

# IM MEDICAL LIMITED

ABN: 47 009 436 908

Annual Financial Report  
for the Year Ended 30 June 2015

## Corporate Information

### Company Directors

Mr. Nigel Blaze  
Mr. Richard Wadley  
Mr. Paul Burton

Chairman  
Non Executive Director  
Non Executive Director

### Company Secretary

Mr. Richard Wadley

### Registered Office

Level 40  
140 William Street,  
Melbourne VIC 3000  
Telephone: +61 3 9607 8280  
Facsimile: +61 3 9607 8285

### Solicitors

GTP Legal  
Level 1,  
28 Ord Street,  
West Perth WA 6005

### Bankers

The Bank of Melbourne

### Share Register

Security Transfer Registrars Pty Ltd  
770 Canning Highway,  
Applecross WA 6153

### Auditor

Deloitte Touche Tohmatsu  
550 Bourke Street,  
Melbourne VIC 3000

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## Corporate Governance Statement

IM Medical Limited remains committed to corporate governance practices that are compatible with the Company's age and size and which ensure an appropriate degree of accountability and transparency to shareholders and other stakeholders.

ASX Listing rule 4.10.30 requires that IM Medical Limited disclose the extent to which it has followed the recommendation of the ASX Corporate Governance Councils ("ASX CGC") *Corporate Governance Principles and Recommendations* (2<sup>nd</sup> Edition) during the 2015 year.

### **PRINCIPLE 1 – Lay solid foundations for management and oversight**

*Recommendations 1.1: Formalise and disclose the functions reserved to the board and those delegated to management.*

The IM Medical board retains responsibility for the following areas:

- a) Setting and monitoring of objectives, goals and strategic direction for management with a view to maximising shareholder wealth;
- b) Approving annual budget and monitoring financial performances;
- c) Ensuring adequate internal controls exist and are appropriately monitored for compliance;
- d) Ensuring significant business risks are identified and appropriately managed;
- e) Approving acquisitions
- f) Ensuring and appointing new Directors; and
- g) Maintaining the highest business standards and ethical behaviour

*Recommendation 1.2: Disclose the process for performance evaluation of the board, its committees and individual directors and key executives.*

The principles adopted for performance evaluations of key executives are outlined in the remuneration section of the director's report.

In summary the board evaluates the performance of senior executives on an annual basis. When considering performance, the board has regard for such things as:

- a) The responsibilities of the executive
- b) The approved annual budgets
- c) Any communicated key performance indicators; and
- d) Qualities as well as quantitative measures

In relation to the directors, the process for evaluating performance is more informal but none the less effective.

Directors and key executives have ongoing access to continuing education to enhance their skills and knowledge and the board has access to independent professional advice at the company's expense. In addition, all directors have access to the Company Secretary who is responsible to the board, through the Chairman, on all governance matters.



## Corporate Governance Statement (cont'd)

### PRINCIPLE 2 – Structure the board to add value

*Recommendations 2.1: A majority of the board should be independent directors.*

At the date of this report, the board comprises three directors, all of which are considered independent and meet the objective assessment of quantitative, qualitative, and cumulative criteria for director independence.

The degree of independence will be reviewed periodically but the current view of the board, is that sufficient independence is adequately provided by independent directors and strategic advisers. The board recognises that a director remains in office for the benefit of and is accountable to shareholders and that shareholders have the voting power to elect members to the board regardless of their standing, independent or otherwise.

*Recommendation 2.2: The chairperson should be an independent director and;*

*Recommendation 2.3: The roles of the Chairperson and Chief Executive Officer should not be exercised by the same individual.*

The current chairman is an independent director. There is currently no chief executive officer and the company is searching for a new chief executive officer.

*Recommendation 2.4: The board should establish a nomination committee*

Due to the company's limited size and lack of complexity, the board has adopted the position that this responsibility should be fulfilled by the full board.

*Recommendation 2.5: Disclose the process for evaluating the performance that this responsibility should be fulfilled by the full board.*

### PRINCIPLE 3 – Promote ethical and responsible decision making

*Recommendation 3.1: Establish a code of conduct to guide the Directors, the Chief Executive Officer and any other key executives.*

The Company recognises its corporate regulatory responsibilities, and has developed and maintained the necessary systems and operational procedures and protocols to ensure it satisfies these obligations.

The board believes that a key driver of corporate governance is to communicate the key policies to management and staff and to monitor and embed them throughout all functions. These policies are monitored and reviewed on an ongoing basis by the board and cover:

- a) Employee share trading policies
- b) Appropriate levels of disclosure and liaison with shareholders
- c) Relationships with customers and suppliers
- d) Employment practices of the Company

In addition to the above, all directors and senior management strive to ensure that the Company:

- a) Complies with laws and regulations; and
- b) Ethical and environmental responsibilities

## Corporate Governance Statement (cont'd)

### PRINCIPLE 3 – Promote ethical and responsible decision making (cont'd)

*Recommendation 3.2: Disclose the policy concerning trading in company securities by directors, officers, and employees.*

The Company has established a "Share Trading Policy". This Policy applies to all directors, executives and employees nominated by the board, including external resources appointed to these types of roles on a contractual and/or interim basis. The policy is intended to cover employees, contractual or otherwise and will include:

- a) directors, company secretaries and senior executives of the Company;
- b) accounting officers;
- c) staff members who have access to the Company's financial results.

*The policy permits directors and senior executives to trade in securities during the 4 week period commencing immediately after the date of announcement of results to the ASX, of the half yearly and annual results and after the conclusion of the Annual General Meeting provided that the person is not in possession of price sensitive information and the trading is not for short term or speculative gain.*

Trading in securities by directors, executives and employees as nominated is prohibited at all times other than those set out above except that a person may trade outside the allowable period with written authority from the chairman or a non executive director nominated by the chairman.

A written request for approval is required to be submitted before permission will be given for such trading and only then will approval be provided on the basis that the proposed transaction would not be:

- a) contrary to any laws; or
- b) for speculative gain; or
- c) likely to be perceived as unduly negative or unfair by the public, press, other shareholders or regulatory bodies.

As a guide, approval to trade may be given where, for example, it can be shown that securities are to be sold to realise cash in a time of need or where securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs.

In addition to any other ASX Listing Rule and Corporation Law requirements, the Policy requires all affected persons to provide the Company with details of any dealings, made by them or related parties, in the Company's securities within 3 days of each transaction.

### PRINCIPLE 4 – Safeguard integrity of financial reporting

*Recommendation 4.1: The board should establish an audit committee, and*

*Recommendation 4.2: Structure the audit committee so that it consists of:*

- a) only non executive directors
- b) a majority of independent directors
- c) an independent chairperson, who is not chairperson of the board; and
- d) at least three members



## Corporate Governance Statement (cont'd)

### PRINCIPLE 4 – Safeguard integrity of financial reporting (cont'd)

Due to the limited size, lack of complexity and relatively small number of directors, the board has adopted the role of the Audit, and Risk and Compliance Committee should be fulfilled by all members of the board.

The Company's financial report is subject to an annual audit by an independent professional auditor who also reviews the Company's half yearly financial report, and by the Board.

At the date of this report the Board comprised Mr. Nigel Blaze (Chairman, independent non executive director), Mr. Richard Wadley (Company secretary, independent non executive director) and Mr. Paul Burton, (independent non executive director).

The Board meets at a minimum, on a six monthly basis to review and consider the half-year and full year financial report of the Company. The Directors' Report contains further details on Board Members skills and qualifications, together with details of meeting attendance.

*Recommendation 4.3: The audit committee should have a formal operating charter.*

The audit committee does not currently have a formal operating charter, although the full board does have in place a formal board charter.

### PRINCIPLE 5 – Make timely and balanced disclosure

*Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at senior management level for that compliance.*

The Chairman and Company Secretary ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and in particular Listing Rule 3.1, however the Company does not currently have a formal written policy in place and relies on the extensive experience of the board to ensure ongoing compliance.

### PRINCIPLE 6 – Respect the rights of shareholders

*Recommendation 6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Ongoing communications with shareholders include:

- a) The Company maintains a corporate website to inform shareholders on historical information and developments ([www.immedical.com](http://www.immedical.com)).
- b) The Company regularly updates and provides details of recent material announcements, annual reports, and general information on the Company and its business to the ASX.
- c) The annual report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). A copy of the full annual report is available free of charge, upon request, from the Company. The board ensures that the annual report includes relevant information about the Company's operations during the year, changes in the state of affairs and details of future developments, in addition to the other disclosures required by the *Corporations Act 2001*;

## Corporate Governance Statement (cont'd)

### PRINCIPLE 6 – Respect the rights of shareholders (cont'd)

- d) The half-year report contains summarised financial information and a review of the operations of the Company during the period. The half-year financial report is prepared in accordance with the requirements of Accounting Standards and the Corporations Act, and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange; and
- e) The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and alignment with the Company's strategy and goals.

