

21 August 2014

Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

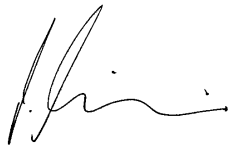
Global Health Limited Financial Results for the year ended 30 June 2014

In accordance with the Listing Rules, I enclose the following:

1. Directors' Report
2. Appendix 4E
3. Full year financial report for the year ended 30 June 2014

Yours faithfully,

Global Health Limited



Peter Curigliano
Chief Financial Officer and Company Secretary

Directors' Report For the year ended 30 June 2014

Your Directors submit their report for financial year ended 30 June 2014.

Financial Summary

✓ Group Revenue	Up	\$707,323 (+16%)	to \$5,251,086
✓ Operating Expenses	Up	\$212,262 (+6%)	to \$3,591,600
✓ Group EBITDA	Up	\$495,061 (+43%)	to \$1,659,486
✓ Group Net Profit After Tax	Up	\$346,665 (+32%)	to \$1,443,513
✓ Earnings Per Share	Up	0.40 cents (+10%)	to 4.42 cents per share

The Previous Corresponding Period (PCP) for this report is the twelve months to 30 June 2013.

Group Revenue up 16%

The Company's core Operational Revenue is derived from the sale of software licences and annual subscriptions to:

- Overnight and Day Hospitals (the acute sector) and,
- Specialists, General Practitioners, Community Health and Allied Health Providers (the non-acute sector).

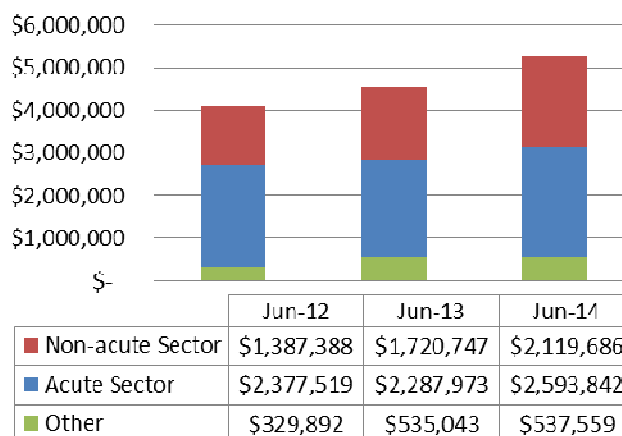
Total revenue increased by \$707,323 (+16%) to \$5,251,086 with revenue from acute segment customers increasing by \$305,869 (+13.4%) and non-acute segment customers increasing by \$398,939 (+23.2%).

The growth in non-acute sector revenue was largely from new sales of MasterCare EMR (Electronic Medical Record) driven by demand from Mental Health services nationally.

The growth in acute sector revenue was from a combination of new value-add sales to existing customers and new hospital and day surgery customers of MasterCare ePAS (enhanced Patient Administration System).

An AusIndustry Research and Development Grant of approximately \$413K represented the bulk of Other Revenue received in the reporting period.

Revenue by Segment



Operating Expenses up 6%

Operating expenses increased by \$212,262 (+6%) over the reporting period. Staffing levels were maintained at around 30 full-time equivalents. Aside from staff costs, the main expenditure increase was directed at transitioning the Company's internal systems infrastructure to the Cloud.

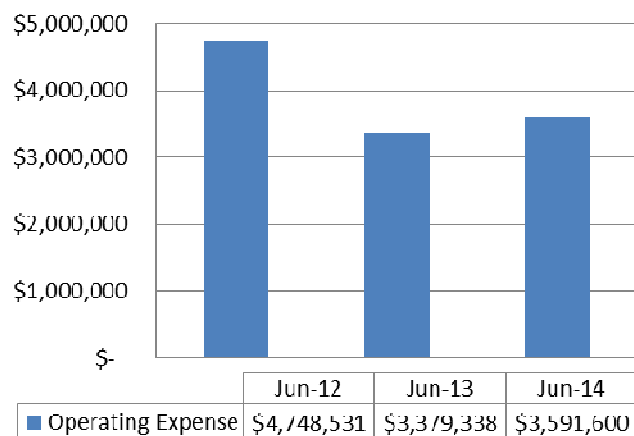
Over the reporting period, the Company migrated a number of "on-premises" internal applications to the Cloud.

These include:

- Corporate Accounting Systems,
- Software Development Life Cycle Management Systems and,
- Customer Support and Help Desk Ticketing Systems.

