GLOBAL HEALTH

2

Annual
REPORT

20

CONTENTS

1. CORPORATE DIRECTORY

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

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Melbourne, Victoria 3000
Australia
Ph: +61 3 9675 0600

PRINCIPAL PLACE OF BUSINESS

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SHARE REGISTER

Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne Victoria 3008
Australia
Ph: 1300 554 474

AUDITOR

HLB Mann Judd
Level 9/575 Bourke Street
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

2. CEO OPERATIONS REPORT

Key Highlights

- ✓ Total Customer Revenue and Other Income up 13% to $6,255,668
- ✓ Total Customer Revenue up 9% to $5,969,377
- ✓ Operating Expenses down 6% to $5,766,181
- ✓ EBITDA up 180% from ($610,227) to $489,487
- ✓ Net Loss reduced by 95% from ($1,296,793) to ($60,128)
- ✓ Customer Recurring Revenue up 14% to $4,179,408
- ✓ Total Debt reduced by $534,432 from $1,165,641 to $631,209

COVID-19 Impact - Embracing the Digital Age for Healthcare

The financial year to 30-June 2020 was dominated by the COVID 19 pandemic which has impacted everyone.

Global Health has been able to adjust well to these challenges.

Our staff have adapted to working from home very effectively, maintaining a high level of responsiveness and service levels to our customers.

In many ways the COVID 19 pandemic has accelerated the adoption of remote and virtual care engagement models by healthcare providers.

For shareholders Global Health has continued to build its platforms and increase its customer-based revenue.

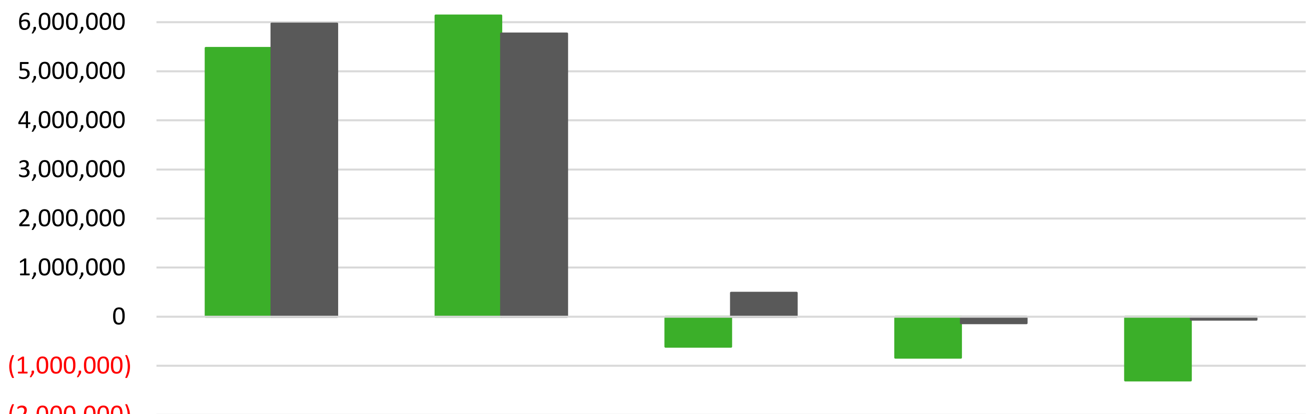
Over the 12 months to 30-Jun 2020, I am pleased to announce a strong financial result and significant momentum in demand for the Company's software platforms. These are further described in the sections below.

2.1 FINANCIAL PERFORMANCE

The Company has continued a positive trend across key financial indicators.

Total customer revenue increased by $494,393 (+9%) to $5,969,377 with operating expenses reducing by $368,824 (down 6%) to $5,766,181.

Key Financial Indicators



	Customer Revenue	Operating Expenses	EBITDA	EBIT	Net Loss
FY19	5,475,024	6,135,005	(610,227)	(833,406)	(1,296,793)
FY20	5,969,377	5,766,181	489,487	(131,784)	(60,128)

This resulted in significant margin improvements with a $1,099,713 (+180%) improvement in EBITDA resulting in an EBITDA margin of $489,486 (8%) for the reporting period.

The bottom line was a $1,236,665 (+96%) reduction in the Company's Net Loss to ($60,128).

Earnings Per Share (EPS) was reduced to a loss of 0.15 cents per share which was a 96% reduction from a loss of 3.86 cents per share in the prior year.

Steady Growth in Recurring Revenue

Pleasingly, recurring revenue from customers increased by 14% (+$523,151) to $4,179,408.

However, revenue from professional services was reduced by 44% (-$747K) to $965,317 due to the postponement of a number of contracted implementations of our software resulting from the COVID-19 restrictions imposed from March 2020.

Revenue and Income	FY 2019	FY 2020	$ Delta	% Delta
Software Subscriptions	3,273,347	3,612,263	338,916	10%
Expansion & additional usage fees	382,910	567,145	184,235	48%
Total Recurring Revenue	**3,656,257**	**4,179,408**	**523,151**	**14%**
Professional services	1,712,194	965,317	- 746,877	-44%
Other Product Revenue	106,573	824,652	718,079	674%
Other Customer Revenue	1,818,767	1,789,969	-28, 798	-2%
Total Customer Revenue	**5,475,024**	**5,969,377**	**494,353**	**9%**
Other income	37,587	280,000	242,413	645%
Finance income	12,167	6,291	-5,876	-48%
Other Income	49,754	286,291	236,537	475%
Total revenue and income	**5,524,778**	**6,255,668**	**730,890**	**13%**

Other Product Revenue included $600K from SA Health's extension of the licence to the Company's CHIRON PAS software on an "as-is-where-is" basis across country SA public hospitals for a further 12 months.

Other Income included the government's Job Keeper and Cashflow Boost stimulus measures.

2.2 FINANCIAL POSITION

Prior to 1 July 2018, the Company's practice was to charge new (non-SaaS) customers an Initial Licence Fee (ILF) which was recognised in full in the period when the customer commenced usage.

This better matched the period in which Customer Acquisition Costs and initial provisioning costs were incurred.

Annual Licence Fees (ALF) renewals were issued twelve months from go-live and proportionately recognised each month.

A new accounting standard (AASB-15) came into effect on 1 July 2018 whereby ILFs were required to be recognised over the typical useful life of the software. The useful life the Company's software is deemed to be 60 months.

By way of example, if a new customer pays an ILF of $12,000 and commences usage in May-20, then 1/60 or $200 is recognised in each of May-20 and June-20 with the remaining $11,600 recorded as a Contract Liability on the Balance Sheet.

The accounting adjustments to the new standard was first applied to the Company's accounts from 1 July 2018 which included ILFs prior to 1-Jul 2018 where appropriate.

The effect was a significant increase in Contracted Liabilities which resulted in the Company reporting a negative Net Asset position as at 30-June 2019.

Successful Rights Issue raises $1,010,368

A Rights issue was completed in November 2019 raising just over $1M to improve the Company's Net Assets position. Total Debt was reduced by $534,432 from $1,165,641 in Jun-19 to $631,209 as at Jun-20.

The combination of these has resulted in Net Assets improving from a deficit of ($725,217) as at 30 June 2019 to a positive Net Assets position of $269,192 as at 30 June 2020.

The Company is progressively transitioning customers from subscriptions annually or quarterly in advance to monthly subscriptions, which will further improve the Net Assets position.

The Company's Net Liquidity improved by $1,380,076 over the 12 months from ($1,106,129) to $273,947.

	2019	2020
Cash & cash equivalents	$803,990	$666,276
Trade and Other Receivables	$436,125	$1,208,968
Quick Assets	**$1,240,115**	**$1,875,244**
Trade and Other Payables	$1,786,261	$1,059,512
S/T Borrowings & Lease liabilities	$559,983	$541,785
Short Term Obligations	**$2,346,244**	**$1,601,297**
Net Liquidity	**($1,106,129)**	**$273,947**

On-going Innovation

Continuous investment in Research & Development is crucial in the technology business.

The Company's R&D roadmap for "Streamlining the Patient Journey" 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 reporting period, capitalised R&D reduced from approximately $960K to $698K which was 27% less than the prior year.

	FY18	FY19	FY20
Purchase of Intangibles	$1,848,829	$959,880	$698,068
Amortisation	$132,778	$190,329	$402,124

2.3 OUR OPERATIONS

The Company is progressively transitioning our software assets from a client/server deployment model to “mobile-first” Software as a Service (SaaS) platforms supporting our vision of a patient-centric, and connected healthcare eco-system accessible anywhere, anytime and on any device.

The Company’s SaaS platforms are in early commercialisation with early adopters helping shape the solutions for maximum market adoption. Our Connected Health Records SaaS portfolio comprises:

- **MasterCarePlus** (https://www.mastercare.net.au/mastercare-plus/) provider platform for healthcare delivery organisations and clinicians;
- **ReferralNet** (www.referralnet.com.au) Secure Messaging platform for secure, reliable and trusted connectivity across the healthcare sector;
- **Lifecard Personal Health Record** (www.lifecard.com) for healthcare consumers to better manage their health and wellness, and,
- **HotHealth Patient Relationship platform** (www.hothealth.com) for healthcare delivery organisations to engage online with their patients.

In the second half of the year, the operating structure was streamlined around functional groups with staff re-organised into a single Customer Success Group and a single Product Portfolio Group.

The re-structure enhances the ability to provide our customers with a more integrated support capability across the patient journey and our CHR SaaS portfolio.

The single product portfolio group will encourage greater integration across our existing software assets and our CHR SaaS portfolio. This will deliver a more seamless patient journey and improved business efficiencies to support the needs of healthcare delivery organisations, clinicians, connectivity and consumers.

Provider Platforms

Our mission to provide better outcomes for patients living with long-term or chronic disease requires platforms that support healthcare delivery anywhere, anytime and on any device – in hospitals, community health settings, primary care practices and at home.