Shareholder participation at annual general meetings (AGM) is encouraged and the Company's auditor Deloitte Touche Tohmatsu, are requested to attend the AGM and be available to answer shareholder questions.

### PRINCIPLE 7 – Recognise and manage risk

*Recommendation 7.1: The board or appropriate board committee should establish policies on risk oversight and management.*

The Board has an established a policy for risk oversight and management within the Company. This is periodically reviewed and updated.

*Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks.*

The Company has the risk management and internal controls appropriate to its business activity.

*Recommendation 7.3: The board should disclose whether it has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.*

The board is confident that the scale, lack of complexity and concentrated location of the Company's business activities provides a model for ensuring that internal control, compliance, and risk management are operating to the required standard and that this view is founded on policies and controls which have adequately supported the board's risk profile for the 2015 financial year.

*Recommendation 7.4: The board should disclose whether there is any material exposure to economic, environmental and social sustainability risks and, how it manages or intends to manage those risks*

The board is of the view that given the Company's current level of business activity, its exposure to these risks are suitably minimized. The board is ready to review this situation as and when the Company's level of activity changes.



## Corporate Governance Statement (cont'd)

### **PRINCIPLE 8 – Remunerate fairly and responsibly**

*Recommendation 8.1: The board should establish a remuneration committee.*

Due to the limited size and lack of complexity of the Company, the board does not consider that a separate remuneration committee is required and thus does not fully comply with this recommendation.

The board reviews the remuneration packages and policies applicable to the senior officers on an annual basis. The board may also obtain independent advice on the appropriateness of remuneration packages.

*Recommendation 8.2: Clearly distinguish the structure of non-executive directors' remuneration from that of executives.*

The level of remuneration for each director and specified executive is detailed in the directors' report and notes to the financial statements. The principles, details of remuneration and terms of contracts are also outlined in the remuneration report section of the director's report. The appointment of all senior executives and board members is approved by the full board.

In summary, the board aims to structure total remuneration to take into account:

- a) both the short and long term growth and success of the Company;
- b) remuneration that is competitive with the market place; and
- c) remuneration that is demonstrably linked to the Company's overall performance.

Non-executive Directors are remunerated by way of fees only, they do not receive any additional retirement benefits nor do they currently participate in any other incentive arrangement/s such as the share option plan.



## Directors' Report

The directors of IM Medical Limited submit herewith the annual financial report of the Company for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the Company during or since the end of the financial year are:

### **Mr. Nigel Blaze**

*Non Executive Director (appointed 22 March 2011)*

Mr Nigel Blaze was appointed as a Director of the Company on 22 March 2011 in accordance with Article 13.4 of the Constitution.

Mr Blaze is a Fellow of the Institute of Chartered Accountants and has practised as a Chartered Accountant for approximately 25 years. Mr Blaze commenced his professional accounting career with Ernst & Young and worked firstly in the Business Services area subsequently moving into a management role in their Specialist Taxation Advisory division. Since leaving Ernst & Young, Mr Blaze has acted as a director of the Chartered Accounting firms Griffiths and Co and McLean Manuell before establishing his own firm in January 2000.

Mr Blaze is currently the managing director of Blaze BMD Pty Ltd, Accountants and Business Advisors and has extensive commercial advisory experience including specialisation in the medical services sector, property sector, agribusiness sector and the retail and manufacturing sectors.

Mr Blaze was, until June 2003, a director of the Blaxland Rural Investments Ltd a company that successfully raised capital and managed a number of agribusiness projects prior to the sale of its operations to a predecessor of Seven Fields Management Limited. He has also acted and continues to act as a director on many private company boards and has successfully managed a number of investment projects.

Mr Blaze has acted as Chairman of the Company since 22 March 2011.

Mr Blaze holds a Bachelor of Business (Accounting) degree, a Diploma of Taxation Law from Monash University, and a Certified Financial Planning qualification.

Mr. Blaze has not held any listed company directorships within the last 3 years before the financial year ended 30 June 2015.

### **Mr. Richard Wadley**

*Non Executive Director/Company Secretary (appointed 22 March 2011)*

Mr Richard Wadley was appointed as a Director of the Company on 22 March 2011 in accordance with Article 13.4 of the Constitution. Mr Wadley was also appointed as the company secretary of the Company.

Mr Wadley FCCA specialises in providing financial and company secretarial services to mainly earlier stage life science companies. He has had extensive experience in the areas of financial management, tax planning, investor relations, technology licensing and capital raisings. Mr Wadley is currently a director of Origin Capital Limited (a pooled development fund). Over the last twenty years he has been the CFO and company secretary for a number of ASX listed companies. Mr. Wadley has previously practised as a Chartered Accountant. In 1998 Mr. Wadley was named Chief Financial Officer of the Year by C.F.O. Magazine.

Mr. Wadley has not held any listed company directorships within the last 3 years before the financial year ended 30 June 2015.

## Directors' Report (cont'd)

### **Mr. Paul Burton**

*Non Executive Director (appointed 22 March 2011)*

Mr Paul Burton was appointed as a Director of the Company on 22 March 2011 in accordance with Article 13.4 of the Constitution.

Mr Burton has extensive business experience, specialising in mergers, acquisitions as well as corporate strategy, advice and governance. He has held senior executive positions with NAB/MLC and Ipac (now owned by Axa) as well as a self-employed Consultant working with companies such as Tauro Capital, Challenger, Q Invest, Strategic Capital Management and Seaview Consulting. Mr Burton was the managing director of Techdrill Services Pty Ltd, an exploration drilling company which grew its revenue and profit by 700% under his leadership and was a founding partner and director of Lachlan Group Pty Ltd (now known as Westoria Capital), a boutique resource investment company.

After beginning his career as a financial adviser, Mr Burton was appointed acquisitions manager by Ipac and successfully completed the foundation transactions that were aggregated into the significant operation that it has become today. Subsequently Mr Burton acted as the principal of his own consulting business and worked on a number of successful advisory projects highlighted by his involvement in the Challenger acquisition and integration team that successfully negotiated and integrated the acquisition of Associated Planners for \$100 million.

Mr Burton holds a Master of Business Administration (MBA), Bachelor of Economics (Honours), Diploma of Financial Planning (DFP) and Certified Financial Planner (CFP).

Mr. Burton has not held any listed company directorships within the last 3 years before the financial year ended 30 June 2015.

### **Mr. Brett Johnson**

*Non Executive Director (appointed 19 December 2013~ resigned 19 August 2014)*

Mr Brett Johnson was appointed as a Director of the Company on 19 December 2013 in accordance with the terms of the WhiteData Merger Implementation Agreement. Mr Johnson resigned as a director on 19 August 2014 following the decision by the Company to terminate the Merger Implementation Agreement.

### **Principal activities**

During the year the Company continued in its efforts to complete an acquisition. In November 2014 the Company announced the termination of the ADX Management Pty Limited acquisition agreement. In December 2014 the Company announced a Merger Implementation Agreement with Syncom Australia Pty Ltd. Over the last four months the principal activity has been to complete the processes towards an agreement. Unfortunately the due diligence requirements and conditions were not met to the satisfaction of the Company consequently; the proposed acquisition was terminated in May 2015.

### **Dividends**

No amounts have been paid, declared or recommended by the Company by way of dividend since the commencement of the financial year (2014: Nil).



## Directors' Report (cont'd)

### Review and results of operations

(a) *Overview*

Management and the Board monitor the group's overall performance, from its implementation of the mission statement and strategic plan through to the performance of the consolidated entity against operating plans and financial budgets. Key performance indicators have been identified and are used to monitor performance regularly, such that appropriate action can be taken to address any performance issues.

(b) *Review and results of operations*

For the year ended 30 June 2015 the consolidated entity and the company incurred a net loss of \$523,762 and \$487,622 respectively and incurred negative cash flows from operations of \$332,052 and \$331,529 respectively. As at 30 June 2015 the consolidated entity has current liabilities in excess of its current assets by (\$471,188) (2014: \$54,834), and the Company has current liabilities in excess of its current assets amounting to (\$489,182) (2014: \$700). As at 30 June 2015 the consolidated entity and the company have accumulated losses of \$22,513,272 and \$22,531,266 respectively.

(c) *Future development*

The directors continue to focus on the completion of an acquisition through a reverse takeover.

(d) *Review of financial conditions*

The Company has used its funds to pay down debt and provide working capital. After the year end the Company received approval to raise \$550,000 under an underwritten Share Purchase Plan.

(e) *Risk management and corporate governance practices*

The Board has the responsibility for overseeing the implementation of policies and procedures aimed at ensuring that the consolidated entity conducts its operations in a manner that manages risk to protect its people, the environment, consolidated entity assets and reputation as well as to realise opportunities. The Company's policy is to consider the balance of risk and reward, as far as practicable, in order to optimise the returns gained from its business activities and to meet the expectations of its shareholders.