Aside from providing a more cost-effective internal infrastructure, these activities provide the Company access to the global marketplace for talent at competitive prices for our software development, sales and support services.

Operating Expenses



Earnings and Margins

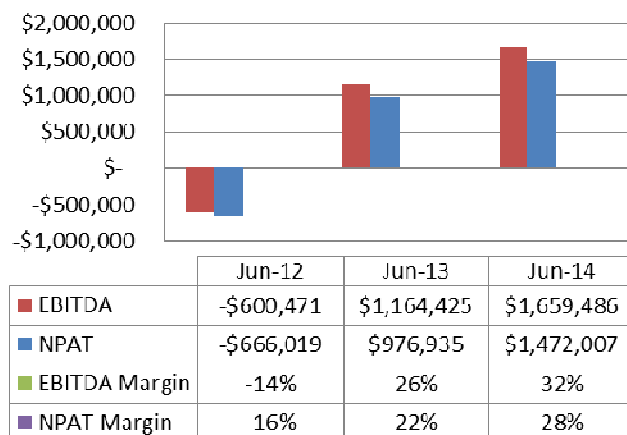
As a result of the changes to the operating profile of the Company to a more scalable cost base and a focus on online channels for business development, a marginal cost of approximately 30% has been achieved for marginal revenue.

This has resulted in a 23% improvement in EBITDA margins to 32% overall and an increase in EBITDA of \$495,061 (+42.5%) to \$1,659,486.

The Net Profit After Tax (NPAT) margin improved by approximately 27% to 28% overall resulting in an increase of \$495,072 in NPAT to \$1,472,007 over the reporting period.

Earnings Per Share (EPS) improved by 0.40 cents (+10%) to 4.42 cents per share.

Earnings and Margins



Financial Position

At 30 June 2014, the Company had Net Assets of \$2,675,052 – an improvement of \$1,472,007.

Cash at Bank was up \$292,090 (+35%) to \$1,117,444 with Quick Assets (Cash + Net Receivables) up \$399,495 (+72%) to \$951,526.

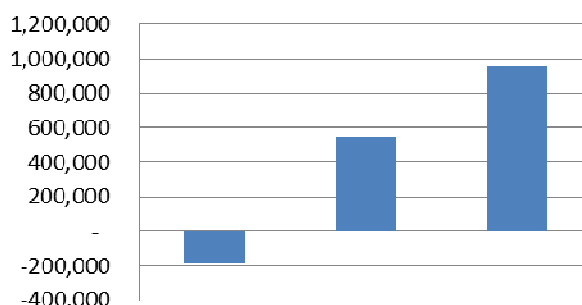
The major current liability is represented by Unearned Income of \$997,646. This represents non-refundable Annual Licence Fees (ALF's) paid in advance.

In addition to a "Right-to-Use" Licence, the ALF entitles customers to help desk services, software updates and upgrades.

Consequently any ALF prepayments are recognised as revenue pro-rata at the end of each month.

Other than short-term insurance premium funding of \$44,715, the Company has no debt.

Cash + Net Receivables



	Jun-12	Jun-13	Jun-14
■ Cash + Net Receivables	-188,373	552,031	951,526

Forward Outlook

In the longer term, the goal is to continually develop new products in the Cloud and new export markets.

In support of the longer term growth objectives, the Company continues to invest approximately 20% of total revenue to the research and development of a connected healthcare eco-system that is consumer centric and offered as a Software Service in the Cloud, across multiple devices.

The provision of integrated Cloud applications is being piloted with a cohort of existing MasterCare customers across both the acute and non-acute segments. These pilot customers expect significant improvement in the efficiency of their operations through online engagement with their patients, funders and colleagues thereby offering a better experience for all stakeholders. The Cloud infrastructure will also provide more scalable and cost-effective operating profiles for our Customers.

These pilot projects will also integrate our Healthcare Provider applications (MasterCare) to our Patient Portal (HotHealth), Secure Messaging (ReferralNet) and Personal Healthcare Record applications (LifeCard PHR) positioning the Company as a single comprehensive technology partner for the connected healthcare eco-system. This is in contrast to the multiple vendor / multiple product alternatives in the market today. Standards-based Inter-connectivity is inherent across all Global Health products enabling our customers to seamlessly integrate to best-of-breed and pre-existing software investments.

Importantly, the provision of integrated Cloud applications will extend our sales reach to export markets with a cost-effective and scalable platform. In combination, this solution architecture will potentially provide significant new revenue opportunities in subsequent years.

