

VPCL LIMITED AND ITS SUBSIDIARIES
AUDITED CONSOLIDATED STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITION AND UNAUDITED CONSOLIDATED PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

The unaudited pro-forma consolidated statement of financial position represents the audited consolidated Statutory Historical Statement of Financial Position of the Company as at 30 June 2020 adjusted for subsequent events and pro-forma transactions outlined in Note 1 attached. It should be read in conjunction with the notes to the historical and pro-forma financial information.

	Note	Actual 30 June 2020 AUD\$	Subsequent events 30 June 2020 AUD\$	Pro forma adjustments 30 June 2020 AUD\$	Unaudited Pro-Forma 30 June 2020 AUD\$
Current assets					
Cash and cash equivalents	4	3,343,249	3,938,750	3,413,813	10,695,812
Receivables	5	342,912	72,194	1,090,815	1,505,921
Other current assets		28,211	-	-	28,211
Investments held for sale	6	500,000	(375,000)	-	125,000
Financial assets at amortised cost		-	-	247,061	247,061
Inventory		-	126,399	649,042	775,441
Total Current Assets		4,214,372	3,762,343	5,400,731	13,377,446
Non-current assets					
Property, plant & equipment		-	54,171	110,824	164,995
Intangible assets		-	-	1,826,127	1,826,127
Total Non-Current Assets		-	54,171	1,936,951	1,991,122
Total Assets		4,214,372	3,816,514	7,337,682	15,368,568
Current liabilities					
Trade and other payables	7	41,106	(277,463)	1,976,359	1,740,002
Lease liabilities		-	-	29,288	29,288
Borrowings		-	-	455,827	455,827
Total Current Liabilities		41,106	(277,463)	2,461,474	2,225,117
Non - Current liabilities					
Trade and other payables		-	-	90,531	90,531
Lease liabilities		-	-	31,483	31,483
Borrowings		-	-	12,453	12,453
Total Non-Current Liabilities		-	-	134,467	134,467
Total Liabilities		41,106	(277,463)	2,595,941	2,359,584
Net Assets		4,173,266	4,093,977	4,741,741	13,008,984
Equity					
Issued capital	8	33,216,771	4,437,977	(23,101,834)	14,552,914
Share-based payment reserve		2,320,472	-	(2,320,472)	-
Share premium		-	-	7,023,737	7,023,737
Other reserves		-	-	(4,632,068)	(4,632,068)
Translation reserve		-	-	14,793	14,793
Accumulated losses		(31,363,977)	(344,000)	27,757,585	(3,950,392)
Total Equity		4,173,266	4,093,977	4,741,741	13,008,984

Investors should note that past results are not a guarantee of past performance.

NOTES TO THE CONSOLIDATED FINANCIAL POSITION

1. The Preparation of the Unaudited consolidated Pro-Forma Historical Statement of Financial Position

The 30 June 2020 audited consolidated statement of financial position of VPCL has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 30 June 2020:

- The acquisition by VPCL of 100% of the issued share capital of Health House, satisfied by the issue of 115,298,743 VPCL shares at AUD\$0.20 per share (on a post-consolidation basis). As the acquisition is required to be accounted for as a reverse acquisition the pro-forma financial information has therefore been prepared as a continuation of the business and operations of Health House.
- The consolidation of the Company's capital on the basis that every 50 shares be consolidated into 1 share.
- Pursuant to this Prospectus, a capital raising of AUD\$3,500,000 has been raised via the issue of 17,500,000 ordinary shares for AUD\$0.20 per share (on a post consolidation basis).
- The payment from cash of estimated total expenses of the offer of AUD\$590,000 of which AUD\$471,000 has been debited to issued capital as share issue costs and the balance of AUD\$119,000 expensed to accumulated losses.
- The issue of 3,458,961 ordinary shares for AUD\$0.20 per share (on post consolidation basis) totaling AUD\$691,192, to the corporate advisors, which has been expensed to accumulated losses.
- The sale of VPCL Investments held for sale for AUD\$500,000 on 24 July 2020.
- The settlement of Loans receivable as at 30 June 2020 of AUD\$334,092 in August 2020, converted to Cash and equity investment assets held for sale.
- The acquisition by Health House of the trade and fixed assets of Gees Pharmacy on 1 September 2020 for consideration of cash of AUD\$332,056 (GBP £183,893) and issued capital of AUD\$254,800 (GBP £140,000). This resulted in an increase of AUD\$406,286 to the receivables, AUD\$126,399 to Inventory and AUD\$54,171 to Property, Plant and Equipment assets.
- Health House capital raising performed in July 2020, raising a gross amount of AUD\$2,595,284 (GBP £1,425,980).
- Health House capital raising performed on 7 October 2020, raising a gross amount of AUD\$976,430 (GBP £536,500).
- The settlement of various liabilities owing to directors, employees and consultants of Health House by way of an issue of ordinary shares having a value of GBP £352,452 (approximately AUD\$641,463).