MasterCare and **PrimaryClinic** are our brands that provide solutions for healthcare delivery organisations and clinicians.

MasterCare is designed for enterprise customers with between 10 and 1000 clinicians while **PrimaryClinic** is typically used by smaller GP, Specialist and Allied Health practices.

New contracts in the reporting period include the following:

- **MasterCare PAS** was selected for the private campus at the Royal Rehab Private hospital which is the preeminent provider of rehabilitation and disability support services in Sydney. The application is hosted and managed by **Global Health's Altitude Managed Cloud Service**. The implementation includes **Global Health's e-Switch** Integration broker used to integrate with NSW Health's Cerner EMR deployed at the public campus at Royal Rehab.

- **MasterCare** Client Management and Electronic Medical Record (EMR) was deployed for an estimated 250 clinicians at the Sunraysia Community Health Services in Mildura. The deployment included additional applications and services from the Company such as **e-Switch** for integration to other applications used at Sunraysia, **ReferralNet** for connectivity across the wider clinician community, **PrimaryClinic** for General Practice and the **MasterCare Data Warehouse** for meaningful insights into the efficacy of the business and treatment protocols.

- **MasterCare EMR** was deployed at Orygen Youth Health in Parkville, Melbourne hosted at the Company's **Altitude Managed Cloud Service**.

- **MasterCare EMR** was deployed at Monash Health in Melbourne with the Company's **e-Switch** Integration broker used to integrate with the Cerner clinical system used in the acute facilities.

MasterCare for delivery organisations providing Mental Health services now represents over 45% of the Company's revenue with demand continuing to increase as Mental Health fast becomes the major area of focus of healthcare systems in Australia and globally.

The projects above were secured and deployed before the COVID restrictions.

Since March 2020, the Company has also been contracted for additional deployments worth more than $1 million in the initial 12 months however the go-live date, associated recurring subscriptions and deployment services have been delayed beyond the current restriction period with go-live now forecast between Dec-20 and June-21.

Connectivity Platforms

The Company's Connectivity platforms comprise the **ReferralNet** Secure Messaging platform for sharing information across healthcare enterprises and **e-Switch** for integration of disparate applications within an enterprise.

These connectivity platforms are embedded in almost all the deployments of our **MasterCare** and **PrimaryClinic** platforms.

ReferralNet is also integrated to over twenty 3rd party clinical systems and deployed in these 3rd Party customer sites to support the broader goal of a connected healthcare eco-system.

In practical terms, the Company's **ReferralNet** and Telstra Health's Argus Connect are the only two interoperable Secure Messaging platforms in Australia. This extends the effective **ReferralNet** reach for our customers to the majority of healthcare delivery organisations across Australia.

In February 2020, the Company executed a partnership agreement with Best Practice to promote **ReferralNet** to the Best Practice customer base. Best Practice is Australia's leading primary care clinical application with over 50% market share.

The Company is optimistic that the partnership will further drive the volume of documents digitally exchanged between provider organisations.

Consumer Platforms

COVID-19 has generated increased demand for virtual care and contactless engagement.

This has resulted in increased demand for the Company's **Lifecard Patient Portal** which is based on the Company's **Lifecard Personal electronic Health Record** (eHR) platform.

Lifecard Patient Portal was deployed in three early adopter hospital sites and multiple mental health service organisations.

Since COVID-19, a further nine other **MasterCare** sites are in the process of deploying our **Lifecard Patient Portal** for engagement with their patients.

The Company renewed our partnership with Diabetes Victoria for the promotion of our **Lifecard Personal eHR** which combined with **Lifecard Patient Portal** has resulted in Lifecard users increasing by approximately 5K per month.

Lifecard Personal eHR is central to the Company's goal of patient empowerment. Tighter integration to our **MasterCare** and **PrimaryClinic** platforms is underway to increase our **Lifecard** user base over the next few years.

The other key platform for consumer engagement is the Company's **HotHealth** Patient Relationship platform pitched as a "digital doorway" for provider organisations to engage with their patients online.

HotHealth is rich with virtual care and engagement features including online forms, embedded secure messaging, online appointments, discussion forums, chat groups, event management, communities of common interest, video-conferencing, **Lifecard** access and a web-store.

HotHealth is priced to be affordable with the bulk of features "metered" in a pay-as-you-use business model. With COVID-19 restrictions such as social distancing in place, the Company is experiencing much increased interest in **HotHealth**.

Sales and Marketing

In early March, the Company established a dedicated Sales team based in Sydney to meet the growing demand for our enterprise systems particularly from organisations involved in managing Mental illness and other long-term conditions such as diabetes, asthma and cardiovascular disease.

Much of the Company's existing customers are located outside New South Wales and Queensland. The establishment of a sales team in Sydney is to increase our customer base in these states.

2.4 FORWARD OUTLOOK

Demand for disruption in healthcare remains strong in all markets with a big focus on digital transition in the marketplace. It has been the Company's strategy to support a patient-centric healthcare eco-system that enables healthcare providers and their patients to actively engage with each other irrespective of the prevailing operating conditions.

Covid-19 has sharpened and focussed our commitment and attention to see the healthcare system operate as efficiently and seamlessly as possible.

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 in the digital age. 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 very good example of this. During the next few years, we expect consumer involvement in the management of individual healthcare and chronic conditions to increase significantly.

The impact of Covid-19 has seen substantial funds become available for mental health, chronic diseases, telehealth and general practice. The Company is very well established and well positioned in these areas. Healthcare providers are seeking solutions that improve the productivity and efficiencies of their operations.

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.

3. CORPORATE GOVERNANCE STATEMENT

The 2020 corporate governance statement is dated as at 30 June 2020 and reflects the corporate governance practices in place throughout the 2020 financial year. The 2020 corporate governance statement was approved by the Board on 25 August 2020. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at https://www.global-health.com/our-approach/governance/ and should be read in conjunction with the recent Company announcements on the ASX website.

4. DIRECTORS REPORT

The directors present their report, together with the consolidated financial statements of the Group, being Global Health Limited (the Company) and its controlled entities, for the financial year ended 30 June 2020.

INFORMATION ON DIRECTORS

Steven Leigh Pynt

Qualifications	LLB, BBus, MBA, MTax
Experience	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.
Interest in shares and options	375,408 ordinary shares; 59,001 options
Special responsibilities	Independent Non-Executive Chairman; Member of Audit Committee
Other current directorships in listed entities	Gondwana Resources Limited
Other directorships in listed entities held in the previous three years	Ephraim Resources Limited

Mathew Cherian

Qualifications	BBus (IS/IT), MACS, MAICD
Experience	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.
Interest in shares and options	23,376,619 ordinary shares; 2,378,625 options
Special responsibilities	Chief Executive Officer and Managing Director
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Grant Smith

Qualifications	BComm, AAIM, ASIA
Experience	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.
Interest in shares and options	424,481 ordinary shares; 62,241 options
Special responsibilities	Independent Non-Executive Director; Chairman of the Audit Committee
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Robert Knowles AO

Qualifications	MAICD
Experience	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 as 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.
Interest in shares and options	66,234 ordinary shares; 23,117 options
Special responsibilities	Independent Non-Executive Director
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Group during the financial year were:

- 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.

There were no significant changes in the nature of the Group's principal activities during the financial year.

OPERATING RESULT

The consolidated loss of the Group for the financial year after providing for income tax amounted to $60,128 (2019: consolidated loss of $1,296,793).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

REVIEW OF OPERATIONS

A review of the operations of the Group during the financial year and the results of those operations found that, during the year, the Group continued to engage in its principal activities, the result of which are disclosed in the attached financial statements.

Commentary regarding the Group's operations for the financial year is contained in the "Financial and Operations Review" preceding this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of entities in the Group during the year.

EVENTS AFTER THE REPORTING DATE

The COVID-19 pandemic has created unprecented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date. As responses by the government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Group's operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster is still in place. Refer to Note 37 to the financial report for further information regarding the impact of COVID-19 on the Group.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

FUTURE DEVELOPMENTS AND RESULTS

The Group will continue to pursue its objective of increasing the profitability and market share of its major business sectors during the next financial year.

ENVIRONMENTAL ISSUES

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

COMPANY SECRETARY

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

MEETINGS OF DIRECTORS

During the financial year, 13 meetings of directors and 7 audit and risk committee meetings were held. Attendances by each director during the year were as follows:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Steven L. Pynt	13	13	7	7
Mathew Cherian	13	13	-	-
Grant Smith	13	13	7	7
Robert Knowles	13	13	-	-

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During or since the end of the financial year, the Company has not, in any aspect, or for any person who is or has been an officer or director of the Company 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.

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.

OPTIONS

At the date of this report, the unissued ordinary shares of Global Health Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
19 December 2016	30 November 2021	$0.75	600,000
11 November 2019	11 November 2022	$0.25	4,209,873
12 December 2019	11 December 2024	$0.25	1,095,000
			5,904,873

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

There were no ordinary shares of Global Health Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court under Section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2020 has been received and can be found on page 22 of the consolidated financial report.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, 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 Group 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 current and prior financial 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 based pay increases included in any senior executive's contract.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2019 ANNUAL GENERAL MEETING ("AGM")

At the 21 November 2019 AGM, 93.66% of proxies received were in support of adopting the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

RELATIONSHIP BETWEEN REMUNERATION POLICY AND GROUP PERFORMANCE

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, 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 Group's performance.

The following table shows the gross revenue, profits and dividends for the last five years for the Company, as well as the share prices at the end of the respective financial years.

	2020 * $	**2019 ** $**	**2018 $**	**2017 $**	**2016$**
Revenue	**5,969,377**	5,475,024	5,157,539	4,607,570	4,493,297
Net Profit/(Loss)	**(60,128)**	(1,296,793)	(1,860,399)	1,728,045	107,945
Share Price at Year-end	**0.20**	0.14	0.20	0.32	0.42
Dividends Paid (cents)	**-**	-	-	-	-

* The Company adopted AASB 16 Leases for the first time on 1 July 2019, and accordingly, the results include the impacts of applying this standard. Refer to Note 2 to the financial statements for further details.