In the current period to June 2015, revenue growth will continue to be derived mainly from new sales of our existing on-premises applications to Australian customers and value-add bundling of our product portfolio to existing customers. The existing Australian sales pipeline indicates organic revenue growth of approximately 10%.

The Company re-commenced export market development activity in the first half of this calendar year and is targeting the commercial release of further MasterCare Cloud products in the second half of the 2015 financial year.

Enquiries can be directed to Mathew Cherian, Chief Executive Officer, on +61 3 9675 0600 or alternatively by email to mathew.cherian@global-health.com.

For and on behalf of Global Health Limited



Mathew Cherian
Chief Executive Officer and Managing Director

Appendix 4E

Preliminary Final Report

Name of entity:

GLOBAL HEALTH LIMITED

ABN or equivalent
company reference

75 091 377 892

Half
yearly
(tick)

☐

Preliminary
final
(tick)

☒

Financial year ended
(‘current period’)

30 June 2014

Financial year ended
(‘previous period’)

30 June 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	\$'000		
Revenues from ordinary activities	up	16%	to 5,251
Profit from ordinary activities after tax attributable to members	up	32%	to 1,444
Profit for the period attributable to members	up	32%	to 1,444

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil ¢	Nil ¢
Interim dividend		
Previous corresponding period	Nil ¢	Nil ¢

Net Tangible Asset backing	Current period	Previous corresponding period
Net tangible assets per ordinary security	(1.24)¢	(3.61)¢

Other significant information needed by an investor to make an informed assessment of the entity’s financial performance and financial position

Other significant information:

Commentary on the Results for the Period


The earnings per security and the nature of any dilution aspects :	
Net Profit/(loss) after Tax	\$1,443,513
Calculation of EPS	
Total number of shares used in calculation of basic EPS	32,659,758
Basic EPS (cents)	4.421
Calculation of diluted EPS	
Weighted average number of shares	32,659,758
Effect of dilutive shares	-
Total number of shares used in calculation of diluted EPS	32,659,758
Diluted EPS (cents)	4.421
Returns to shareholders including distributions and buy backs:	N/A
Significant features of operating performance:	
The results of segments that are significant to an understanding of the business as a whole:	
Discussion of trends in performance: N/A	
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: N/A	

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input checked="" type="checkbox"/>	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments forming part of Appendix 4E

Attachment #	Details
1	Preliminary Financial Statements

Sign here	
Print name	Mathew Cherian Director
Date	21 August 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated Group	
	2014	2013
	\$	\$
Revenue from the sale of licenses and maintenance contracts	4,102,836	3,621,385
Revenue from professional services	666,065	564,414
Other revenues	482,185	357,964
Total revenue from continuing operations	5,251,086	4,543,763
Salaries and related costs	(2,614,639)	(2,328,956)
Direct external costs	(136,803)	(271,921)
General and administration costs	(840,158)	(778,461)
Earnings before interest, tax, depreciation and amortisation	1,659,486	1,164,425
Finance costs	31,397	(66,897)
Depreciation	(8,402)	(13,876)
Amortisation	(209,953)	(105,657)
Non-operating foreign exchange gains/(losses)	(29,015)	118,853
Profit before income tax	1,443,513	1,096,848
Income tax benefit/(expense)	-	-
Net profit for the period	1,443,513	1,096,848
Other comprehensive income		
Exchange differences on translating foreign operations	28,494	(119,913)
Total comprehensive profit for the period	1,472,007	976,935
Net profit/(loss) for the period attributable to:		
Owners of the parent	1,443,725	1,097,069
Non-controlling interest	(212)	(221)
	1,443,513	1,096,848
Total comprehensive profit/(loss) attributable to:		
Owners of the parent	1,472,135	977,342
Non-controlling interest	(128)	(407)
	1,472,007	976,935
Earnings per share	Cents	Cents
Basic earnings per share (cents per share)	4.421	4.022
Diluted Earning per share (cents per share)	4.421	4.022

