Systems Solutions Pty Ltd	Australia	100.00%	100.00%
Uni U International Pty Ltd	Australia	100.00%	100.00%
Working Systems Solutions (Singapore) Pte Ltd	Singapore	100.00%	100.00%
Bourke Johnston Systems Pty Ltd	Australia	100.00%	100.00%
Working Systems Software Pty Ltd	Australia	100.00%	100.00%
Statewide Unit Trust	Australia	100.00%	100.00%

Note 37. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 38. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2019 $	2018 Restated $
Loss after income tax expense for the year	(1,296,793)	(1,860,399)
Adjustments for:		
Amortisation of Intangibles	190,329	132,778
Depreciation of fixed assets	32,850	63,624
Employee share option expense	21,757	47,375
Impairment of receivables	77,338	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	183,012	805,985
Decrease/(increase) in deferred tax assets	388,873	(12,563)
Decrease in prepayments	17,570	106,682
(Increase) in other assets	(5,025)	(108,465)
Increase in trade and other payables	518,481	179,935
Increase/(decrease) in contract liabilities	297,877	(286,322)
Increase/(decrease in deferred tax liabilities	(116,625)	631,516
Increase in employee benefits	33,588	54,089
Net cash from/(used in) operating activities	343,232	(245,765)

Note 39. Earnings per share

	Consolidated	
	2019 $	2018 Restated $
Loss after income tax attributable to the owners of Global Health Limited	(1,296,793)	(1,860,399)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	33,560,442	33,450,679
Weighted average number of ordinary shares used in calculating diluted earnings per share	33,560,442	33,450,679
	Cents	**Cents**
Basic earnings/(loss) per share	(3.86)	(5.56)
Diluted earnings/(loss) per share	(3.86)	(5.56)

As the consolidated entity generated losses in financial years ended 30 June 2019 and 30 June 2018, options on issue would decrease loss per share and are therefore anti-dilutive. Accordingly, issued options are excluded from the calculation of diluted earnings per share.

Note 40. Share-based payments

The parent entity has adopted two incentive plans to enable employees and directors to participate in ownership of Global Health Limited. The directors have determined that the total number of securities which may be issued pursuant to these plans in any five-year period must not exceed 5% of the total number of securities on offer from time to time. This limitation only applies to new offers of securities by the parent entity and not to existing securities purchased on market under the Exempt Employee Share Plan. Details of the plans are as follows.

Employee Share Option Plan
The Company operates the Employee Share Option Plan (ESOP). This plan allows the Company to grant options over shares to key executives and directors and other employees as selected by the Directors to enable them to participate in the future growth and profitability of the Company, to provide an incentive and reward for their contributions and to attract and maintain personnel. The options are issued at no consideration. The exercise price of options is based on the weighted average market price of the Company's Shares during the five trading days up to and including the date of grant of the option or such other date or period as the Directors consider appropriate. Options vest one-third each year over three years from the grant date and have an expiry date of five years from the grant date.

The options issued under the ESOP are not quoted on the Australian Stock Exchange.

Employee Share Options are issued under the terms and conditions of the Plan as disclosed on the Company's website. Should an employee cease employment before the completion of two years after the issue of any employee option, the option issued automatically lapses, except where cessation is due to death or total permanent disability, retirement, redundancy or any other reason, based on which the directors believe is fair and reasonable to warrant the employee maintaining their right to exercise the option in which case they will have six (6) months to exercise the options.