** The Company adopted AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers for the first time on 1 July 2018, and accordingly, the results include the impact of applying these standards.

REMUNERATION DETAILS FOR THE YEAR 30 JUNE 2020

AMOUNTS OF REMUNERATION

The key management personnel of the Group consist 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

And the following personnel:

- Mr D Groenveld
- Mr K Jayesuria
- Mr K Cherian
- Ms D Hudson

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2020	**Cash salary and fees $**	**Annual leave accrued $**	**Allowances * $**	**Superannuation *** $**	**$**	**Share options ** $**	**Total $**
Directors							
Non-Executive Directors:							
Mr S L Pynt	**47,477**	**-**	**-**	**-**	**-**	**748**	**48,225**
Mr G Smith	**28,833**	**-**	**-**	**-**	**-**	**374**	**29,207**
Mr R Knowles	**36,842**	**-**	**-**	**-**	**-**	**374**	**37,216**
Executive Director:							
Mr M Cherian	**212,405**	**18,287**	**26,000**	**25,277**	**3,959**	**-**	**285,928**
Other KMP							
Mr D Groenveld	**164,383**	**12,645**	**-**	**15,616**	**2,738**	**7,646**	**203,028**
Mr K Jayesuria	**144,407**	**12,645**	**-**	**24,710**	**2,738**	**7,646**	**192,146**
Mr K Cherian	**171,655**	**11,240**	**15,000**	**15,929**	**2,433**	**3,008**	**219,265**
Ms D Hudson	**159,326**	**9,435**	**-**	**14,594**	**2,043**	**-**	**185,398**
Total remuneration	**965,328**	**64,252**	**41,000**	**96,126**	**13,911**	**19,796**	**1,200,413**

* These amounts relate to car allowances paid.

** Share based payments included above are in relation to the recognition of the expense relating to share options issued in the current year to directors and KMP, including those for which vesting conditions have been met during the current financial year.

*** During the financial year ended 30 June 2020, management has decided to disclose the total of the amounts paid to the respective non-executive directors according to the nature of the payment (i.e. cash salary and fees) instead of splitting the payment as per the terms of the service agreements as was done in previous years.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share based payments	
2019	**Cash salary and fees $**	**Annual leave accrued $**	**Allowances $**	**Superannuation **** $**	**$**	**Share options *** $**	**Total $**
Directors							
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 KMP							
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
Total remuneration	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 plus the vesting of those options issued in the current year.

**** Amounts included in this column in relation to non-executive directors for the financial year ended 30 June 2019 were disclosed in accordance with the terms included in the respective service agreements (i.e. cash salary and fees inclusive of superannuation). This is despite the fact that only cash payments were made to the non-executive directors (including amounts allocated as superannuation) instead of a portion of the monies being paid to their respective superannuation accounts.as indicated in the disclosure in the table above.

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

	Fixed remuneration		At risk - Short Term Incentive		At risk - Long Term Incentive	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	%	%
Name						
Non-Executive Directors:						
Mr S L Pynt	**98**	95	**-**	-	**2**	5
Mr G Smith	**99**	97	**-**	-	**1**	3
Mr R Knowles	**99**	97	**-**	-	**1**	3
Ms P Beerens	**-**	100	**-**	-	**-**	-
Executive Director:						
Mr M Cherian	**100**	100	**-**	-	**-**	-
Other KMP:						
Mr D Groenveld	**96**	96	**-**	-	**4**	4
Mr K Jayesuria	**96**	96	**-**	-	**4**	4
Mr K Cherian	**99**	-	**-**	-	**1**	-
Ms D Hudson	**100**	-	**-**	-	**-**	-

SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. It is the Company's 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.
Name:	**Mr K Cherian**
Title:	Manager, Product Portfolio
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:	**Ms D Hudson**
Title:	Manager, Customer Success Group
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.

CHANGES IN KMP

During the year ended 30 June 2020, due to the increase in their respective responsibilities, it was determined that the roles that Mr Kye Cherian and Ms Deborah Hudson play in the Company meet the definition of key management personnel, and therefore, they will be included as such in the current financial year.

There are no further changes to key management personnel during the year.

SHARE-BASED COMPENSATION

ISSUE OF SHARES

There were no shares issued to directors and other key management personnel as part of compensation during the years ended 30 June 2020 and 30 June 2019.

Options and rights granted

	Grant details			For the financial year ended 30 June 2020	For the financial year ended 30 June 2020	For the financial year ended 30 June 2020	Overall		
	Date	No.	Value $	Lapsed No.	Lapsed $	Vested No.	Vested %	Unvested %	Lapsed %
Other KMP:									
Mr D Groenveld	12 December 2019	150,000	8,893	-	-	-	-	100.00	-
Mr K Jayesuria	12 December 2019	150,000	8,893	-	-	-	-	100.00	-
Mr K Cherian	12 December 2019	150,000	8,893	-	-	-	-	100.00	-

There were no options or rights granted to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Description of options/rights granted as remuneration

Details of the options granted as remuneration to those key management personnel and executives during the year:

Share-based payments Year Ended 30 June 2020	Included as Remuneration $	Number of options No.	Grant date	Vested in period %	Forfeited/ lapsed in period %	Vesting date
Other KMP:						
Mr D Groenveld	3,008	150,000	12/12/2019	-	-	11/12/2022
Mr K Jayesuria	3,008	150,000	12/12/2019	-	-	11/12/2022
Mr K Cherian	3,008	150,000	12/12/2019	-	-	11/12/2022

Option values at grant date were determined using the Black Scholes method.

All options were issued by Global Health Limited and entitle the holder to ordinary shares in Global Health Limited for each option exercised.

There have not been any alterations to the terms or conditions of any share-based payment arrangements since grant date.

Key management personnel options and rights holdings

30 June 2020	**Balance at beginning of year No.**	**Granted as remuneration No.**	**Expired/ Forfeited No.**	**Other changes * No.**	**Balance at the end of year No.**	**Vested during the year No.**	**Vested and exercisable No.**
Non-Executive Directors:							
Mr S L Pynt	**200,000**	**-**	**(200,000)**	**59,001**	**59,001**	**-**	**59,001**
Mr G Smith	**100,000**	**-**	**(100,000)**	**62,241**	**62,241**	**-**	**62,241**
Mr R Knowles	**100,000**	**-**	**(100,000)**	**23,117**	**23,117**	**-**	**23,117**
Executive Director:							
Mr M Cherian	**-**	**-**	**-**	**2,378,625**	**2,378,625**	**-**	**2,378,625**
Other KMP:							
Mr D Groenveld	**300,000**	**150,000**	**-**	**-**	**450,000**	**60,000**	**240,000**
Mr K Jayesuria	**300,000**	**150,000**	**-**	**2,000**	**452,000**	**60,000**	**242,000**
Mr K Cherian	**-**	**150,000**	**-**	**-**	**150,000**	**-**	**-**
Ms D Hudson	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1,000,000**	**450,000**	**(400,000)**	**2,524,98**	**3,574,984**	**120,000**	**3,004,984**

* These options relate to the free options which were attached to the shares issued pursuant to the 1 for 2 rights issue which was completed in November 2019.

30 June 2019	**Balance at beginning of year No.**	**Granted as remuneratio n No.**	**Expired/ Forfeited No.**	**Other changes No.**	**Balance at the end of year No.**	**Vested during the year No.**	**Total vested and exercisable No.**
Non-Executive Directors:							
Mr S L Pynt	200,000	-	-	-	200,000	66,667	200,000
Mr G Smith	100,000	-	-	-	100,000	33,333	100,000
Mr R Knowles	100,000	-	-	-	100,000	33,333	100,000
Executive Director:							
Mr M Cherian	-	-	-	-	-	-	-
Other KMP:							
Mr D Groenveld	300,000	-	-	-	300,000	60,000	180,000

Mr K Jayesuria	600,000	-	(300,000)	-	300,000	60,000	180,000
Total	1,300,000	-	(300,000)	-	1,000,000	253,333	760,000

Key management personnel shareholdings

The number of ordinary shares in Global Health Limited held by each key management person of the Group, including their personally related parties, during the financial year is as follows:

30 June 2020	**Balance at beginning of year No.**	**On exercise of options No.**	**Other changes during the year No.**	**Balance at end of year No.**
Non-Executive Directors:				
Mr S L Pynt *	**257,408**	**-**	**118,000**	**375,408**
Mr G Smith *	**300,000**	**-**	**124,481**	**424,481**
Mr R Knowles *	**20,000**	**-**	**46,234**	**66,234**
Executive Director:				
Mr M Cherian *	**18,619,370**	**-**	**4,757,249**	**23,376,619**
Other KMP:				
Mr D Groenveld *	**304,000**	**-**	**-**	**304,000**
Mr K Jayesuria *	**4,000**	**-**	**4,000**	**8,000**
Mr K Cherian **	**-**	**-**	**99,999**	**99,999**
Total	**19,504,778**	**-**	**5,149,963**	**24,654,741**

* Other changes during the year relates to shares issued pursuant to the 1 for 2 rights issue which was completed in November 2019.

** Mr Kye Cherian's holdings relate to those shareholdings as at date of commencement as a member of key management personnel.

30 June 2019	**Balance at beginning of year No.**	**On exercise of options No.**	**Other changes during the year * No.**	**Balance at end of year No.**
Non-Executive Directors:				
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)	-
Executive Director:				
Mr M Cherian	18,619,370	-	-	18,619,370
Other KMP:				
Mr D Groenveld	304,000	-	-	304,000
Mr K Jayesuria	4,000	-	-	4,000
Total	19,526,778	-	(22,000)	19,504,778

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

KMP related party transactions

The Group undertook the following transactions with:

- Key management personnel (KMP)
- A close member of the family of that person, or
- An entity over which the key management person or family member has, directly or indirectly, control, joint control or significant influence, during the reporting period.