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Consolidated Group	
	2014	2013
	\$	\$
Current Assets		
Cash and cash equivalents	1,117,444	825,354
Receivables	500,899	564,718
Other	166,479	125,302
Total Current Assets	1,784,822	1,515,374
Non-Current Assets		
Receivables	97,680	-
Intangibles	3,080,101	2,189,594
Property, plant and equipment	10,664	7,878
Total Non-Current Assets	3,188,445	2,197,472
Total Assets	4,973,267	3,712,846
Current Liabilities		
Payables	666,817	838,041
Interest bearing liabilities	44,715	55,080
Provisions	455,439	434,791
Unearned income	997,646	1,095,368
Total Current Liabilities	2,164,617	2,423,280
Non-Current Liabilities		
Provisions	133,598	86,521
Total Non-Current Liabilities	133,598	86,521
Total Liabilities	2,298,215	2,509,801
Net Assets	2,675,052	1,203,045
Equity		
Contributed equity	20,656,242	20,656,242
Reserves	186,133	157,723
Accumulated Losses	(18,029,436)	(19,473,161)
Total Parent Entity Interest	2,812,939	1,340,804
Non-controlling Interest	(137,887)	(137,759)
Total Equity	2,675,052	1,203,045

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Issued capital ordinary	Option reserve	Currency translation reserve	Retained earnings	Total attributable to owners of the parent	Non- controlling interest	Total equity
Consolidated Group							
Balance 1 July 2013	20,656,242	29,978	127,745	(19,473,161)	1,340,804	(137,759)	1,203,045
Share based payments	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	1,443,725	1,443,725	(212)	1,443,513
Other comprehensive income:							
Exchange difference on translation of foreign operations	-	-	28,410	-	28,410	84	28,494
Total comprehensive profit/(loss) for the period	-	-	28,410	1,443,725	1,472,135	(128)	1,472,007
Balance 30 June 2014	20,656,242	29,978	156,155	(18,029,436)	2,812,939	(137,887)	2,675,052
Balance 1 July 2012	20,117,676	32,200	247,472	(20,570,230)	(172,882)	(137,352)	(310,234)
Issue of share capital-exercise of options and new shares	536,344	-	-	-	536,344	-	536,344
Share based payments	2,222	(2,222)	-	-	-	-	-
Transactions with owners	538,566	(2,222)	-	-	536,344	-	536,344
Profit/(loss) for the period	-	-	-	1,097,069	1,097,069	(221)	1,096,848
Other comprehensive income:							
Exchange difference on translation of foreign operations	-	-	(119,727)	-	(119,727)	(186)	(119,913)
Total comprehensive profit/(loss) for the period	-	-	(119,727)	1,097,069	977,342	(407)	976,935
Balance 30 June 2013	20,656,242	29,978	127,745	(19,473,161)	1,340,804	(137,759)	1,203,045

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated Group	
	2014	2013
	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	5,534,917	4,928,569
Payments to suppliers and employees	(4,167,132)	(3,546,232)
	<hr/> 1,367,785	<hr/> 1,382,337
Interest received	14,921	4,461
Interest and finance costs paid	31,397	(66,897)
<i>Net cash inflow from operating activities</i>	<hr/> <i>1,414,103</i>	<hr/> <i>1,319,901</i>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(11,188)	(915)
Purchase of intangibles	(1,100,460)	(824,800)
<i>Net cash outflow from investing activities</i>	<hr/> <i>(1,111,648)</i>	<hr/> <i>(825,715)</i>
Net Operating and Investing Activities	<i>302,455</i>	<i>494,186</i>
Cash Flows from Financing Activities		
Proceeds from borrowings	66,301	239,345
Proceeds from issue of shares	-	537,534
Repayment of Finance Leases	-	(1,004)
Repayment of borrowings	(76,666)	(456,366)
<i>Net cash inflow/(outflow) from financing activities</i>	<hr/> <i>(10,365)</i>	<hr/> <i>319,509</i>
Net increase in cash and cash equivalents held	292,090	813,695
Cash and cash equivalents at the beginning of the financial year	825,354	11,659
Cash and cash equivalents at the end of the financial year	<hr/> 1,117,444	<hr/> 825,354



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements cover Global Health Limited and its controlled entities as a consolidated entity ('Group').

The financial report covers the consolidated entity of Global Health Limited and controlled entities. Global Health Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

Basis of preparation

This preliminary financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with IFRSs

Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of Global Health Limited and its controlled entities comply with International Financial Reporting Standards (IFRSs).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical Accounting Estimates & Judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. Actual results may differ from these estimates. The accounting policy detailed in Note 1 provides details of these estimates, judgements and assumptions.



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(a) Principles of Consolidation

A controlled entity is any entity that Global Health Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

All controlled entities have a June financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the consolidated statement of financial position and in the consolidated statement of comprehensive income.