### Change in the state of affairs

On 1 June 2015 the Company announced an underwritten Share Purchase Plan ("SPP") to raise \$550,000. The SPP Offer was underwritten by Patersons Securities Limited to the maximum subscription of \$550,000.

The net proceeds of the SPP will be used to repay convertible loans entered into by the Company in December 2014, for investment acquisition opportunities and for working capital.

The Company will also offer a placement of up to \$200,000 to nominees of the Underwriter on completion of the SPP ("Placement"). The Placement is not underwritten and will be offered on the same terms as the SPP. The net proceeds of the Placement will provide additional working capital to the Company.

At the General meeting held on 14 July 2015, the Company received approval to consolidate the number of shares and options on a 2:1 basis as well as to execute the placements above.

## Directors' Report (cont'd)

### Environmental regulation and performance

The Company was previously involved in medical research and development in the advancement of human health, and the activities of the Company did not create any significant environmental impact. The Company's medical research activities were in full compliance with all prescribed environmental regulations.

### Share options

As at the date of this report, there were on a post consolidation basis 853,921,259 (2014: 358,856 509) listed options over ordinary shares of IM Medical Limited.

During the year ended 30 June 2015 Nil (2014: 92,783,162) unlisted options lapsed.

### Shares issued as a result of the exercise of options

During the year ended 30 June 2015, nil (2014: nil) fully paid ordinary shares were issued by IM Medical Limited as a result of exercised options.

### Indemnification and insurance of directors and officers

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all the executive officers of the company and of any related body corporate against liability incurred as such a director, secretary or executive officer 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 otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such an officer or auditor.

### Directors' meeting

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, there were a total of 8 Board meetings held. The held column in the table below indicates the number of board meetings held whilst that director was in office.

Director	Board of Directors		Audit Risk and Compliance	
	Held	Attended	Held	Attended
N. Blaze	8	8	2	2
B. Johnson	1	1	1	1
R. Wadley	8	8	2	2
P. Burton	8	8	2	2

### Director's shareholding

The following table sets out each director's relevant interest in shares or options in shares of the Company or a related body corporate as at the date of this report.

Director	Ordinary shares	Options over ordinary shares
N. Blaze	-	-
R. Wadley	-	-
P. Burton	-	-



## Remuneration Report (Audited)

This report which forms part of the directors' report outlines the remuneration arrangements in place for directors and executives of IM Medical Limited for the financial year ended 30 June 2015.

### Remuneration philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To that end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- Significant portion of executive remuneration "at risk", is dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

In the absence of a specific Remuneration Committee, the Board of Directors accepts direct responsibility for determining and reviewing compensation arrangements for the directors, chief executive officer (CEO) and the senior management team. The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

### Remuneration structure

In line with best practice corporate governance, the structure of non executive director, executive director and senior manager remuneration is separate and distinct.

### Non executive director remuneration

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

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 25 November 2004 when shareholders approved an aggregate remuneration of \$250,000.

The amount of aggregate remuneration approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers any advice received from external consultants as well as the fees paid to non executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company and is entitled to be paid an additional fee for each Board Committee on which the director sits. The entitlement to the additional fees for serving on a committee recognises the additional time commitment required by directors in discharging their responsibilities to the board.

### Senior management and executive director remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the company; and
- Ensure total remuneration is competitive by market standards.



## Remuneration Report (Audited) (cont'd)

### Senior management and executive director remuneration

The executive remuneration program is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following components:

- Fixed remuneration component
- Variable remuneration component including short term incentive (STI) and long term incentive (LTI)

#### *Fixed remuneration*

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and shares. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

#### *Variable remuneration – short term incentive (STI)*

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable.

Actual STI payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the year are met. The operational targets consists of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to revenue, net profit after tax, customer service, risk management, product management, leadership and team contribution. The Company has predetermined benchmarks which must be met in order to trigger payments under the short term incentive scheme.

On an annual basis, after consideration of performance against KPIs, an overall performance rating for the Company is approved by the Board. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Company are usually delivered in the form of a cash bonus. In the 2015 year, no payments have been made (2014: nil) under the STI program.

#### *Variable remuneration – long term incentive (LTI)*

The objective of the LTI plan is to reward senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against relevant long term performance hurdles. LTI granted to executives are delivered in the form of options or shares. In the 2015 year, no issue of options or shares has been made (2014: nil) under the LTI plan.

## Remuneration Report (Audited) (cont'd)

### Relationship between the remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives.

However, no base remuneration of key management personnel or directors is dependent or related to company performance. The following table shows the gross revenue, losses, share price and dividends for the last five years for the consolidated entity.

Consolidated	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Revenue	\$18	\$49	\$3,853	\$26,315	\$8,877
Net loss before tax	\$(523,762)	\$(404,293)	\$(446,489)	\$(883,813)	\$(4,068,842)
Net loss after tax	\$(523,762)	\$(404,293)	\$(446,489)	\$(883,813)	\$(4,068,842)

Consolidated	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Share price at start of year	\$0.001	\$0.001	\$0.002	\$0.001	\$0.001
Share price at end of year	\$0.001	\$0.001	\$0.001	\$0.002	\$0.001
Interim and final dividend	-	-	-	-	-
Basic earnings per share (cents)	(0.0011)	(0.0009)	(0.0010)	(0.0030)	(0.016)
Diluted earnings per share (cents)	(0.0011)	(0.0009)	(0.0010)	(0.0030)	(0.016)



## Remuneration Report (Audited) (cont'd)

### Key management personnel

#### • Details of key management personnel

Names and positions held by key management personnel in office at any time during the financial year are:

- Nigel Blaze (Non executive director, Appointed 23 March 2011)
- Richard Wadley (Non executive director, Appointed 23 March 2011)
- Paul Burton (Non executive director, Appointed 23 March 2011)
- Brett Johnson (Non executive director, Appointed 19 December 2013. Resigned 19 August 2014)

The compensation of each member of the key management personnel of IM Medical Limited for the current year is set out below.

	Short term employee benefits			Share Based Payments	Post employment benefits	Termination benefits	Total
2015	Salary & fees \$	Non – Monetary \$	Other Cash Benefits \$	\$	Superannuation \$	\$	\$
Non executive Directors							
N Blaze	33,956	-	-	-	-	-	33,956
R Wadley	74,200	-	-	-	-	-	74,200
P Burton	29,312	-	-	-	-	-	29,312
B Johnson <sup>1</sup>	-	-	-	-	-	-	-
Total	137,468	-	-	-	-	-	137,468
2014	Salary & fees \$	Non – Monetary \$	Other Cash Benefits \$	\$	Superannuation \$	\$	\$
Non executive Directors							
N Blaze	32,560	-	-	-	-	-	32,560
R Wadley	77,800	-	-	-	-	-	77,800
P Burton	32,225	-	-	-	-	-	32,225
B Johnson <sup>1</sup>	-	-	-	-	-	-	-
Total	142,585	-	-	-	-	-	142,585

<sup>1</sup> Mr Johnson joined the Company as a Director on 19 December 2013 and resigned on 19 August 2014

## Remuneration Report (Audited) (cont'd)

Options holding of directors and key management personnel.

2015	Balance at 1 Jul 14	Option Consolidation	Options exercised	Net change other	Balance at 30 Jun 15	Total exercisable and vested	Options vested during the year
Nigel Blaze	-	-	-	-	-	-	-
Brett Johnson <sup>1</sup>	-	-	-	-	-	-	-
Paul Burton	-	-	-	-	-	-	-
Richard Wadley	-	-	-	-	-	-	-

2014	Balance at 1 Jul 13	Option Consolidation	Total issued	Net change other	Balance at 30 Jun 14	Total exercisable and vested	Options vested during the year
Nigel Blaze	-	-	-	-	-	-	-
Brett Johnson <sup>1</sup>	-	-	-	-	-	-	-
Paul Burton	-	-	-	-	-	-	-
Richard Wadley	-	-	-	-	-	-	-

Shareholdings of key management personnel

2015	Balance at 1 Jul14	Share Consolidation	On exercise of options	Sold	Net change other	Balance at 30 Jun 2015
Nigel Blaze	-	-	-	-	-	-
Brett Johnson <sup>1</sup>	-	-	-	-	-	-
Paul Burton	-	-	-	-	-	-
Richard Wadley	-	-	-	-	-	-

<sup>1</sup> Mr. Brett Johnson resigned August 19, 2014

2014	Balance at 1 Jul13	Share Consolidation	On exercise of options	Sold	Net change other	Balance at 30 Jun 2014
Nigel Blaze	-	-	-	-	-	-
Brett Johnson <sup>1</sup>	-	-	-	-	-	-
Paul Burton	-	-	-	-	-	-
Richard Wadley	-	-	-	-	-	-

Other transactions and balances with key management personnel

The following transactions, which comprise the short term employee benefits, and/or balances between the disclosing entity and any of its subsidiaries to any key management personnel, including their personally related entities were as follows:

- During the year, the Company procured services to a value of \$33,956 (2014: \$32,560) from Nigel Blaze for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 \$20,644 (2014: \$5,199) of the consulting services provided to the company remained unpaid.
- During the year, the Company procured services to a value of \$74,200 (2014: \$77,800) from Richard Wadley for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 \$49,833 (2014: \$4,051) of the consulting services provided to the company remained unpaid.
- During the year, the Company procured services to a value of \$29,312 (2014: \$32,225) from Paul Burton for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 \$18,750 (2014: \$2,083) of the consulting services provided to the company remained unpaid.