Information regarding share-based payment transactions with these persons or entities are included elsewhere in the remuneration report.

Amount payable to key management personnel and their related parties

At the end of the reporting period, accrued wages totalling $75,390 (2019: $75,390) were payable to the Managing Director, Mathew Cherian. This amount payable is interest free and unsecured.

Loans to key management personnel and their related parties

At the end of the reporting period, a loan of $NIL (2019: $8,323) was outstanding from D Groenveld on which interest of $NIL (2019: $974) had been charged during the year. There were no other loans advanced to key management personnel during the year.

Other transactions with key management personnel and their related parties

There were no other transactions conducted between the Group 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.

End of Audited Remuneration Report

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Non-Executive Chairman:

Steven Leigh Pynt

Dated this 31st day of August 2020

5. AUDITOR'S INDEPENDENCE DECLARATION

HLB MANN JUDD

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Global Health Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

This declaration is in relation to Global Health Limited and the entities it controlled during the period.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Michael Gummery
Partner

Melbourne
31 August 2020

hlb.com.au

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6. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020	**Note**	**2020** **$**	**2019** **$**
Revenue			
Revenue from contracts with customers	6	**5,969,377**	5,475,024
Other income		**280,000**	37,587
Finance income	7(a)	**6,291**	12,167
Total income and revenue		**6,255,668**	5,524,778
Employee benefits expense		**(3,465,373)**	(3,623,652)
Third party product and service costs		**(1,255,832)**	(1,367,087)
General and administration costs		**(209,347)**	(272,593)
Bad debts and loss allowance for financial assets		**(111,900)**	(77,338)
Marketing expenses		**(134,639)**	(87,607)
Professional fees		**(340,543)**	(183,558)
Rent and occupancy expenses		**(66,623)**	(158,645)
IT and telecommunications expense		**(116,329)**	(195,256)
Travel expenses		**(65,595)**	(169,269)
Finance expenses	7(b)	**(110,315)**	(138,324)
Depreciation		**(219,147)**	(32,850)
Amortisation		**(402,124)**	(190,329)
Total expenses		**(6,497,767)**	(6,496,508)
Loss before income tax		**(242,099)**	(971,730)
Income tax expense	9	**181,971**	(325,063)
Net loss for the year attributable to members of the parent entity		**(60,128)**	(1,296,793)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified to profit or loss when specific conditions are met		**-**	-
Total comprehensive loss for the year attributable to members of the parent entity		**(60,128)**	(1,296,793)
Earnings per share:			
Basic earnings/(loss) per share (cents)	27	**(0.15)**	(3.86)
Diluted earnings/(loss) per share (cents)	27	**(0.15)**	(3.86)

The accompanying notes form part of these financial statements.

7. STATEMENT OF FINANCIAL POSITION

	Note	2020 $	2019 $
As at 30 June 2020			
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	**666,276**	803,990
Trade and other receivables	11	**1,208,968**	436,125
Tax receivable	14(a)	**97,930**	-
Other assets	16	**114,009**	61,716
TOTAL CURRENT ASSETS		**2,087,183**	1,301,831
NON-CURRENT ASSETS			
Property, plant and equipment	12	**34,956**	54,844
Intangible assets	13	**3,939,689**	4,089,825
Deferred tax assets	14(b)	**391,799**	334,665
Right-of-use assets	15	**201,802**	-
Other assets	16	**116,350**	113,490
TOTAL NON-CURRENT ASSETS		**4,684,596**	4,592,824
TOTAL ASSETS		**6,771,779**	5,894,655
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	**1,059,512**	1,786,261
Contract liabilities	18	**2,622,080**	1,621,494
Borrowings	19	**360,111**	559,983
Lease liabilities	15	**181,674**	-
Provisions	20	**50,000**	-
Employee benefits	21	**582,053**	591,322
TOTAL CURRENT LIABILITIES		**4,855,430**	4,559,060
NON-CURRENT LIABILITIES			
Contract liabilities	18	**218,604**	280,406
Borrowings	19	**271,098**	605,658
Deferred tax liabilities	14(c)	**1,114,254**	1,141,160
Lease liabilities	15	**3,532**	-
Employee benefits	21	**39,669**	33,588
TOTAL NON-CURRENT LIABILITIES		**1,647,157**	2,060,812
TOTAL LIABILITIES		**6,502,587**	6,619,872
NET ASSETS/ (NET LIABILITIES)		**269,192**	(725,217)

The accompanying notes form part of these financial statements.

EQUITY/ (NET DEFICIENCY)			
Issued capital	22	**21,745,526**	20,961,242
Reserves	23	**292,140**	174,211
Accumulated losses	24	**(21,768,550)**	(21,860,746)
Total equity/ (net deficiency) attributable to equity holders of the Company		**269,116**	(725,293)
Non-controlling interest	25	**76**	76
TOTAL EQUITY/ (NET DEFICIENCY)		**269,192**	(725,217)

8. STATEMENT OF CHANGES IN EQUITY

2020

	Note	Issued Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Non-controlling Interests $	Total $
Balance at 1 July 2019		20,961,242	(21,860,746)	24,234	149,977	76	**(725,217)**
Adjustment due to adoption of AASB 16	24	-	86,903	-	-	-	**86,903**
Balance at 1 July 2019 (adjusted)		20,961,242	(21,773,843)	24,234	149,977	76	**(638,314)**
Net loss attributable to members of the parent entity		-	(60,128)	-	-	-	**(60,128)**
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs		758,934	-	-	-	-	**758,934**
Options issued as part of rights issue	23	-	-	-	175,973	-	**175,973**
Share based payment transactions	23	-	-	-	32,727	-	**32,727**
Lapsed employee share options	23,24	-	65,421	-	(65,421)	-	-
Previously exercised options	23	25,350	-	-	(25,350)	-	-
Balance at 30 June 2020		21,745,526	(21,768,550)	24,234	267,906	76	**269,192**
2019							
Balance at 1 July 2018		20,898,742	(20,563,953)	24,234	128,220	76	487,319
Net loss attributable to members of the parent entity	24	-	(1,296,793)	-	-	-	(1,296,793)
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs		62,500	-	-	-	-	62,500
Share based payment transactions	23	-	-	-	21,757	-	21,757
Balance at 30 June 2019		20,961,242	(21,860,746)	24,234	149,977	76	(725,217)

The accompanying notes form part of these financial statements.

9. STATEMENT OF CASH FLOW

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers (inclusive of GST)		**6,396,287**	6,486,437
Payments to suppliers and employees (inclusive of GST)		**(6,712,943)**	(6,654,916)
Interest received		**6,291**	7,142
Finance costs		**(103,061)**	(131,418)
Income taxes received		**272,387**	635,987
Net cash provided by/ (used in) operating activities	26	**(141,039)**	343,232
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible assets		**(698,068)**	(959,880)
Purchase of property, plant and equipment		**(789)**	-
Receipts from Research and Development Grants		**446,080**	789,905
Net cash provided by/ (used in) investing activities		**(252,777)**	(169,975)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**1,010,368**	-
Repayment of borrowings		**(534,432)**	(526,803)
Payment of transaction costs		**(75,461)**	-
Repayment of lease liabilities		**(144,373)**	-
Net cash provided by/ (used in) financing activities		**256,102**	(526,803)
Net increase/(decrease) in cash and cash equivalents held		**(137,714)**	(353,546)
Cash and cash equivalents at beginning of year		**803,990**	1,157,536
Cash and cash equivalents at end of financial year	10(a)	**666,276**	803,990

The accompanying notes form part of these financial statements.

10. NOTES TO THE FINANCIAL STATEMENT

The consolidated financial report covers Global Health Limited and its controlled entities ('the Group'). Global Health Limited is a for profit listed public company limited by shares, incorporated and domiciled in Australia.

Global Health Limited shares are listed on the Australian Securities Exchange (ASX code: GLH).

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 31 August 2020.

When required by Accounting Standards, or when deemed appropriate by management for financial reporting clarity, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the Corporations Act 2001.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

NOTE 2. CHANGE IN ACCOUNTING POLICY

Leases - Adoption of AASB 16

The Group has adopted AASB 16 Leases using the modified retrospective (cumulative catch up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

The Group as a lessee

Under AASB 117, the Group assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the consolidated statement of financial position (except for short term leases and leases of low value assets).

The Group has elected to use the exception to lease accounting for short term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the consolidated statement of profit or loss on a straight-line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Group has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re assessed on transition to AASB 16;
- a single discount rate was applied to all leases with similar characteristics;
- the right of use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right of use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the consolidated statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right of use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Group has recognised right of use assets of $350,272 and lease liabilities of $350,272 at 1 July 2019, for leases previously classified as operating leases. An existing straight-line lease liability related to AASB 117 at 30 June 2019 of $86,903 was taken to opening accumulated loses at 1 July 2019 on transition to AASB 16.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 6.00%.

	$
Operating lease commitments at 30 June 2019 financial statements	465,421
Discounted using the incremental borrowing rate at 1 July 2019	(11,202)
Less:	
Short-term leases included in commitments note	(32,593)
Other adjustments relating to commitment disclosures	(71,354)
Lease liabilities recognised at 1 July 2019	350,272

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 35 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

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 obligation 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 is classified as a "passive subscription" and the Group recognises all revenue associated with the subscription when access is provided to the customer. Such subscriptions require no further input from the Group 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 of the revenue occurs at a point in time, being the delivery of the service to the customer. These services can include (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 and above what they would have received should they have used the unmodified software.

Other services: Other services are performed for customers on an "as needed" 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.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

Interest income

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 income

Other income is recognised on an accruals basis when the Group is entitled to it.

(c) 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 expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following category, those measured at:

- amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in profit or loss. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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.