Principles of Consolidation

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss after the fair value of the acquired assets and liabilities have been reassessed.

Non-controlling interests in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(b) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

Sales Revenue

Sales revenue comprises revenue earned (net of returns, discount and allowances) from the provision of products or services to entities outside the Group. Sales revenue is categorised and recognised as follows:

- **Licence Fees**

Initial licence fees are brought to account on contract signing.

- **Maintenance Fees**

Maintenance fees are a non-refundable deferred revenue stream. Clients subscribe to their licences in advance – ranging from quarterly, half-yearly to annual payments. They are proportionally accrued in arrears, at the end of each month. These entitle the customer to a usage licence, help desk telephone support and rights to extended warranty and product enhancements.

- **Professional Services**

Professional services are brought to account on the issue of invoice on completion of work that may be performed on a time and materials or a project milestone basis. This includes work done in the health and non-health segments.

Grants

Grant monies are recognised as revenue at the time of receipt.

Rent recharge

Revenue received from the sub-let of office premises is recognised monthly.

Interest Income

Interest income is recognised using the effective interest method.

Asset Sales

The net profit on asset sales is included as revenue of the Group. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(d) Goods and services tax

Revenues, 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 Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flow.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying values in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are substantially enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts directly in equity are also recognised directly in equity.



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

Tax consolidation legislation

Global Health Limited and its wholly-owned Australian entities have implemented the tax consolidation legislation. These were formally adopted on lodgement of the 2004 income tax returns.

On forming a tax consolidated group, the Global Health Limited is now responsible for recognising the deferred tax assets relating to tax losses for the Tax Consolidated Group. The Tax Consolidated Group has entered into a tax-sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the Tax Consolidated Group.

(f) Intangible assets

Goodwill

Goodwill, representing excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of a controlled entity or business, is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred. Costs that qualify as development under the accounting standards are capitalised and amortised over a pre-determined period after certain criteria have been met.

GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(g) Plant and Equipment

Cost and valuation

Plant and equipment are carried at cost.

Depreciation

Plant and equipment, leasehold improvements and furniture and fittings of the consolidated entity are depreciated on a diminishing value basis. Rates of depreciation are calculated to allocate the cost or valuation, less estimated residual value at the end of the useful lives of the assets, against revenue over those estimated useful lives.

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

Class of Asset	Depreciation Rate (%)	
	Straight Line	Diminishing Value
Leasehold Improvements	-	25-35
Plant & Equipment	-	27 – 40
Furniture and Fittings	-	13
Motor Vehicles	-	22.5

(h) Trade Debtors

Trade debtors to be settled within 60 days are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets."



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(i) Foreign Currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Translation of controlled foreign entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

(j) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases, which effectively transfer to the consolidated entity substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments and amortised over the period the consolidated entity is expected to benefit from the use of the leased assets. Operating lease payments, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the operating profit or loss in equal instalments over the lease term.

(k) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost of acquisition at the date of acquisition is measured as the fair value of the asset. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

When settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value discounted at the rate applicable if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

(l) Employee Benefits

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Wages, Salaries & Annual Leave



GLOBAL HEALTH LIMITED AND CONTROLLED ENTITIES

Liabilities arising in respect of wages, salaries, annual leave and other employee benefits expected to be settled within 12 months represent the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the balance date. Liabilities have been calculated at the amounts expected to apply at the time of settlement. On-costs are included in this amount.

Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for long service leave, consideration has been given to future increases in wage and salary rates, and the Group's experience with staff departures. Related on-costs have also been included in the liability.

Share-based payments

Share-based compensation benefits are provided to employees via the Company's Employee Option Plan and an employee share scheme.

Share options vested after 1 July 2004

The fair value of options granted under the Company's Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each



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period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

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

(m) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.



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Classification and subsequent measurement

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivables

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

Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Held-to-maturity investments held by the Group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.



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Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in other comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118 Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a 12 month period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.



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Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(o) Investments

Controlled Entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount

(p) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

(q) Earnings Per Share

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



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Diluted EPS is calculated as net profit attributable to members, adjusted for:

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

(r) Cash and cash equivalents

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

(s) Dividends

No provision is made for dividends on or before the end of the year.