## Remuneration Report (Audited) (cont'd)

### Key management personnel (cont'd)

#### *Key terms of employment contracts*

All executives of the Company are employed under a letter of appointment / service agreements with a minimum 1 month (or otherwise mutually agreed time period) notice period required to terminate the appointment. The letters of appointment do not contain specified option incentive entitlements.

### End of Audited Remuneration Report

### Employees

The consolidated entity didn't have any employees as at 30 June 2015. (2014: Nil).

### Proceedings on Behalf of Company

No person has applied for leave of the Court 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.

### Subsequent events

On 14 July 2015, shareholders approved the underwritten share plan and the consolidation of shares and options on the basis of 2 shares for every one share/ option held. As a consequence 687,400 208 new shares were issued, in addition 495,064,755 options were issued with an expiry date of 31 March 2019 and an exercise price of \$0.002. The total number of shares on issue is now 1,163,632,818 and 853,921,259 options. In addition the Convertible Note was repaid to note holders on 22 July 2015. The Company successfully raised \$632,259 through the Share Purchase Plan and Placement in July 2015.

### Non-audit services

There were no non-audit services during the year (2014: Nil )

### Auditor's independence declaration

The auditor's independence declaration is included on page 20 of the financial report.  
Signed in accordance with a resolution of the directors made pursuant to s298 (2) of the Corporations Act 2001.

On behalf of the Directors



Nigel Blaze  
Chairman  
Melbourne,  
1 October 2015



The Board of Directors  
IM Medical Limited  
Level 40, 140 William Street  
Melbourne VIC 3000

1 October 2015

Dear Board Members

**IM Medical Limited**


In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of IM Medical Limited.

As lead audit partner for the audit of the financial statements of IM Medical Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU



Rachel Smith  
Partner  
Chartered Accountants

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Member of Deloitte Touche Tohmatsu Limited

## **Independent Auditor's Report to the Members of IM Medical Limited**

### **Report on the Financial Report**

We were engaged to audit the accompanying financial report of IM Medical Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 23 to 48.

#### *Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of IM Medical Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

#### *Basis for Disclaimer of Opinion*

In August 2015 the company received a claim totaling \$296,000 for legal costs in relation to a proposed capital raising in connection with the proposed acquisition of White Data Limited. The acquisition and capital raising did not proceed and legal services performed on the capital raising ceased in February 2014. The company has not reached settlement in relation to the outstanding claim, nor has it provided for a likely payment sum in the statement of financial position at 30 June 2015. The matter is disclosed in Note 19 to the financial statements as a contingent liability. We were unable to obtain sufficient appropriate audit evidence about the estimation of the required provision for legal fees at 30 June 2015. Consequently, we were unable to determine the amount of the adjustment required to the statement of profit or loss and other comprehensive income and the statement of financial position at 30 June 2015.



We also draw attention to Note 1 'Going Concern' in the financial report which indicates that the company and consolidated entity incurred a net loss attributable to members of \$487,622 and \$523,762 respectively for the year ended 30 June 2015. As of that date the company and consolidated entity had a net deficiency of \$489,182 and \$471,188 respectively. Further, as described in Note 1 the company and consolidated entity may expend their cash reserves before March 2016. These conditions, along with the matter described above, indicate the existence of material uncertainties which cast significant doubt on the company's and consolidated entity's ability to continue as going concerns and therefore, they may be unable to realise their assets and discharge their liabilities in the normal course of business.

Given the above circumstances, in our opinion, the uncertainties are so material and pervasive that we are unable to express an opinion on the financial report taken as a whole.

### *Disclaimer of Opinion*

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to, and do not, express an opinion as to whether the financial report of IM Medical Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) we do not express an opinion as to whether or not the financial statements comply with International Financial Reporting Standards as disclosed in Note 1.

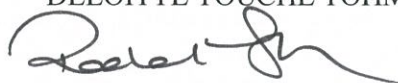
### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 14 to 19 of the directors' report for the year ended 30 June 2015. 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.

### *Opinion*

In our opinion the Remuneration Report of IM Medical Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

  
DELOITTE TOUCHE TOHMATSU



Rachel Smith

Partner

Chartered Accountants

Melbourne, 1 October 2015

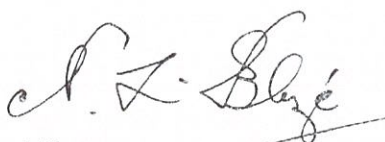
## Directors' Declaration

The directors declare that:

- (a) 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 as described in Note 1 to the financial statements;
- (b) in the directors' opinion, the attached financial statements and notes thereto, are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and give a true and fair view of the financial position and performance of the company and of the consolidated entity;
- (c) in the directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and
- (d) the directors have been given declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s295 (5) of the Corporations Act 2001.

On behalf of the Directors



Nigel Blaze  
Chairman

Melbourne  
1 October 2015

Statement of profit or loss and other comprehensive income  
for the financial year ended 30 June 2015

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		\$	\$	\$	\$
<b>Continuing operations</b>					
Revenue from continuing operations	2	18	49	18	28
Impairment of non-current assets	3	-	-	35,611	161,768
Corporate administration	3	(349,688)	(196,501)	(349,445)	(195,077)
Consultancy fees		(62,468)	(115,842)	(62,468)	(115,842)
Director expenses		(75,000)	(75,000)	(75,000)	(75,000)
Finance costs		(25,890)	-	(25,890)	-
Other expenses		(10,734)	(16,999)	(10,448)	(16,848)
Loss before income tax		(523,762)	(404,293)	(487,622)	(240,971)
Income tax (expense)/benefit	4	-	-	-	-
Loss for the year from continuing operations		(523,762)	(404,293)	(487,622)	(240,971)
Loss for the year		(523,762)	(404,293)	(487,622)	(240,971)
Other comprehensive (loss)/income for the year		-	-	-	-
Total comprehensive (loss)/income for the year		(523,762)	(404,293)	(487,622)	(240,971)
<b>Earnings per share</b>					
From continuing and discontinued operations:					
Basic earnings (loss) per share (cents per share)	12	(0.0011)	(0.0009)		
Diluted earnings (loss) per share (cents per share)	12	(0.0011)	(0.0009)		
From continuing operations:					
Basic earnings (loss) per share (cents per share)	12	(0.0011)	(0.0009)		
Diluted earnings (loss) per share (cents per share)	12	(0.0011)	(0.0009)		

The accompanying notes form part of these financial statements



Statement of financial position  
as at 30 June 2015

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		\$	\$	\$	\$
<b>Current assets</b>					
Cash and cash equivalents	17(a)	45,838	80,150	34,870	33,048
Trade and other receivables	7	27,877	13,210	20,751	6,078
Prepayments		-	6,894	-	6,894
<b>Total current assets</b>		<b>73,715</b>	<b>100,254</b>	<b>55,621</b>	<b>46,020</b>
<b>Non current assets</b>					
Other financial assets	9	-	-	100	100
<b>Total non current assets</b>		<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>
<b>Total assets</b>		<b>73,715</b>	<b>100,254</b>	<b>55,721</b>	<b>46,120</b>
<b>Current liabilities</b>					
Trade and other payables	10	159,013	45,420	159,013	45,420
Converting loan	8	385,890	-	385,890	-
<b>Total current liabilities</b>		<b>544,903</b>	<b>45,420</b>	<b>544,903</b>	<b>45,420</b>
<b>Non current liabilities</b>					
Other		-	-	-	-
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>544,903</b>	<b>45,420</b>	<b>544,903</b>	<b>45,420</b>
<b>Net assets /(deficiency)</b>		<b>(471,188)</b>	<b>54,834</b>	<b>(489,182)</b>	<b>700</b>
<b>Equity</b>					
Issued capital	5	22,042,084	22,044,344	22,042,084	22,044,344
Accumulated losses	11	(22,513,272)	(21,989,510)	(22,531,266)	(22,043,644)
<b>Total equity</b>		<b>(471,188)</b>	<b>54,834</b>	<b>(489,182)</b>	<b>700</b>

The accompanying notes form part of these financial statements.