(h) Leases

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Group assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

Non lease components included in a lease agreement may be separated and recognised as an expense as incurred.

At the lease commencement, the Group recognises a right of use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right of use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right of use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured if there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right of use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Group, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	**Depreciation rate**
Plant and Equipment	13% - 67%
Leasehold improvements	29% - 37%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(j) Intangibles

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 at least 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.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

(k) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is any evidence of impairment for its non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(l) 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.

(m) Employee benefits

Short term employee benefits

Provision is made for the Group's obligation for short term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled, inclusive of on costs.

The Group's obligations for short term employee benefits such as wages and salaries are recognised as a part of current employee benefits in the consolidated statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yield at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Group's obligations for long term employee benefits are presented as non-current employee benefits in its consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee benefits.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

(o) Equity settled compensation

The Group operates equity settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(q) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Group companies

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

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

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

(s) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the result of the Group only. Supplementary information about the parent entity is disclosed in Note 36.

(t) Going concern

As at 30 June 2020, the Group has cash reserves of $666,276 (2019: $803,990) and an excess of current liabilities over current assets of $2,768,247 (2019: $3,257,229). However, the current liabilities as at 30 June 2020 contain a contract liability account, which represents the result 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 2020, the excess of current liabilities over current assets at that date is reduced to $146,167 (2019: $1,635,735). As disclosed in Note 38, it is difficult to reliably estimate with any degree of certainty the potential impact of the COVID 19 pandemic on the Group's future operations, results of financial position.

The current year loss before tax was $242,099 (2019: loss before tax of $971,730).

The consolidated annual financial report has been prepared on a going concern basis which assumes that the Group 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 Group 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 Group. 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 new markets
The Group continues its activities in the domestic and international markets (Malaysia, Singapore, Indonesia, Thailand, and Vietnam). Management anticipates it will 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 Group.

c) Availability of finance
The Group, through its financial institutions, is able to acquire additional financial support if

so required. The directors believe that the Group will be able to continue as a going concern and, accordingly, the financial statements have been prepared on that basis. As at 30 June 2020, it was determined that additional finance facilities were not necessary.

d) Ability to raise capital
As the Group is an ASX listed entity, the Group has the ability to raise additional funds by way of capital raising(s), if required, and has a past history of raising capital successfully when required.

e) Deferral of creditor payments
The Group 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 Group's ability to continue as a going concern. If the Group is not successful in these matters, the going concern basis may not be appropriate, with the result that the Group 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 report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Group not continue as a going concern.

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

(u) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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

(v) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time in the current financial year, for details on the impact of the standards adopted on the reported financial position, performance or cash flow of the Group, refer to Note 2 "Change in Accounting Policy".

(w) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any material impact on the reported position or performance of the Group.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of intangible assets

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of intangible assets are reassessed using value in use calculations which incorporate various key assumptions, including estimated discount rates and growth rates of estimated future cash flows.

With respect to cash flow projections in Australia and overseas, modest growth rates have been factored into valuation models for developed products over the next five years on the basis of management's expectations around the Group's continued ability to capture market share from competitors. Higher growth rates and longer periods of cash flow (up to 10 years) are forecast for under development and newly developed products.
Refer to Note 13(b) for further details.

Key estimates - share based payments

Equity settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity settled share options is estimated through the use of option valuation models – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period.

Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The models utilised, such as the black scholes option pricing model, are intended to value options traded in active markets. The share options issued by the Group, however, have a number of features that make them incomparable to such traded options. Using different input estimates or models could produce different option values, which would result in the recognition of a higher or lower expense. Refer to Note 28 for further details.

Key estimates -provisions for expected credit losses

The Group 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 various customer segments that have similar loss patterns.

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

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

Key estimates - useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key judgements - deferred tax assets

Determining income tax provisions involves judgement on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgements as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Key judgements - 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 5. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates in a single segment, being the computer technology, software and services industry with particular emphasis on healthcare and associated professional services. In respect of geographical segments, the Group does not conduct material activities outside the Australia geographic area.

NOTE 6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

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

	2020 $	2019 $
Major product lines:		
- Recurring software subscriptions	**3,612,263**	3,273,347
- Expansion revenue and additional usage fees	**567,145**	382,910
- Professional services rendered	**965,317**	1,712,194
- Other product revenue	**824,652**	106,573
Total revenue	**5,969,377**	5,475,024
Geographical regions:		
- Australia	**5,969,377**	5,467,437
- Other	**-**	7,587
Total revenue	**5,969,377**	5,475,024
Timing of revenue recognition:		
- Point in time	**2,069,498**	1,924,838
- Over time	**3,899,879**	3,550,186
Total revenue	**5,969,377**	5,475,024

NOTE 7. FINANCE INCOME AND EXPENSES

(a) Finance income

	2020 $	2019 $
Interest income		
- Assets measured at amortised cost	**6,290**	12,167
Net foreign currency gain on financial assets and liabilities	**1**	-
Total finance income	**6,291**	12,167

(b) Finance expenses

	2020 $	2019 $
Interest expense on lease liability	**16,526**	-
Net foreign currency loss on financial assets and liabilities	**-**	632
Other finance expenses	**93,789**	137,692
Total finance expenses	**110,315**	138,324

NOTE 8. EXPENSES

The result for the year includes the following specific expenses:

	2020 $	2019 $
Employee benefits expense excluding superannuation:		
Employee benefits expense excluding superannuation net of capitalised development costs	**3,177,830**	3,334,344
Superannuation expense:		
Defined contribution superannuation expense	**287,543**	289,308
Rental expense on operating leases:		
- Minimum lease payments	**-**	139,805
Share-based payments expense:		
- Share-based payments expense	**32,727**	21,757

NOTE 9. INCOME TAX EXPENSE

(a) The major components of tax expense (income) comprise:

	2020 $	2019 $
Current tax	**(97,930)**	52,814
Deferred tax - origination and reversal of temporary differences:		
- Decrease/(increase) in deferred tax assets	**(57,135)**	388,874
- Increase/(decrease) in deferred tax liabilities	**(26,906)**	(116,625)
Total income tax expense	**(181,971)**	325,063

(b) Reconciliation of income tax to accounting result:

Loss before income tax	**(242,099)**	(971,730)
Statutory tax rate	**27.50%**	27.50%
Prima facie tax at the statutory rate	**(66,577)**	(267,226)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
- Other expenses (non-deductible)	**1,101**	52,340
- Entertainment (non-deductible)	**3,023**	9,278
- Capital raising costs	**(4,150)**	-
- Other deductible expenses	**(27,500)**	(90,551)
- Tax losses not recognised as a deferred tax asset	**195,220**	321,632
- Derecognition of previously recognised tax losses	**-**	299,590
- Prior period differences (R&D claim)	**(97,930)**	-
Income tax expense	**3,187**	325,063

(c) Tax losses not recognised

	2020 $	2019 $
Unused tax losses for which no deferred tax asset has been recognised	**3,336,075**	2,626,184
Potential tax benefit @ 27.5%	**917,421**	722,201

The above potential tax benefit for tax losses has not been recognised in the consolidated 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. CASH AND CASH EQUIVALENTS

	Note	2020 $	2019 $
Cash on hand		**601**	601
Cash at bank		**665,579**	399,213
Short-term deposits		**96**	404,176
Total cash and cash equivalents	10(a)	**666,276**	803,990

(a) Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

Cash and cash equivalents	10	**666,276**	803,990
Balance as per consolidated statement of cash flows		**666,276**	803,990

NOTE 11. TRADE AND OTHER RECEIVABLES

	Note	2020 $	2019 $
CURRENT			
Trade receivables		**1,333,057**	534,701
Less: Loss allowance	11(a)	**(125,930)**	(106,899)
		1,207,127	427,802
Other receivables		**1,841**	8,323
Total current trade and other receivables		**1,208,968**	436,125

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Impairment of receivables

The Group has recognised a loss of $19,031 (2019: $77,339) in profit or loss in respect of loss allowance for the year ended 30 June 2020. Further $92.868 has been written off as bad debts during the year (2019: $Nil).

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

30 June 2020	**Within Maturity (0-30 days)**	**31-60 days**	**61-90 days**	**90-120 days**	**>120 days**	**Total**
Expected loss rate (%)	**4.22**	**12.76**	**18.15**	**25.83**	**36.08**	
Gross carrying amount ($)	**1,045,323**	**45,170**	**43,774**	**35,508**	**163,282**	**1,333,057**
ECL provision ($)	**44,138**	**5,765**	**7,944**	**9,173**	**58,910**	**125,930**

30 June 2019	**Within Maturity (0-30 days)**	**31-60 days**	**61-90 days**	**90-120 days**	**>120 days**	**Total**
Expected loss rate (%)	5.03	66.89	0.21	2.64	38.28	
Gross carrying amount ($)	209,052	15,776	23,920	66,444	219,509	534,701
ECL provision ($)	10,515	10,553	50	1,754	84,027	106,899

Reconciliation of changes in the loss allowance of receivables is as follows:

	2020	**2019**
	$	**$**
Balance at beginning of the year	**106,899**	29,560
Additional loss allowances recognised	**19,031**	77,339
Balance at end of the year	**125,930**	106,899

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	2020 $	2019 $
Plant and equipment		
At cost	**233,633**	232,844
Accumulated depreciation	**(220,324)**	(208,642)
Total plant and equipment	**13,309**	24,202
Leasehold Improvements		
At cost	**178,787**	178,787
Accumulated amortisation	**(157,140)**	(148,145)
Total leasehold improvements	**21,647**	30,642
Total property, plant and equipment	**34,956**	54,844

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial year:

	Plant and Equipment $	Leasehold Improvements $	Total $
Year ended 30 June 2020			
Balance at the beginning of year	**24,202**	**30,642**	**54,844**
Additions	**789**	**-**	**789**
Disposals	**-**	**-**	**-**
Depreciation expense	**(11,682)**	**(8,995)**	**(20,677)**
Balance at the end of the year	**13,309**	**21,647**	**34,956**
Year ended 30 June 2019			
Balance at the beginning of year	44,672	43,022	87,694
Depreciation expense	(20,470)	(12,380)	(32,850)
Balance at the end of the year	24,202	30,642	54,844

NOTE 13. INTANGIBLE ASSETS

	2020 $	2019 $
Developed products		
Cost *	**6,025,285**	3,998,111
Accumulated amortisation	**(1,780,277)**	(1,378,153)
Accumulated impairment	**(917,381)**	(917,381)
Net carrying value	**3,327,627**	1,702,577
Products under development		
Cost	**612,062**	2,387,248
Net carrying value	**612,062**	2,387,248
Total Intangibles	**3,939,689**	4,089,825

* 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 lives 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.