Set out below are summaries of options granted under the plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/05/2014	26/05/2019	$0.75	300,000	-	-	(300,000)	-
10/06/2015	10/06/2020	$0.65	310,000	-	-	-	310,000
19/12/2016	30/11/2019	$0.75	400,000	-	-	-	400,000
19/12/2016	30/11/2021	$0.75	600,000	-	-	-	600,000
			1,610,000	-	-	(300,000)	1,310,000
Weighted average exercise price			$0.73	$0.00	$0.00	$0.75	$0.73

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
19/12/2013	19/12/2017	$0.65	530,000	-	-	(530,000)	-
26/05/2014	26/05/2019	$0.75	300,000	-	-	-	300,000
10/06/2016	10/06/2020	$0.65	310,000	-	-	-	310,000
19/12/2016	30/11/2019	$0.75	400,000	-	-	-	400,000
19/12/2016	30/11/2021	$0.75	600,000	-	-	-	600,000
			2,140,000	-	-	(530,000)	1,610,000
Weighted average exercise price			$0.71	$0.00	$0.00	$0.65	$0.73

Note 40. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2019 Number	2018 Number
26/05/2014	26/05/2019	-	300,000
10/06/2015	10/06/2020	310,000	310,000
19/12/2016	30/11/2019	266,667	133,333
19/12/2016	30/11/2021	240,000	120,000
		816,667	863,333

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.2 years (2018: 1.71 years).

Exempt Employee Share Plan ('EESP')
A plan under which shares may be issued by the Company to employees for no cash consideration was adopted when the Company was listed. All directors, officers or employees who are from time to time engaged in full or part time work for the Company are eligible to participate in the Exempt Employee Share Plan.

Under the plan, eligible employees may be granted up to $1,000 worth of fully paid ordinary shares in the Company for no cash consideration. The market value of the shares will be measured as the market price quoted for buyers of the Company shares at the close of trading on the day immediately preceding the date of the offer by the Directors as published by the ASX.

Offers under the plan are at the discretion of the Company and the shares cannot be transferred or assigned by the holder within the period of three years from the date of issue or transfer to the holder unless the holder ceases employment with the Company earlier than that date except that the holder may at any time transfer all or any of his Shares to his spouse or to a company the majority of the issued shares in which are beneficially owned by him or to any trust that the holder is a beneficiary of.

During the year, nil shares were issued under the plan (2018: Nil).

Global Health Limited
Directors' declaration
30 June 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Steven Leigh Pynt
Non-Executive Chairman

30 September 2019

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Independent Auditor's Report

To the Members of Global Health Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Global Health Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2019 and of its performance for the year ended on that date; 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 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 2 in the financial report, which indicates that the Group incurred a net loss of $1,296,793 during the year ended 30 June 2019 and, as of that date, the Group's current liabilities exceeded its current assets by $3,257,229. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists 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.

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
Intangible Assets (Note 14)	
At 30 June 2019, the Group has intangible assets amounting to $4,089,825 relating to capitalised software development costs. The individual projects must be monitored for any indicators of impairment regularly and tested for impairment at minimum annually in accordance with AASB 136 *Impairment of Assets*. The Group develops intangible assets internally, capitalising relevant costs in accordance with AASB 138 *Intangible Assets*. As such there is an inherent risk as there is significant judgement and estimation required in putting together and assessing the impairment models. This area is a key audit matter due to the significant judgements and estimates involved in assessing the assets for impairment.	Our procedures included, but were not limited to the following: • Evaluating management's assessment of potential impairment indicators and determining whether any impairment indicators do exist; • Evaluating management's ability to accurately forecast cash flows by assessing the precision of the prior year forecasts against actual outcomes; • Comparing the Group's forecast cash flows to the board approved budget; • Obtaining the impairment and valuation model prepared by management; • Consulting with auditor's expert in relation to the valuation model and key assumptions; • Testing the mathematical accuracy of the model; • Identifying the key assumptions in the model and comparing them to historical and industry data; • Performing sensitivity analysis on the key assumptions and assessing the effect on the carrying value; and • Evaluating the adequacy of the related disclosures within the financial statements.