Statement of changes in equity  
for the financial year ended 30 June 2015

	Note	Issued capital	Accumulated losses	Total
Consolidated		\$	\$	\$
<b>Balance as 30 June 2013</b>		<b>21,811,224</b>	<b>(21,585,217)</b>	<b>226,007</b>
Total comprehensive loss for the year		-	(404,293)	(404,293)
Shares issued (net of cost)	5	233,120	-	233,120
<b>Balance as 30 June 2014</b>		<b>22,044,344</b>	<b>(21,989,510)</b>	<b>54,834</b>
Total comprehensive loss for the year		-	(523,762)	(523,762)
Issue cost		(2,260)	-	(2,260)
<b>Balance as 30 June 2015</b>		<b>22,042,084</b>	<b>(22,513,272)</b>	<b>(471,188)</b>

	Note	Issued capital	Accumulated losses	Total
Company		\$	\$	\$
<b>Balance at 1 July 2013</b>		<b>21,811,224</b>	<b>(21,802,673)</b>	<b>8,551</b>
Total comprehensive loss for the year		-	(240,971)	(240,971)
Shares issued (net of cost)	5	233,120	-	233,120
<b>Balance as 30 June 2014</b>		<b>22,044,344</b>	<b>(22,043,644)</b>	<b>700</b>
Total comprehensive loss for the year		-	(487,622)	(487,622)
Issue cost	5	(2,260)	-	(2,260)
<b>Balance as 30 June 2015</b>		<b>22,042,084</b>	<b>(22,531,266)</b>	<b>489,182</b>

The accompanying notes form part of these financial statements.



Statement of cash flows  
for the financial year ended 30 June 2015

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers		-	-	-	-
Payments to suppliers and employees		(332,070)	(383,280)	(331,547)	(385,189)
Interest received		18	49	18	28
Interest paid		-	-	-	-
Net cash flows used in operating activities	17(b)	(332,052)	(383,231)	(331,529)	(385,161)
<b>Cash flows from investing activities</b>					
Investments and loans		-	(2,374)	-	-
Amounts advanced from related parties		-	-	35,611	161,768
Net cash flows (used in)/provided by investing activities		-	(2,374)	35,611	161,768
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares	5(b)(i)	-	248,000	-	248,000
Capital raising costs	5(b)	(2,260)	(14,880)	(2,260)	(14,880)
Convertible Notes	8	300,000	-	300,000	-
Net cash flows from financing activities		297,740	233,120	297,740	233,120
<b>Net (decrease)/increase in cash held</b>		(34,312)	(152,485)	1,822	9,727
Cash at beginning of the year		80,150	232,635	33,048	23,321
<b>Cash at the end of the year</b>	17(a)	<b>45,838</b>	<b>80,150</b>	<b>34,870</b>	<b>33,048</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

<b>Note</b>	<b>Contents</b>
1	Summary of significant accounting policies
2	Revenue from continuing operations
3	Loss for the year before income tax from continuing operations
4	Income tax
5	Issued capital & Options
6	Remuneration of auditors
7	Current trade and other receivables
8	Convertible Note
9	Non current other financial assets
10	Current trade and other payables
11	Accumulated losses
12	Earnings per share
13	Subsidiaries
14	Commitments for expenditure
15	Dividends
16	Segment information
17	Notes to the statement of cash flows
18	Subsequent events
19	Contingent liabilities
20	Related party disclosures
21	Financial Instruments
22	Company details



## 1. Summary of significant accounting policies

### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the separate financial statements of IM Medical Limited (the "company") and the consolidated financial statements of the Group. For the purposes of preparing the financial statements, the company is a for-profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

### Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration in exchange for assets.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report. IM Medical Limited is a public company limited by shares. The financial report is presented in Australian dollars. IM Medical Limited is incorporated in Australia and is the parent entity whose shares publicly trade on the ASX. The financial report covers both IM Medical Limited as an individual entity and IM Medical Limited and its controlled entities as a group of entities.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies have been consistently applied unless otherwise stated.

### Going concern basis

The financial statements are prepared on the going concern basis, which contemplates the continuity of normal business activities, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 30 June 2015 the consolidated entity has a deficiency of current assets over current liabilities of \$471,188. (30 June 2014: \$54,834 (surplus)), for the year ended 30 June 2015 it recorded net losses of \$523,762 (30 June 2014: \$404,293) and incurred negative cash flows from operations of \$332,052 (30 June 2014: \$383,231). As at 30 June 2015 the consolidated entity has accumulated losses of \$22,513,272 (30 June 2014: \$21,989,510) and a total net deficiency of \$471,188. The Company successfully raised \$632,259 through a Share Purchase Plan and Placement in July 2015. (refer Note 18)

The directors have prepared a cash flow forecast through to September 2016. Based on current cash reserves in place at the date of this report cash flow forecasts indicate that the consolidated entity will only have sufficient cash resources (based on incurring only nominal cash outflows relating to the maintenance of a corporate administration function) to continue to pay its debts to March 2016. The Directors also note the uncertainty regarding the contingent liability referred to in note 19. Therefore to continue as a going concern the consolidated entity requires the raising of additional equity by March 2016 or upon identifying an appropriate investment opportunity. During the year the directors have investigated various business opportunities which included carrying out due diligence procedures on potential investments. However at the date of signing these financial statements no opportunities have advanced past the preliminary stage. However, to investigate and perform due diligence procedures on potential investments, the consolidated entity will need to incur additional cash outflows over and above the nominal cash outflows. Depending on the level of expenditure incurred in relation to the future investment activities, the consolidated entity may expend its cash reserves before March 2016.

Notwithstanding the circumstances and budgeted expenditure outlined above, the directors, based on discussions with their advisors, are confident that the company and consolidated entity will be able to raise additional equity to fund the activities outlined above.



## Summary of significant accounting policies (con't)

Accordingly the financial report has been prepared on the going concern basis based on the following assumptions:

- The directors will continue to explore investment opportunities for the consolidated entity that may result in future cash flows and;
- The ability of the company to raise further equity, where necessary, to fund working capital, and the identification of potential investment opportunities and;
- The ability to successfully complete the acquisition of an identified investment opportunity and, where necessary, raise further capital to fund that acquisition.

In the event that the above initiatives do not eventuate or do not generate sufficient cash flows from operations there is significant uncertainty as to whether the company and consolidated entity will be able to continue as going concerns. If the company and consolidated entity are unable to continue as going concerns they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

The financial statements do not include adjustments, if any, relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and consolidated entity not continue as going concerns.

## Changes in accounting policies on initial application of Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out as follows. The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

### a. Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 'Consolidated Financial Statements'. A list of subsidiaries appears in note 13 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entities. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits/losses arising within the consolidated entity ("Group") are eliminated in full.

### b. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount and shown within borrowings in current liabilities in the Statement of Financial Position. Interest is charged as an expense as it accrues.

### c. Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred. Receivables from related parties are recognised and carried at the nominal amount due less any impairment provision.



## Summary of significant accounting policies (con't)

### d. Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Impairment testing is performed annually for goodwill, and intangible assets with indefinite lives. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss and comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

### e. Investment in subsidiaries

In the separate financial statements of IM Medical Limited, investments in subsidiaries, that are not classified as held for sale or included in a disposal group classified as held for sale, are accounted for at cost less impairment.

### f. Trade and other payables

Trade payables and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

### g. Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

### h. Issued capital

Ordinary issued capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### i. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:



## Summary of significant accounting policies (con't)

### i. Revenue recognition (con't)

- *Rendering of services* – Revenue from the rendering of services is recognised in the statement of profit or loss and comprehensive income when the service is performed and there are no unfulfilled service obligation that will restrict the entitlement to receive the sales consideration.
- *Interest* - Control of the right to receive the interest payment.
- *Dividends* - Control of the right to receive the dividend payment

### j. Income tax

#### *Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### *Deferred tax*

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base for those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary difference associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

#### *Current and deferred tax for the period*

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### *Tax consolidation*

The company and its wholly owned Australian resident entities are part of a tax consolidated group formed on 21 September 2004 under Australian taxation law. IM Medical Limited is the head entity in the tax consolidated group. Tax expense/income, deferred tax assets and deferred tax liabilities arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the



## Summary of significant accounting policies (con't)

### j. Income tax (con't)

#### *Tax Consolidation (con't)*

members of the tax consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and asset and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement and a tax sharing agreement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the company. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

#### *Tax losses*

Based on the probability test required under Australian Accounting Standards the directors have determined that the deferred tax asset relating to revenue tax losses will not be recognised on the statement of financial position.

### k. Employee benefits

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

Liabilities made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Contributions to defined contribution plans are expensed when employees have rendered service entitling them to the contributions.

### l. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit/loss attributable to equity holders of the company for the financial period, after excluding any costs of servicing equity (other than ordinary shares) by the weighted average number of ordinary shares of the company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with the dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares of the company adjusted for any bonus issue.

Where a net loss is made for the period, basic EPS and diluted EPS are the same, because, the inclusion of options in the earnings per share calculations does not result in further dilution.

### m. Critical accounting estimates and judgements

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Judgments made in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable in the relevant notes to the financial statements.