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current and previous financial year:

	Products under development $	Developed products $	Total $
Year ended 30 June 2020			
Balance at the beginning of the year	**2,387,248**	**1,702,577**	**4,089,825**
Additions	**612,062**	**86,006**	**698,068**
Transfers in/(out)	**(2,387,248)**	**2,387,248**	**-**
Amortisation expense	**-**	**(402,124)**	**(402,124)**
R&D tax offset allocated	**-**	**(446,080)**	**(446,080)**
Closing value at 30 June 2020	**612,062**	**3,327,627**	**3,939,689**
Year ended 30 June 2019			
Balance at the beginning of the year	3,371,179	738,999	4,110,178
Additions	959,880	-	959,880
Transfers in/(out)	(1,153,907)	1,153,907	-
Amortisation expense	-	(190,329)	(190,329)
R&D tax offset allocated	(789,904)	-	(789,904)
Closing value at 30 June 2019	2,387,248	1,702,577	4,089,825

(b) Impairment testing of products under development

Irrespective of whether there is any indication of impairment, the Group 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, except for products which are in the early stages of its lifecycle, where an extended cash flow projection over a maximum 10-year period is applied instead. The cash flows are discounted using a pre-tax discount rate of 14.75% (2019: 20%). Further, the estimation of terminal values for each product has been excluded from the value in use calculations on the basis that cash flows are not expected to continue into perpetuity and the useful life of intangible assets is estimated to be 10 years. The following key assumptions were used in the value in use calculations:

- Growth rates (sales) - existing products - 5% to 30% growth (2019: 5%)
- Growth rates (sales) - new products - 50% to 250% growth (2019: 10% 487%)

Management has based the value-in-use calculations on budgets for each type of product. 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 Group operates.

NOTE 14. TAX ASSETS AND LIABILITIES

(a) Current Tax Asset

	2020 $	2019 $
CURRENT		
Tax receivable	**97,930**	-
Total current tax asset	**97,930**	-

(b) Deferred Tax Assets

	Opening Balance $	Charged to Income $	Closing Balance $
Deferred tax assets			
Provisions - employee benefits	177,396	(5,546)	171,850
Loss allowance	8,868	20,529	29,397
Deferred tax assets attributable to tax losses	299,590	(299,590)	-
Accruals	31,965	(1,363)	30,602
Contract liabilities	205,720	(102,904)	102,816
Balance at 30 June 2019	723,539	(388,874)	334,665
Provisions - make good	**-**	**13,750**	**13,750**
Provisions - employee benefits	**171,850**	**(11,786)**	**160,064**
Loss allowance	**29,397**	**5,234**	**34,631**
Lease calculations	**-**	**19,421**	**19,421**
Accruals	**30,602**	**52,198**	**82,800**
Contract liabilities	**102,816**	**(21,683)**	**81,133**
Balance at 30 June 2020	**334,665**	**57,134**	**391,799**

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 Group'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.

(c) Deferred Tax Liabilities

	Opening Balance $	Charged to Income $	Closing Balance $
Deferred tax liabilities			
Prepayments	19,557	(2,584)	16,973
Intangible assets	1,238,228	(114,041)	1,124,187
Balance at 30 June 2019	1,257,785	(116,625)	1,141,160
Prepayments	**16,973**	**14,381**	**31,354**
Intangible assets	**1,124,187**	**(41,287)**	**1,082,900**
Balance at 30 June 2020	**1,141,160**	**(26,906)**	**1,114,254**

NOTE 15. LEASES

The Group has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Group as a lessee

The Group has leases over a range of assets including buildings and carpark (office premises), and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Building and carpark (office premises)

The Group leases an office space plus 2 carpark lots for their corporate office. The lease is for a term of 7 years commencing 14 July 2014 and includes a renewal option to allow the Group to renew for an additional term of 5 years to 13 July 2026.

The corporate office and carpark leases contain an annual pricing mechanism based on fixed rate movements of 3.5% per annum at each anniversary of the lease inception.

Office equipment

The Group has an agreement for the lease of a photocopier for a term of 5 years commencing 27 September 2017.

Right-of-use assets

	Buildings & Carpark $	Office Equipment $	Make Good on Office Premises $	Total $
Year ended 30 June 2020				
Adjustments on adoption of AASB 16 on 1 July 2019	**341,611**	**8,661**	**-**	**350,272**
Add: Provision for make good	**-**	**-**	**50,000**	**50,000**
Depreciation charge	**(170,805)**	**(2,665)**	**(25,000)**	**(198,470)**
Balance at end of year	**170,806**	**5,996**	**25,000**	**201,802**

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Consolidated Statement Of Financial Position $
2020					
Lease liabilities	**187,845**	**3,675**	**-**	**191,520**	**185,206**

Extension options

The building and carpark lease contains an extension option which allows the Group to extend the lease term by another 5 years to 13 July 2026.

The Group includes options in the leases to provide flexibility and certainty to the Group operations and reduce costs of moving premises and the extension options are at the Group's discretion.

At commencement date and each subsequent reporting date, the Group assesses where it is reasonably certain that the extension options will be exercised.

There are $1,029,242 in potential future lease payments which are not included in lease liabilities as the Group has assessed that the exercise of the option is not reasonably certain.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	2020 $
Interest expense on lease liabilities	**(16,526)**
Depreciation of right-of-use assets	**(198,470)**
	(214,996)

Consolidated Statement of Cash Flows

	2020 $
Total cash outflow for leases	**(144,373)**

NOTE 16. OTHER ASSETS

	2020 $	2019 $
CURRENT		
Prepayments	**114,009**	61,716
Total current other assets	**114,009**	61,716
NON-CURRENT		
Security bond - office lease	**116,350**	113,490
Total non-current other assets	**116,350**	113,490

NOTE 17. TRADE AND OTHER PAYABLES

	2020 $	2019 $
CURRENT		
Trade payables	**673,882**	657,461
Sundry payables and accrued expenses	**385,630**	1,128,800
Total current trade and other payables	**1,059,512**	1,786,261

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

NOTE 18. CONTRACT LIABILITIES

	2020 $	2019 $
CURRENT		
Contract liabilities	**2,622,080**	1,621,494
Total current contract liabilities	**2,622,080**	1,621,494
NON-CURRENT		
Contract liabilities	**218,604**	280,406
Total non-current contract liabilities	**218,604**	280,406

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 held line support. These are invoiced up to 12 months in advance. The revenue is recognised monthly as the services are provided to clients. Also included in non-current contract liabilities are amounts related to initial once off licence fees which are recognised monthly over the life of the respective contracts.

Reconciliation of contract liabilities

The following table shows the value of revenue recognised in 2020 that relates to contract liabilities recognised at 2019 and the value of revenue recognised that relates to performance obligations that were also satisfied in the prior year.

	2020 $	2019 $
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Annual licence and maintenance in advance fees	**1,901,900**	1,604,023
Less: Balance of initial licence fees not yet recognised	**(295,029)**	(371,455)
	1,606,871	1,232,568
Revenue recognised from performance obligations satisfied in previous years		
Annual licence and maintenance in advance fees	**-**	-
	-	-

NOTE 19. BORROWINGS

	Note	2020 $	2019 $
CURRENT			
Unsecured liabilities:			
Supplier funding loan		**26,090**	-
		26,090	-
Secured liabilities:			
Other loans and borrowings	19(a)	**334,021**	559,983
		334,021	559,983
Total current borrowings		**360,111**	559,983
NON-CURRENT			
Secured liabilities:			
Other loans and borrowings	19(a)	**271,098**	605,658
		271,098	605,658
Total non-current borrowings		**271,098**	605,658
Total borrowings		**631,209**	1,165,641

(a) Other loans and borrowings

Interest bearing liabilities are provided to the Group on terms of 5 years and an average effective interest rate of 8.59%. In relation to the above loans, the lenders have liens over approximately $70,000 of office equipment which can be claimed in the event of default.
Refer to Note 29 for further information on financial instruments.

NOTE 20. PROVISIONS

	2020 $	2019 $
CURRENT		
Lease make good provision	**50,000**	-
Total current provisions	**50,000**	-

This relates to a provision for the estimated costs that may be incurred to make good the office premises upon completion or termination of the lease.

NOTE 21. EMPLOYEE BENEFITS

	2020 $	2019 $
CURRENT		
Long service leave	**318,611**	297,722
Provision for employee benefits	**263,442**	293,600
Total current employee benefits	**582,053**	591,322
NON-CURRENT		
Long service leave	**39,669**	33,588
Total non-current employee benefits	**39,669**	33,588

NOTE 22. ISSUED CAPITAL

	2020 $	2019 $
42,098,320 (2019: 33,678,592) fully paid Ordinary shares	**21,820,987**	20,961,242
Share issue costs	**(75,461)**	-
Total issued capital	**21,745,526**	20,961,242

(a) Ordinary shares

	2020 No.	2019 No.
At the beginning of the reporting period	**33,678,592**	33,470,259
Shares issued during the year		
- Shares issued for the purchase of the medical software assets of Abaki Pty Ltd at 30 cents per share (22 January 2019)	**-**	208,333
- Shares issued pursuant to completion of rights issue at 12 cents per share (11 November 2019)	**8,419,728**	-
At the end of the reporting period	**42,098,320**	33,678,592

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital Management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern, provide returns for shareholders and benefits to stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as its equity and net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Group 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 Group 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.