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(u) Going Concern

At 30 June 2014, the Company reported an EBITDA profit of \$1,659,486 (2013: \$1,164,425). A net asset surplus of \$2,675,052 (2013: \$1,203,045) was also recorded, demonstrating a \$1,472,007 improvement from the prior year. In the same period a net current asset deficiency of \$379,795 was recorded (2013: \$907,906). Again, this represented an improvement of \$528,111.

This net current asset deficiency is primarily represented by an unearned revenue balance of \$997,646. Unearned revenue comprises annual subscriptions (licence to use, help desk telephone support, rights to enhancements and extended warranties), paid in advance but recognised monthly. These subscriptions in advance are not subject to refunds or cancellation but do incur an obligation by the Group to provide monthly help-desk and warranty services with revenue being recognised monthly in the group's statement of comprehensive income. The reporting of unearned revenue has always been shown on the Company's statement of financial position and is a normal business operation.

The Board believes it is appropriate to prepare the financial statements on a going concern basis.

2. Segment Information

Segment information is provided in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Operating Segments

The Group operates in the computer technology, software and services industry with particular emphasis on healthcare and professional services.



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The consolidated entity comprises the following main operating segments:

- *Acute* Information system applications for the hospital and day surgery market sector to deliver better and more integrated healthcare.
- *Non-Acute* Comprehensive suite of applications that provide the management of population outcomes for communities of common interest.
- *Other* Products and services delivered to non-healthcare customers and includes revenues and expenses associated with third party products and cost recovery from customers.
- *Corporate* Expenditure associated with Corporate, Sales and Marketing activities.



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Segment accounting policies

The group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

During the financial year there were no changes in segment accounting policies that had a material effect on the segment information.

Geographical Segments

Although the group's divisions are managed on a global basis they operate in two main geographical areas:

Australia

This is the home country of the parent entity which is also the main operating entity. The corporate head office is based in Melbourne, Victoria. The Company also has a presence in Western Australia for the provision of professional services and product development.

Malaysia

In prior years, the Group operated in the ASEAN region with local resources employed to provide support to Southeast Asian clients of the Group. Currently, there is a presence in the region with a view to future engagement in the market.



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2. Segment Information (continued)

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Primary Reporting Business Segments	Acute		Non-Acute		Other		Corporate		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue										
Sales to customers outside the consolidated entity	2,593,842	2,287,973	2,119,686	1,720,747	537,559	535,043	-	-	5,251,087	4,543,763
Total segment revenue	2,593,842	2,287,973	2,119,686	1,720,747	537,559	535,043	-	-	5,251,087	4,543,763
Total consolidated revenue									5,251,087	4,543,763
Results										
Segment result	1,449,478	1,256,786	1,341,072	1,212,773	198,870	211,906	(1,545,907)	(1,584,617)	1,443,513	1,096,848
Income tax expense										-
Non-controlling interests										221
Net profit/(loss)										1,097,069
Assets										
Segment assets	2,456,609	1,869,572	2,007,539	1,406,074	509,119	437,200	-	-	4,973,267	3,712,846



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2. Segment Information (continued)

Primary Reporting Business Segments	Acute		Non-Acute		Other		Corporate		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Liabilities										
Segment liabilities	1,135,232	1,263,789	927,711	950,475	235,271	295,537	-	-	2,298,214	2,509,801
Cash flows from operating activities	408,101	379,252	271,858	180,724	83,536	120,713	650,608	639,212	1,414,103	1,319,901
Cash flows from investing activities <i>(includes acquisition of property, plant & equipment, intangible assets and other non-current assets)</i>	(320,812)	(237,256)	(213,710)	(113,059)	(65,668)	(75,517)	(511,458)	(399,883)	(1,111,648)	(825,715)
Cash flows from financing activities	(2,995)	91,805	(1,995)	43,748	(613)	29,222	(4,762)	154,734	(10,365)	319,509
Other segment information										
Depreciation	2,425	3,987	1,615	1,900	740	1,269	3,622	6,720	8,402	13,876



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2. Segment Information (continued)

Secondary Reporting Geographical	Australia		International		Consolidated	
	2014	2013	2014	2013	2014	2013
Segment revenue	5,251,086	4,543,763	-	-	5,251,086	4,543,763
Segment assets	6,089,142	4,800,652	(1,115,875)	(1,087,806)	4,973,267	3,712,846
Segment Result	1,443,513	1,096,848	-	-	1,443,513	1,096,848
Other segment information						
Acquisition of property, plant and equipment, intangible assets and other non-current assets	1,111,647	825,715	-	-	1,111,647	825,715