## Summary of significant accounting policies (con't)

### m. Critical accounting estimates and judgements (con't)

#### Tax Losses

Based on the probability test required under Australian Accounting Standards the directors have determined that the deferred tax asset relating to revenue tax losses do not meet the criteria for recognition as an asset

### n. Adoption of new and revised accounting standards

#### **New and revised AASBs affecting amounts reported and/or disclosures in the financial statements**

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and simultaneous realisation and settlement'.

AASB 2014-1  
'Amendments to Australian Accounting Standards'  
(Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and simultaneous realisation and settlement'.

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for sharebased payment transactions for which the grant date is on or after 1 July 2014.
- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.
- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.



## Summary of significant accounting policies (con't)

AASB 2014-1  
'Amendments to Australian  
Accounting Standards'  
(Part A: Annual  
Improvements 2010–2012  
and 2011–203 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for sharebased payment transactions for which the grant date is on or after 1 July 2014.
- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.
- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
- The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.
- The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.
- The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:
  - the property meets the definition of investment property in terms of AASB 140; and
  - the transaction meets the definition of a business combination under AASB 3.
- The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

## Summary of significant accounting policies (con't)

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119)

The amendments to AASB 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of these amendments to AASB 119 does not have any material impact on the disclosures or on the amount recognised in the Company's financial statements.

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.

### (iii) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards <sup>1</sup>	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017



## Summary of significant accounting policies (con't)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

<sup>1</sup>

The AASB has issued the following versions of AASB 9:

- AASB 9 'Financial Instruments' (December 2009) and the relevant amending standard;
- AASB 9 'Financial Instruments' (December 2010) and the relevant amending standards;
- AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments', Part C – Financial Instruments
- AASB 9 'Financial Instruments' (December 2014) and the relevant amending standards

All the standards have an effective date of annual reporting periods beginning on or after 1 January 2018. Either AASB 9 (December 2009) or AASB 9 (December 2010) can be early adopted if the initial application date is before 1 February 2015. After this date only AASB 9 (December 2014) can be early adopted.

### o. 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 taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

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

### p Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

## Summary of significant accounting policies (con't)

### p. Business combinations (con't)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of profit or loss and comprehensive income. The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

### q Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

### r Financial instruments issued by the company

#### Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

## 2. Revenue from continuing operations

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Other revenue</b>				
Interest revenue – Bank deposits	18	49	18	28
	18	49	18	28
<b>Total revenue from continuing operations</b>	<b>18</b>	<b>49</b>	<b>18</b>	<b>28</b>

## 3. Loss for the year before income tax from continuing operations

Loss for the year from continuing operations has been arrived at after charging the following expenses, gains and losses

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Expenses</b>				
<i>Impairment losses on non current assets:</i>				
Impairment (reduction)/ loss on loan to related entities	-	-	(35,611)	(161,768)
Total impairment reversals on non current Assets	-	-	(35,611)	(161,768)
<b>Total depreciation, amortisation and impairment</b>	<b>-</b>	<b>-</b>	<b>(35,611)</b>	<b>(161,768)</b>
Accounting, auditing, legal and other expenses	309,785	156,056	309,542	154,632
Share registry and listing expenses	39,903	40,445	39,903	40,445
<b>Total corporate administration</b>	<b>349,688</b>	<b>196,501</b>	<b>349,445</b>	<b>195,077</b>



#### 4. Income Tax

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>(a) Income tax recognised in the statement of comprehensive income</b>				
Tax expense/(income) comprises:				
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-	-	-
Total tax expense/(income) in the Statement of Comprehensive Income	-	-	-	-

**(b) The prima facie income tax expense on pre-tax accounting profit (loss) from operations reconciles to the income tax expense / (income) in the financial statements as follows:**

Loss from continuing operations	(523,762)	(404,293)	(487,622)	(240,971)
Income tax benefit calculated at 30% (2014: 30%)	(157,129)	(121,288)	(146,287)	(72,291)
Non deductible expenses	-	-	-	-
Tax losses not recognised as deferred tax assets	157,129	121,288	(146,287)	72,291
Income tax expense/(income)	-	-	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>(c) Amounts recognised directly in equity</b>				
Aggregate current and deferred tax arising in the reporting period and recognised directly into equity	-	-	-	-

**(d) Deferred tax balances**

Deferred tax assets comprise:

<b>Temporary differences</b>	-	-	-	-
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**(e) Unrecognised deferred tax balances**

The following deferred tax assets have not been brought to account as assets:

Tax losses	1,202,761	1,045,632	1,206,793	1,060,506
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**(f) Franking account balance**

	2015	2014	2015	2014
	\$	\$	\$	\$
Franking account balance	-	-	-	-

**Tax consolidation**

The company and its wholly owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is IM Medical Limited. Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, IM Medical Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group. The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

## 5. Issued Capital

	Company 30 June 2015		Company 30 June 2014	
	Number	\$	Number	\$
<b>(a) Issued capital</b>				
Ordinary shares fully paid	952,465,220	22,044,344	952,465,220	22,044,344
Share option reserve	717,713,008	-	717,713,008	-
	<b>22,044,344</b>		<b>22,044,344</b>	
<b>(b) Movements in shares on issue</b>				
Balance at beginning of the financial period	952,465,220	22,044,344	828,465,220	21,811,224
Equity raisings (i)	-	-	124,000,000	248,000
less transaction costs		(2,260)		(14,880)
Exercise of options (refer Note [c] below)	-	-	-	-
Balance at the end of the financial period	<b>952,465,220</b>	<b>22,042,084</b>	<b>952,465,220</b>	<b>22,044,344</b>

(i) Equity raisings Year ended 30 June 2014

Date	Details	Number	Issue price	\$
19 December 2013	Placement	124,000,000	\$0.002	248,000

Equity raisings Year ended 30 June 2015 (Nil)

### (c) Movement in share options

The following unlisted share options lapsed during the year  
Year ended 30 June 2015: Nil

Year ended 30 June 2014:

- 22,847,603 Options exercisable at \$0.175 on 12 August 2013
- 69,935,559 Options exercisable at \$0.125 on 12 August 2013

	Company 30 June 2015		Company 30 June 2014	
	Number	\$	Number	\$
Balance at beginning of the financial year	717,713,008	-	810,496,170	-
Granted during the period	-	-	-	-
Exercise of options and transfer to issued capital	-	-	-	-
Expiration of options (refer note [c] above)	-	-	(92,783,162)	-
Balance at the end of the financial year <sup>1</sup>	<b>717,713,008</b>	<b>-</b>	<b>717,713,008</b>	<b>-</b>

<sup>(1)</sup> Options exercisable at \$0.0072 on 30 September 2016

## 6. Remuneration of auditors

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Auditor of the parent company</b>				
Auditing or reviewing the financial report (a)	47,260	74,975	47,260	74,975
	<b>47,260</b>	<b>74,975</b>	<b>47,260</b>	<b>74,975</b>

(a) Deloitte Touche Tohmatsu is the auditor of IM Medical Limited.



## 7. Current trade and other receivables

	Consolidated		Company	
	2015 \$	2014 \$	2015 \$	2014 \$
Other receivables	7,115	7,115	-	-
Less allowance for doubtful debts	-	-	-	-
Net trade receivables	7,115	7,115	-	-
Goods and services tax recoverable	20,762	6,095	20,751	6,078
	<b>27,877</b>	<b>13,210</b>	<b>20,751</b>	<b>6,078</b>

## 8. Convertible Note

	Consolidated		Company	
	2015 \$	2014 \$	2015 \$	2014 \$
Convertible note	300,000	-	300,000	-
Redemption fees and interest	85,890	-	85,890	-
	<b>385,890</b>	<b>-</b>	<b>385,890</b>	<b>-</b>

On 23 December 2014, the Company issued loan notes of \$300,000 under a Convertible Loan Deed. Under the terms and conditions of this deed, the conversion of the loan notes into shares and options was subject to the approval by the shareholders of the Company on or before 31 May 2015. In the event that this condition was not satisfied, the loan note shall become immediately due and payable by the Company. In addition to this, a redemption fee of 20% of the loan amount and interest at 10% per annum, retrospective from the date the loan was advanced, shall be payable by the Company. In the event of default, the interest at 15% per annum, retrospective from the date the loan was advanced, shall be payable by the Company. The conversion of the loan notes into shares and options had not received shareholders' approval by the 31 May 2015.

## 9. Non current other financial assets

	Consolidated		Company	
	2015 \$	2014 \$	2015 \$	2014 \$
Investment in subsidiaries at cost	-	-	100	100
Represented by:				
Investment in eCardio Pty Ltd	-	-	100	100
Investment in subsidiaries	-	-	<b>100</b>	<b>100</b>

IM Medical Limited has a 100% equity interest in eCardio Pty Ltd (2014: 100%).

## 10. Current trade and other payables

	Consolidated		Company	
	2015 \$	2014 \$	2015 \$	2014 \$
Trade payables (i)	69,787	43,357	69,787	43,357
Director related accruals	89,226	2,063	89,226	2,063
	159,013	45,420	159,013	45,420
	<b>159,013</b>	<b>45,420</b>	<b>159,013</b>	<b>45,420</b>

(i) Amounts stated in Trade payables are on commercial terms and conditions and generally payable in 30 days. Interest is not charged on any amounts overdue. The Group has financial risk management practices in place to ensure that all payables are paid within the credit timeframe.