There has been no change to capital risk management policies during the year.

NOTE 23. RESERVES

	2020 $	2019 $
Foreign currency translation reserve		
Opening balance	**24,234**	24,234
Closing balance	**24,234**	24,234
Option reserve		
Opening balance	**149,977**	128,220
Share based payment expense	**32,727**	21,757
Options issued as part of rights issue	**175,973**	-
Lapsed employee share options	**(60,792)**	-
Previously lapsed employee share options	**(4,629)**	-
Previously exercised options	**(25,350)**	-
Closing balance	**267,906**	149,977
Total reserves	**292,140**	174,211

(a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(b) Share option reserve

This reserve records the cumulative value of employee or other services received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

NOTE 24. ACCUMULATED LOSSES

	2020 $	2019 $
Accumulated losses at the beginning of the financial year	**(21,860,746)**	(20,563,953)
Adjustment due to adoption of AASB 16	**86,903**	-
Adjusted accumulated losses at the beginning of the financial year	**(21,773,843)**	(20,563,953)
Net profit/(loss) for the year	**(60,128)**	(1,296,793)
Lapsed employee share options	**65,421**	-
Accumulated losses at end of the financial year	**(21,768,550)**	(21,860,746)

NOTE 25. NON-CONTROLLING INTEREST

The Company has a 93.8% (2019: 93.8%) interest in the subsidiary, Working Systems Solutions (Malaysia) Sdn Bhd. Retained earnings attributable to the non-controlling interest are as follows:

	2020 $	2019 $
Retained profits	**76**	76
Total non-controlling interest	**76**	76

NOTE 26. CASH FLOW INFORMATION

Reconciliation of result for the year to cashflows from operating activities

	2020 $	2019 $
Net loss for the year	**(60,128)**	(1,296,793)
Cash flows excluded from profit attributable to operating activities		
- interest on lease liability	**7,254**	-
Non-cash flows in profit:		
- amortisation	**402,124**	190,329
- depreciation	**219,147**	32,850
- impairment of receivables	**19,031**	77,338
- share based payment expense	**32,727**	21,757
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(791,874)**	183,012
- (increase)/decrease in other assets	**(55,153)**	12,545
- (increase)/decrease in tax receivable	**(97,930)**	-
- (increase)/decrease in deferred tax asset	**(57,134)**	388,873
- increase/(decrease) in contract liabilities	**938,784**	297,877
- increase/(decrease) in trade and other payables	**(667,793)**	518,481
- increase/(decrease) in deferred tax liability	**(26,906)**	(116,625)
- increase/(decrease) in employee benefits	**(3,188)**	33,588
Net cash provided by/ (used in) operating activities	**(141,039)**	343,232

NOTE 27. EARNINGS PER SHARE

(a) Reconciliation of earnings to profit or loss from continuing operations

	2020 $	2019 $
Net profit/(loss) for the year attributable to the owners of the parent entity	**(60,128)**	(1,296,793)
Earnings used to calculate basic EPS from continuing operations	**(60,128)**	(1,296,793)
Earnings used in the calculation of dilutive EPS from continuing operations	**(60,128)**	(1,296,793)

(b) Earnings used to calculate overall earnings per share

	2020 $	2019 $
Earnings used to calculate overall earnings per share	**(60,128)**	(1,296,793)

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2020 No.	2019 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**39,038,692**	33,560,442
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**39,038,692**	33,560,442

As the Group generated losses in the financial years ended 30 June 2020 and 30 June 2019, options on issue would decrease loss per share and are therefore anti-dilutive. Accordingly, issued options are excluded from the calculations of diluted earnings per share.

NOTE 28. SHARE BASED PAYMENTS

The Company 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 Company and not to existing securities purchased on market under the Exempt Employee Share Plan. Details of the plans are outlined below.

Employee Share Option Plan (ESOP)

The Company operates the Employee Share Option Plan (ESOP). This plan allows the Company to grant options over shares to key executives, 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 Securities Exchange ("ASX").

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.

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 (EESP).

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 in which the majority of the issued shares are beneficially owned by him or to any trust that the holder is a beneficiary of.

A summary of the Company options granted under the ESOP is as follows:

2020 Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Expired/ Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
10 June 2015	10 June 2020	0.65	150,000	-	-	(150,000)	-	-
19 December 2016	30 November 2019	0.75	400,000	-	-	(400,000)	-	-
19 December 2016	30 November 2021	0.75	600,000	-	-	-	600,000	480,000
12 December 2019	11 December 2024	0.25	-	1,095,000	-	-	1,095,000	-
			1,150,000	1,095,000	-	(550,000)	1,695,000	480,000

2019 Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Expired/ Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
19 December 2013	19 December 2018	0.65	610,000	-	-	(610,000)	-	-
25 May 2014	26 May 2019	0.75	300,000	-	-	(300,000)	-	-
10 June 2015	10 June 2020	0.65	150,000	-	-	-	150,000	150,000
19 December 2016	30 November 2019	0.75	400,000	-	-	-	400,000	400,000
19 December 2016	30 November 2021	0.75	600,000	-	-	-	600,000	360,000
			2,060,000	-	-	(910,000)	1,150,000	910,000

The weighted average remaining contractual life of options outstanding at year end was 3.38 years (2019: 1.2 years). The weighted average exercise price of outstanding shares at the end of the reporting period was $0.43 (2019: $0.73).

During the year, NIL shares were issued under the EESP (2019: NIL).

NOTE 29. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist primarily of cash and cash equivalents, trade receivables, trade payables and borrowings. The Group does not have significant risk exposure to financial instruments and as such risk exposures are generally managed as part of the Group's overall strategic and operational risk management strategies. Consequently, there is currently no specific risk mitigating techniques employed. However, as the Group 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 Group are as follows:

	Note	2020 $	2019 $
Financial assets			
Held at amortised cost			
Cash and cash equivalents	10	**666,276**	803,990
Trade and other receivables	11	**1,208,968**	436,125
Total financial assets		**1,875,244**	1,240,115
Financial liabilities			
Financial liabilities measured at amortised cost			
Trade and other payables	17	**1,059,512**	1,786,261
Borrowings	19	**631,209**	1,165,641
Total financial liabilities		**1,690,721**	2,951,902

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from 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 Group'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 33 Contingencies and Guarantees. The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The majority of customers have long standing business relationships with the Group 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 arises from the Group’s management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

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.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities (excluding lease liabilities for the current year refer to Note 15).

Financial liability maturity analysis Non derivative

	Weighted average Interest rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	%	**%**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment										
Non-interest bearing										
Trade and other payables	**-**	-	1,059,512	1,914,679	-	-	-	-	**1,059,512**	1,914,679
Interest-bearing - fixed rate										
Borrowings	**8.59**	8.60	360,111	632,241	271,098	684,458	-	-	**631,209**	1,316,699
Total contractual outflows			1,419,623	2,546,920	271,098	684,458	-	-	**1,690,721**	**3,231,378**

The timing of expected outflows is not expected to be materially different from contractual cashflows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

The Group controls subsidiaries in Malaysia and Singapore and participates in a joint venture in Malaysia. The Group 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 than the Australian dollar. Management does not engage in an active program of hedging exposure to foreign currencies.

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

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

2020	MYR $
Financial assets	-
Financial liabilities	-
Short-term exposure	-
2019	
Financial assets	48,510
Financial liabilities	-
Short-term exposure	48,510

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

(iii) Price risk
The Group is not exposed to any significant price risk.

NOTE 30. KEY MANAGEMENT PERSONNEL REMUNERATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

The names of directors who have held office during the financial year are outlined in the Directors' Report.

Other key management personnel
The following persons are included as other key management personnel:

- Mr D Groenveld (Principal Architect)
- Mr K Jayesuria (Chief Operating Officer)
- Mr K Cherian (Manager, Product Portfolio)
- Ms D Hudson (Manager, Customer Success Group)

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the KMP for the year ended 30 June 2020.

Key management personnel remuneration included within employee expenses for the year is shown below:

	2020 $	**2019 $**
Short-term employee benefits	**1,070,580**	730,996
Long-term benefits	**13,911**	9,670
Post-employment benefits	**96,126**	64,870
Share-based payments	**19,796**	21,758
Total key management personnel remuneration	**1,200,413**	827,294

NOTE 31. RELATED PARTIES

(a) The Group's main related parties are as follows:

Global Health Limited is the parent entity.

Interests in subsidiaries are set out in Note 35.

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

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

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

(c) Loans to/from related parties

The following balance is outstanding at the reporting date in relation to loans with related parties:

	Opening balance $	Closing balance $
Loans from KMP *		
2020	**75,390**	**75,390**
2019	61,794	75,390

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

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

NOTE 32. AUDITORS' REMUNERATION

	2020 $	2019 $
Remuneration of the auditor for:		
- auditing the financial statements (HLB Mann Judd)	**43,000**	-
- auditing the financial statements (Grant Thornton Audit Pty Ltd)	**-**	61,000
- reviewing the financial statements (Grant Thornton Audit Pty Ltd)	**42,500**	28,000
Remuneration of other auditors of subsidiaries for:		
- additional audit fees for audit of June 2018 annual financial statements		
- Shine Wing Australia	**-**	9,000
Total auditors' remuneration	**85,500**	98,000

NOTE 33. CONTINGENCIES AND GUARANTEES

	2020 $	2019 $
Guarantees		
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
Total guarantees	**102,187**	102,187

Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

NOTE 34. COMMITMENTS

Operating Leases

	2020 $	2019 $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	228,708
- between one year and five years	-	236,713
Total minimum lease payments	-	465,421

Operating lease commitments in the prior year comprised contracted amounts for office rental under non-cancellable operating leases expiring within 5 years.