Revenue Recognition (Note 6)

The group recognises revenue in relation to license subscriptions, maintenance fees and the rendering of professional services. The Group adopted AASB 15 *Revenue from Contracts with Customers* as at 1 July 2019 using the modified retrospective approach. Under the AASB 15, the Group must identify whether separate performance obligations exist within a contract with a customer, assess for variable consideration, and allocate the transaction price to the identified performance obligations. Revenue is recognised either over time or at a point in time, depending on the performance obligation and the relevant terms of the contract. The Group's contracts often contain multiple performance obligations, and accordingly, the Group's adoption of AASB 15 has involved complexities. Additionally, management judgement is required in measuring progress for performance obligations which are satisfied over time. Due to these reasons, this has been assessed as a key audit matter.	Our audit procedures to address the key audit matter included, but were not limited to, the following: • Assessing revenue recognition policies for compliance with AASB 15; • For a sample of revenue transactions, assessing that the revenue was recorded in the appropriate period including testing whether sale transactions were recognised as deferred revenue at the balance sheet date, where applicable, by agreeing the recognition back to the underlying contract; • For the sample above, assessing that the Group adherence to the revenue recognition policy, in line with AASB 15; • Performing analytical review procedures over revenue transactions recorded during the year against set expectations and where variances were identified, obtained supporting evidence; • For a sample of transactions adjusted for the implementation of AASB 15, assessing the adjustment for appropriateness under the new standard, including agreeing the terms back to the contract; and • Evaluating the adequacy of the related disclosures within the financial statements, in particular the disclosure on the effects of implementing AASB15.

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 2019, 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 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 Group 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Global Health Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 30 September 2019

Global Health Limited
Shareholder information
30 June 2019

The shareholder information set out below was applicable as at 10 September 2019.

Corporate governance statement

Refer to the Company's Corporate Governance statement at: https://www.global-health.com/our-approach/governance/.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	35	-
1,001 to 5,000	136	-
5,001 to 10,000	76	-
10,001 to 100,000	96	2
100,001 and over	32	5
	375	7
Holding less than a marketable parcel	110	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MICRON HOLDINGS PTY LTD (CHERIAN FAMILY A/C)	13,558,334	40.26
MICRON HOLDINGS PTY LTD (MICRON HOLDINGS P/L S/F A/C)	4,311,036	12.80
MRS ELIZABETH MAY PRISCILLA THOMAS	1,530,702	4.55
PACIFIC NOMINEES LIMITED	1,502,196	4.46
ALUMOOTIL MATHEW CHERIAN	750,000	2.23
CONNAUGHT CONSULTANTS (FINANCE) PTY LTD (SUPER FUND A/C)	730,500	2.17
B & R JAMES INVESTMENTS PTY LIMITED (JAMES SUPERANNUATION A/C)	500,000	1.48
TRIGLOBAL MANAGEMENT LIMITED	500,000	1.48
ANNEX PARTNERS PTY LTD	500,000	1.48
MS SERENE LIM & MR NICHOLAS RUSSELL WARD (SERENE LIM SUPERFUND A/C)	490,000	1.45
DR SERENE LIM (SERENE LIM FAMILY A/C)	420,000	1.25
MR DAVID LEROY BOYLES	400,000	1.19
DAMON GROENVELD	304,000	0.90
CHRIS BELL INVESTMENTS PTY LTD (THE CHRIS BELL S/F A/C)	302,985	0.90
EMERALD SHARES PTY LIMITED (EMERALD UNIT A/C)	300,000	0.89
ROXANNE INVESTMENTS PTY LTD	300,000	0.89
MR RAJIV PARAMANATHAN	280,000	0.83
CEBON	235,335	0.70
ASKET PTY LTD (S L PYNT SUPER FUND A/C)	226,074	0.67
MR ANDREW CHARLES GRACEY	225,000	0.67
	27,366,162	81.25

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	1,310,000	7

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Mathew Cherian	18,616,036	55.28

On-market buy-back
There is no current on-market buy-back.

Voting rights
The voting rights attached to ordinary shares are set out below:

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

There are no other classes of equity securities.