## 11. Accumulated losses

	Consolidated		Company	
	2015 \$	2014 \$	2015 \$	2014 \$
Balance at beginning of the financial year	(21,989,510)	(21,585,217)	(22,043,644)	(21,802,673)
Net loss attributable to members of the Company	(523,762)	(404,293)	(487,622)	(240,971)
<b>Balance at the end of the financial year</b>	<b>(22,513,272)</b>	<b>(21,989,510)</b>	<b>(22,531,266)</b>	<b>(22,043,644)</b>

## 12. Earnings per share

	Consolidated	
	2015 Cents	2014 Cents
<i>From continuing and discontinuing operations:</i>		
Basic earnings profit/(loss) per share	(0.0011)	(0.0009)
Diluted earnings profit/(loss) per share	(0.0011)	(0.0009)
<i>From continuing operations:</i>		
Basic earnings profit/(loss) per share	(0.0011)	(0.0009)
Diluted earnings profit/(loss) per share	(0.0011)	(0.0009)
Net loss used in the calculation of basic and diluted EPS – Continuing and Discontinuing	(523,762)	(404,293)
Net loss used in the calculation of basic and diluted EPS – Continuing Operations	(523,762)	(404,293)

	Company	
	2015 Number	2014 Number
Weighted average number of ordinary shares on issue during the financial year used in the calculation of basic earnings profit/(loss) per share	476,232,610	445,232,610
Weighted average number of ordinary shares on issue during the financial year used in the calculation of dilutive earnings profit/(loss) per share	476,232,610	445,232,610

The weighted average number has been updated to include the consolidation which occurred after the end of the financial year.

Based on market conditions at balance date, the number and nature of potential ordinary shares that are not dilutive are as follows:

- 717,713,008 options (2014: 717,713,008) exercisable on or before various dates at a range of exercise prices per option. Refer note 5(c)

Potential ordinary shares are not dilutive as they would decrease the loss per share.

## 13. Subsidiaries

Name of subsidiary	Country of incorporation	2015 Ownership interest	2014 Ownership interest
Intelliheart Pty Ltd (a)	Australia	100%	100%
eCardio Pty Ltd (a)	Australia	100%	100%
eHealth Imaging Pty Ltd (a)	Australia	100%	100%

(a) Members of the tax consolidated group where the head entity is IM Medical Limited.



## 14. Commitments for expenditure

### (a) Operating Leases

There are no operating leases in place. (2014: Nil)

## 15. Dividends

The Directors resolved not to declare any dividends for the year ended 30 June 2015 (2014: Nil).

## 16. Segment information

The following is an analysis of the Group's revenue and results by reportable operating segment for the years under review.

	Revenue		Segment loss	
	Year ended		Year ended	
	30 June 2015 \$	30 June 2014 \$	30 June 2015 \$	30 June 2014 \$
<b>Continuing operations</b>				
Corporate	18	49	(523,762)	(404,293)
Loss before tax			(523,762)	(404,293)
Income tax (expense)/benefit			-	-
Consolidated segment revenue and loss for the period	18	49	(523,762)	(404,293)

Segment loss represents the loss earned by each segment without allocation of central administration costs and directors' salaries, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by reportable operating segment:

	Assets		Liabilities	
	30 June 2015 \$	30 June 2014 \$	30 June 2015 \$	30 June 2014 \$
Corporate	73,715	100,254	544,903	45,420
Total	73,715	100,254	544,903	45,420

## 17. Notes to the statement of cash flows

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>(a) Reconciliation of cash</b>				
Cash balance comprises:				
- cash at bank	45,838	80,150	34,865	33,048
	<b>45,838</b>	<b>80,150</b>	<b>34,870</b>	<b>33,048</b>
<b>(b) Reconciliation of the operating loss after tax to the net cash flows from operations</b>				
(Loss) from activities after tax	(523,762)	(404,293)	(487,622)	(240,971)
Non-cash items				
Impairment adjustment.	-	-	(35,611)	(161,768)
<u>Change in assets and liabilities net of acquisitions:</u>				
(Increase)/Decrease in receivables	(14,668)	1,702	(14,674)	592
Finance costs accrued	85,890	-	85,890	-
Increase/(Decrease) in payables	113,593	11,261	113,593	8,887
Decrease in prepayments	6,896	8,099	6,895	8,099
Net cash flow used in operating activities	<b>(332,051)</b>	<b>(383,231)</b>	<b>(331,529)</b>	<b>(385,161)</b>
<b>(c) Non-cash Financing and Investing Activities</b>				

There were no non-cash acquisitions during the financial years ended 30 June 2015 and 30 June 2014.

## 18. Subsequent Events

On 14 July 2015, shareholders approved the underwritten share plan and the consolidation of shares and options on the basis of 2 shares for every one share/ option held. As a consequence 687,400 208 new shares were issued, in addition to 495,064,755 options with an expiry date of 31 March 2019 and an exercise price of \$0.002. The total number of shares on issue is now 1,163,632,818 and 853,921,259 options. The \$300,000 Converting Note was repaid on 22 July 2015. The Company successfully raised \$632,259 through the Share Purchase Plan and Placement in July 2015.

## 19. Contingent liabilities

In August 2015 the Company received a claim for legal services pertaining to the proposed capital raising in connection with the acquisition of White Data Limited. The acquisition and capital raising did not proceed and legal work on the capital raising ceased in February 2014.

The Company has not previously received any invoices for the legal costs of \$296,742 excl. GST now claimed which date back to the period from September 2013 to February 2014.

The Company does not consider that the invoices received represent an accurate reflection of the legal work relevant to the company and has responded to the claim raising a number of issues in relation to both the validity and quantum of the claim and is awaiting a response.

Due to the uncertainty regarding the details of the claim and the extent of the potential eventual liability that may arise no provision has been raised for these amounts.

## 20. Related party disclosures

The names of the directors of the Company during the financial year are:

- Nigel Blaze
- Brett Johnson (Resigned August 19, 2014)
- Richard Wadley
- Paul Burton



## 20. Related party disclosures (con't)

(a) *Equity interests in controlled entities*

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 13 to the financial statements.

(b) *Loan disclosures*

There are no related party loans between the disclosing entity and any of the key management personnel.

(c) *Transactions within the wholly owned group*

The wholly owned group includes:

- The ultimate parent entity in the wholly owned group; and
- Wholly owned controlled entities

The ultimate parent company in the wholly owned group is IM Medical Limited.

(d) *Transactions with other related parties*

Other related parties include:

- the parent entity
- subsidiaries
- key management personnel
- other related parties

(e) *Director and executive remuneration*

The aggregate compensation of the key management personnel of the consolidated entity and company is set out below:

	Consolidated		Company	
	2015 \$	2014 \$	2015 \$	2014 \$
Short term employee benefits	137,468	142,585	137,468	142,585
Post employment benefits	-	-	-	-
Other long term benefits	-	-	-	-
Share based payments	-	-	-	-
Termination benefits	-	-	-	-
	<u>137,468</u>	<u>142,585</u>	<u>137,468</u>	<u>142,585</u>

(f) *Details of key management personnel*

Names and positions held of key management personnel in office at any time during the financial year are:

- Nigel Blaze (Non executive director, Appointed 23 March 2011)
- Richard Wadley (Non executive director, Company Secretary, CFO Appointed 23 March 2011)
- Paul Burton (Non executive director, Appointed 23 March 2011)
- Brett Johnson (non-executive director Appointed 19 December 2013 / Resigned 19 August 2014)

(g) *Loans to key management personnel*

There are no loans made by the disclosing entity or any of its subsidiaries to any key management personnel, including their personally related entities.

(h) *Other transactions and balances with key management personnel*

The following transactions, which comprise the short term employee benefits, and/or balances between the disclosing entity and any of its subsidiaries to any key management personnel, including their personally related entities were as follows:

## 21. Related party disclosures (con't)

During the year, the Company procured services to a value of \$33,956 (2014: \$32,560) from Nigel Blaze for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 \$20,644 (2014: \$5,199) of the consulting services provided to the company remained unpaid.

During the year, the Company procured services to a value of \$74,200 (2014: \$77,800) from Richard Wadley for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 \$49,833 (2014: \$4,051) of the consulting services provided to the company remained unpaid.

During the year, the Company procured services to a value of \$29,312 (2014: \$32,225) from Paul Burton for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 \$18,750 (2014: \$2,083) of the consulting services provided to the company remained unpaid.

## 21. Financial instruments

### (a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and accumulated losses as disclosed in notes 5 and 11 respectively. The Group operates within Australia, primarily through subsidiary companies established in the markets in which the Group trades. None of the Group's entities are subject to externally imposed capital requirements. The Group's policy is to borrow centrally, using a variety of capital market issues and borrowing facilities, to meet anticipated funding requirements.