NOTE 35. INTERESTS IN SUBSIDIARIES

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) * 2020	Percentage Owned (%) * 2019
Subsidiaries:			
Global Health (Australia) Sdn Bhd	Malaysia	**100**	100
Working Systems Solutions (Malaysia) Sdn Bhd	Malaysia	**94**	94
Working Systems Solutions Pty Ltd	Australia	**100**	100
Uni U International Pty Ltd	Australia	**100**	100
Working Systems Solutions (Singapore) Pte Ltd	Singapore	**100**	100
Bourke Johnston Systems Pty Ltd	Australia	**100**	100
Working Systems Software Pty Ltd	Australia	**100**	100
Statewide Unit Trust	Australia	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

NOTE 36. PARENT ENTITY

The following information has been extracted from the books and records of the parent, Global Health Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Global Health Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Global Health Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

	2020	**2019**
	$	**$**
Statement of Financial Position		
Assets		
Current assets	**2,087,182**	1,253,321
Non-current assets	**4,684,596**	4,592,824
Total Assets	**6,771,778**	5,846,145
Liabilities		
Current liabilities	**4,845,689**	4,559,060
Non-current liabilities	**1,647,155**	2,060,812
Total Liabilities	**6,492,844**	6,619,872
Equity		
Issued capital	**21,745,526**	20,961,242

Accumulated losses	**(21,758,810)**	(21,909,181)
Reserves	**292,216**	174,212
Total Equity	**278,932**	(773,727)
Statement of Profit or Loss and Other Comprehensive Income		
Net profit/(loss) for the year	**(1,877)**	(1,254,058)
Other comprehensive income	**-**	-
Total comprehensive loss	**(1,877)**	(1,254,058)

Guarantees

The parent entity has not entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries as at 30 June 2020 or 30 June 2019.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2020 or 30 June 2019, except as stated elsewhere in these financial statements.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2020 or 30 June 2019.

NOTE 37. IMPACT OF COVID-19

In the week commencing 16 March 2020, the Australian Government, together with the State and Territory Premiers, announced a series of measures aimed at preventing the spread of COVID-19 which had the effect of impacting the Australian economy (i.e. impact on supply chain, customers, availability of finance, consumer confidence, etc).

In addressing and implementing the necessary changes to ensure that the Group complies with the measures, the Executive and Directors have implemented, amongst others, the following:

- All staff were encouraged to work from home with effect from 17 March 2020 until further notice and were guided by a preparedness plan that was circulated to all staff.
- Members of staff were provided with relevant training on relevant applications to facilitate a smooth transition to working from home.
- Board meetings were conducted on demand and at least fortnightly to review and monitor the impact of COVID-19 on the business.

Management is continually identifying and quantifying the possible impacts associated with the implementation of COVID-19 measures and have estimated, with some degree of certainty, the resulting impact (financial and operational) which this might have on the Group's future results and financial position. The main impacts include:

- As a result of majority of the staff working from home, the training plan designed for new staff and resellers was impacted due to the reduced accessibility to more experienced staff members. This had on short-term negative impact on the quality of customer support that is now rectified with the assignment of product experts to act as mentors in order to fast track the dissemination of knowledge required to provide appropriate support to customers.
- Several projects scheduled for contract finalisation and implementation have been delayed due to the inability to conduct workshops, joint planning, training, etc. This has had some impact on the revenue to budget comparison, which was subsequently minimised by the reduction of planned research and development and 3 staff redundancies (implemented before the JobKeeper scheme was provided by the Government).

There are currently no known additional impacts on the Group from the recent Stage 3 (July 2020) and currently, Stage 4 (August 2020) lockdowns in metropolitan Melbourne other then there being some continued delays in the finalisation and implementation of projects.

NOTE 38. EVENTS OCCURRING AFTER THE REPORTING DATE

The consolidated financial report was authorised for issue on 31 August 2020 by the board of directors.

The COVID-19 pandemic has created unprecented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date. As responses by the government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Group's operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster is still in place. Refer to Note 37 for further information regarding the impact of COVID-19 on the Group.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 39. STATUTORY INFORMATION

The registered office and principal place of business of the Company is:
Global Health Limited
Level 2, 607 Bourke Street
Melbourne Victoria 3000

11. DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2020 are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
   b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the consolidated financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the consolidated financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 3(t) of the financial statements.

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

Steven Leigh Pynt
Non-Executive Chairman
Dated this 31st day of August 2020

12. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL HEALTH LIMITED

HLB MANN JUDD

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 controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 3 (t) in the financial report, which indicates that the Group incurred a loss before tax of $242,099 (2019: loss before tax of $971,730) during the year ended 30 June 2020 and, as of that date, its current liabilities exceeded its current assets by $2,768,247 (2019: $3,257,229). As stated in Note 3 (t), these events or conditions, along with other matters as set forth in Note 3 (t), 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.

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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 above, 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
Carrying value of intangible assets Note 13	
At 30 June 2020, the Group has intangible assets with a carrying value of $3,939,689 relating to capitalised software development costs for both developed products and products under development. These intangible assets are assessed for impairment at the cash generating unit ("CGU") level using a value in use model in accordance with the requirements of AASB 136 *Impairment of Assets* ("AASB 136"). The assessment of the carrying value of intangible assets is considered a key audit matter due to the following factors: ▪ intangible assets represent a significant proportion of the Group's total assets; ▪ impairment testing involves complex modelling which requires the Group to exercise significant judgment including the use of forward-looking assumptions; ▪ estimating future cash flows requires a significant degree of judgment, especially in respect of products under development which are still in an early stage of maturity; and ▪ the assumptions used in the Group's value in use calculations, including future cash flows, discount rates and growth rates, are subjective and prone to the risk of bias.	Our procedures included, but were not limited to, the following: ▪ obtaining the Group's impairment model and checking the mathematical accuracy of formulae and calculations; ▪ assessing the appropriateness of the impairment testing approach applied by the Group against the requirements of AASB 136; ▪ challenging the appropriateness of cash flow forecasts, discount rates, growth rates and other key assumptions adopted by the Group; ▪ assessing the historical accuracy of past forecasts prepared by the Group by comparing against actual results achieved; ▪ performing sensitivity analysis over key assumptions adopted by the Group, including in respect of discount rates and growth rates for each CGU; ▪ performing substantive testing, on a sample basis, of costs capitalised as intangible assets during the year against the requirements of AASB 138 *Intangible Assets* ("AASB 138"); and ▪ assessing the appropriateness of financial statement disclosures against the requirements of AASB 136 and AASB 138.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition Note 6	
The Group recognised revenue from contracts with customers totalling $5,969,377 for the year ended 30 June 2020 and has total contract liabilities of $2,840,684 as at that date. Revenue recognition is considered a key audit matter due to the following factors: • revenue and associated contract liabilities are of significance to the Group's financial position and performance; and • revenue recognition for the group's products and services involves a degree of complexity and judgment in the application of AASB 15 *Revenue from Contracts with Customers* ("AASB 15").	Our procedures included, but were not limited to, the following: • obtaining an understanding of the Group's processes in respect of revenue recognition for the different products and services offered, including reviewing key terms and conditions of sale; • assessing the operating effectiveness of internal controls related to accuracy and timing of revenue recognition, and in conjunction with our IT specialist, assessing the operating effectiveness of related IT general controls; • performing substantive testing, on a sample basis, of selected revenue transactions and of credit notes issued post 30 June 2020; • reviewing adopted revenue recognition criteria against the requirements of AASB 15; and • assessing the adequacy of financial statement disclosure against the requirements of AASB 15.

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 2020 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 21 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Global Health Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Melbourne
31 August 2020

Michael Gummery
Partner

13. ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

For the Year Ended 30 June 2020

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 11 August 2020.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
Mathew Cherian	23,376,619

Voting rights

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.

Options

No voting rights.

Distribution of equity security holders

	Ordinary shares	
Holding	Shares	Options
1 - 1,000	39	25
1,001 - 5,000	140	24
5,001 - 10,000	75	7
10,001 - 100,000	98	29
100,000 and over	33	11
	385	96

There were 52 holders of less than a marketable parcel of ordinary shares.

Twenty largest shareholders

	Ordinary shares	
	Number held	% of issued shares
Micron Holdings Pty Ltd (Cherian Family A/C)	17,050,324	40.50
Micron Holdings Pty Ltd (Micron Holdings P/L S/F A/C)	5,388,795	12.80
Mr Paul McLaren	1,927,745	4.58
Mrs Elizabeth May Priscilla Thomas	1,913,378	4.55
Connaught Consultants (Finance) Pty Ltd (Super Fund A/C)	1,000,500	2.38
Alumootil Mathew Cherian	937,500	2.23
Mr Andrew Charles Gracey	900,000	2.14
Ms Serene Lim & Mr Nicholas Russell Ward (Serene Lim Superfund A/C)	770,000	1.83
Triglobal Management Limited	700,000	1.66
B&R James Investments Pty Limited (James Superannuation A/C)	670,000	1.59
Dr Russell Kay Hancock	600,000	1.43
Dr Serene Lim (Serene Lim Family A/C)	525,000	1.25
Dr David Leroy Boyles	500,000	1.19
Annex Partners Pty Ltd	500,000	1.19
Roxanne Investments Pty Ltd	424,481	1.01
Emerald Shares Pty Limited (Emerald Unit A/C)	346,541	0.82
Mr Michael Murray	330,076	0.78
Asket Pty Ltd (S L Pynt Super Fund A/C)	316,240	0.75
Damon Groenveld	304,000	0.72
Mr Rajiv Paramanathan	280,000	0.67
Mr Brendan Thomas Birthistle	268,718	0.64
	35,653,298	84.71

Unissued equity securities

Options issued: 5,904,873 unlisted options issued to 96 holders).

Securities exchange

The Company is listed on the Australian Securities Exchange.

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