### Gearing ratio

The Board reviews the capital structure on an as needs basis. As a part of this review the board considers the cost of capital and the risks associated with each class of capital. The Group currently has no target gearing ratio. Based on recommendations of the board the Group will balance its overall capital structure through new share issues as well as the issue of new debt or redemption of existing debt.

The gearing ratio at year end was as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Debt	(385,890)	-	(385,890)	-
Cash and cash equivalents	45,838	93,360	34,870	39,126
Net debt	(340,052)	93,360	(351,020)	39,126
Equity (i)	(471,188)	54,834	(489,182)	700
Net debt to equity ratio	(72.2%)	(170.2%)	(71.7%)	(558.9%)

(i) Equity includes all capital, losses and reserves.

### (b) Categories of financial instruments

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	45,838	80,150	34,870	33,048
Trade Receivables	27,877	13,210	20,751	6,078
	73,715	93,360	55,621	39,126
<b>Financial liabilities at amortised cost</b>				
Trade Payables	159,013	45,420	159,013	45,420
Borrowings	385,890	-	385,890	-
	544,903	45,420	544,903	45,420



## 21. Financial Instruments (cont'd)

### (c) Financial risk management objectives

The Group's Corporate Treasury function is provided by the Company Secretary, who monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group seeks to minimize the effects of these risks and invests excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### (d) Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates (refer note 21(e)). The Group enters into a variety of financial instruments to manage its exposure to interest rate risk, including:

- Excess liquidity is invested in short term deposits only to take advantage in movements of interest rate

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

### (e) Interest rate risk management

The company and the Group are exposed to interest rate risk. The company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

#### Interest rate sensitivity analysis

The Group's sensitivity to interest rates has decreased during the current period.

At reporting date, the Group had a \$300,000 (2014:Nil) convertible loan. If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss would reduce by \$1,500 and increase by \$1,500 (2014: reduce by Nil and increase by Nil).

### (f) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit facilities are granted on information supplied by the company or organization and sometimes supplemented by information provided by independent rating agencies. The Group's exposure of its counterparties is continuously monitored.

### (g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities by monitoring actual cash flows.

The table below reflects all contractually fixed payouts and receivables for settlement, repayments and interest resulting from recognized financial assets and liabilities. The respective undiscounted cash flows for the respective upcoming fiscal years for other obligations are presented.

The remaining contractual maturity of the Group's financial liabilities are:

	Consolidated		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
6 months or less	544,903	45,420	544,903	45,420
6-12 months	-	-	-	-
1-5 years	-	-	-	-
	544,903	45,420	544,903	45,420

## 21. Financial Instruments (cont'd)

### (h) Fair value of financial instruments

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The directors consider that the carrying amounts of financial assets and liabilities, recorded at amortised cost in the financial statements, approximates their fair value.

## 22. Company details

The registered office and principal place of business of the company is:

Level 40  
140 William Street  
Melbourne. Vic 3000



## Additional securities exchange information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows.

The information is current as at 18 September 2015.

### Ordinary share capital

- 1,163,633,057 ordinary shares held by 4,899 holders
- All issued ordinary shares carry one vote per share

### Distribution of holders of equity securities

	Number of shareholders	Number of fully paid ordinary shares
1 to 1,000	2,652	894,356
1,001 to 5,000	1,148	3,007,185
5,000 to 10,000	363	2,905,912
10,001 to 100,000	436	13,252,669
100,001 and over	300	1,143,572,935
<b>Total</b>	<b>4,899</b>	<b>1,163,633,057</b>

### Twenty largest holders

*Issued equity securities*

#	Ordinary Shareholder	Number of shares	%
1	BEIRNE TRADING PL	56,379,831	4.85%
2	COLBERN FIDUCIARY NOM PL	55,141,188	4.74%
3	ROCKET SCIENCE PL	45,690,545	3.93%
4	G & N LORD SUPER PL	45,609,091	3.92%
5	PATERSON GRANT THOMAS	43,854,629	3.77%
6	AVIEMORE CAP PL	40,000,000	3.44%
7	TWO TOPS PL	37,250,000	3.20%
8	T T NICHOLLS PL	35,867,278	3.08%
9	REDCLIFF PL	29,727,273	2.55%
10	ALDERHAUS PL	27,377,127	2.35%
11	HOPPSCOTCH PL	26,095,852	2.24%
12	KIRZY PL	23,781,819	2.04%
13	RETZOS INV PL	22,500,000	1.93%
14	FLUE HLDGS PL	20,000,000	1.72%
15	WALLCLIFFE COTTAGES PL	18,818,182	1.62%
16	WISE DANIEL PAUL	18,750,000	1.61%
17	KOBIA HLDGS PL	18,750,000	1.61%
18	JASPER HILL RES PL	18,419,516	1.58%
19	EVANS SIMON ROBERT	15,230,182	1.31%
20	MUSPRATT JAMIE	15,005,408	1.29%
	<b>TOTAL</b>	<b>614,247,921</b>	<b>52.78%</b>

## Additional stock exchange information (cont'd)

### Options *Unlisted*

- Nil

### Options *(listed)*

IMIO.358,856,509 Options exercisable at \$0.02 with expiry on 30 September 2016.

### Twenty largest holders

#	Listed Optionholder	Number of options	%
1	AVIEMORE CAP PL	40,000,000	11.15%
2	TOPSFIELD PL	22,250,000	6.20%
3	NICK CONIDI PL	14,500,000	4.04%
4	MANFORD MICHAEL FRANK	12,978,725	3.62%
5	JASPER HILL RES PL	11,416,728	3.18%
6	HOPPSCOTCH PL	10,738,633	2.99%
7	BAHEN MARK JOHN + M P	10,105,872	2.82%
8	SCALISE HLDGS PL	10,000,000	2.79%
9	KINGSLANE PL	10,000,000	2.79%
10	HARGRAVE STREET PL	9,070,589	2.53%
11	WYLIE ALEXANDER FLEMING	8,059,770	2.25%
12	CORNELA PL	7,050,000	1.96%
13	ROVUMA INV LTD	7,050,000	1.96%
14	T T NICHOLLS PL	6,876,005	1.92%
15	GOFFACAN PL	6,223,600	1.73%
16	BLU BONE PL	6,152,664	1.71%
17	SCE SUPER PL	6,084,003	1.70%
18	ST MORITZ 1985 PL	5,000,000	1.39%
19	FLUE HLDGS PL	5,000,000	1.39%
20	GREATSIDE HLDGS PL	5,000,000	1.39%
<b>TOTAL</b>		<b>213,556,589</b>	<b>59.51%</b>

Distribution of holders of options	Number of option holders	Number of options
1 to 1,000	41	19,286
1,001 to 5,000	102	281,256
5,000 to 10,000	69	500,144
10,001 to 100,000	144	53,41,314
100,001 and over	129	352,714,509
<b>Total</b>	<b>485</b>	<b>358,856,504</b>



## Additional stock exchange information (cont'd)

### Options (listed)

IMIOA. 495,064,755 Options exercisable at \$0.02 with expiry on 31 March 2019.

#### Twenty largest holders

#	Listed Optionholder	Number of options	%
1	BEIRNE TRADING PL	63,790,182	12.89%
2	ROCKET SCIENCE PL	47,842,636	9.66%
3	G & N LORD SUPER PL	32,152,273	6.49%
4	PATERSON GRANT THOMAS	29,909,091	6.04%
5	T T NICHOLLS PL	29,556,818	5.97%
6	REDCLIFF PL	22,431,818	4.53%
7	EVANS SIMON ROBERT	20,947,546	4.23%
8	WALLCLIFFE COTTAGES PL	19,704,545	3.98%
9	ALDERHAUS PL	18,693,182	3.78%
10	KIRZY PL	17,945,454	3.62%
11	HOWARD TRADING CO PL	13,136,364	2.65%
12	KOBIA HLDGS PL	10,000,000	2.02%
13	LOQUELA PL	9,720,454	1.96%
14	HEWITT ANDREW LENOX	9,720,454	1.96%
15	SYMWAY NUMBER 2 PL	9,720,454	1.96%
16	KIDMAN JANE CHRISTABEL	7,750,000	1.57%
17	HOPPSCOTCH PL	6,565,554	1.33%
18	BT PORTFOLIO SVCS	6,505,227	1.31%
19	BOLLAM CHRISTOPHER L	6,379,018	1.29%
20	BLU BONE PL	6,250,000	1.26%
<b>TOTAL</b>		<b>388,721,070</b>	<b>78.50%</b>

Distribution of holders of options	Number of option holders	Number of options
1 to 1,000	-	-
1,001 to 5,000	-	-
5,000 to 10,000	-	-
10,001 to 100,000	-	-
100,001 and over	83	495,064,755
<b>Total</b>	<b>83</b>	<b>495,064,755</b>