NOTES TO THE CONSOLIDATED FINANCIAL POSITION

2. Basis of Preparation

The consolidated Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (“AAS”) (including the Australian Accounting Interpretations), issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (“IFRS”) and Interpretations issued by the International Accounting Standards Board.

The Pro Forma historical Financial Information has been prepared in accordance with the recognition and measurement requirements of AAS, other than that it includes certain adjustments which have been prepared in a manner consistent with AAS, which reflect the impact of certain transactions as if they had occurred on or before 30 June 2020

The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied throughout the periods presented.

Acquisition of Health House

The Company has agreed to acquire 100% of the issued share capital of Health House. Under the terms of AASB 3 “*Business Combinations*”, Health House is deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

The pro-forma financial report has been prepared as a continuation of the business and operations of Health House.

Going concern

This financial information has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to meet its existing and future obligations will depend on its ability to raise funds pursuant to the Prospectus or from other sources and to complete the acquisition of Health House.

Foreign Exchange Rates applied to the Statutory Historical Financial Information

Health House functional currency is Pound Sterling (GBP £) due to current operations being located in the United Kingdom. For each table within the financial information section of this Prospectus the relevant information has been restated in Australian dollars. To translate the financial information into Australian dollars (AUD\$) we have used the following conversion rates based on the Reserve Bank of Australia’s (RBA) published foreign exchange rate tables:

Foreign Currency Conversion Rates	
GBP £ to AUD\$ exchange rate	30 June 2020
Average rate used in translating the statutory historical income statement and statement of cash flows	1.8702
Exchange rate used in translating the statutory historical (and pro forma historical) statement of financial position	1.8106

NOTES TO THE CONSOLIDATED FINANCIAL POSITION

3. Business Combination

Reverse acquisition of VPCL by Health House

Under the terms of AASB 3 "Business Combinations", Health House is deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

Health House, as the deemed acquirer, will account for the acquisition of VPCL. Accordingly, the pro-forma consolidated statement of financial position of VPCL as at 30 June 2020 incorporates the net assets of VPCL and Health House as if the group was headed by Health House.

30 June 2020 has been deemed as the acquisition date for the purposes of the pro-forma, with the net assets of Health House as at 30 June 2020 being recorded at their book value and the net assets of VPCL as at 30 June 2020 being recorded at their fair value.

Details of the fair value of assets and liabilities acquired, and excess consideration are as follows:

Purchase consideration:	AUD\$
Being the deemed fair value of consideration paid for VPCL	4,523,384
Less: fair value of net identifiable assets acquired on reverse acquisition (see below)	(4,173,266)
Premium paid	350,118

The premium paid has been expensed in the statement of profit or loss and other comprehensive income as a cost of listing.

Details of the fair value of identifiable assets and liabilities of VPCL as at 30 June 2020 (deemed acquisition date) are as follows:

	Book carrying value Actual 30 June 2020 AUD\$	Fair value Pro-forma 30 June 2020 AUD\$
Assets		
Cash and cash equivalents	3,343,249	3,343,249
Receivables	342,912	342,912
Other current assets	28,211	28,211
Investments held for sale	500,000	500,000
Liabilities		
Trade and other payables	41,106	41,106
Net Assets	4,173,266	4,173,266

NOTES TO THE CONSOLIDATED FINANCIAL POSITION

	Actual 30 June 2020 AUD\$	Pro-Forma Consolidated 30 June 2020 AUD\$
4. Cash and Cash Equivalents		
CURRENT		
Cash at bank and on hand	3,343,249	9,760,812
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The movements in cash at bank are as follows:		
Actual – VPCL holding as at 30 June 2020		3,343,249
Actual – Health House holding as at 30 June 2020		493,813
Pro-forma adjustments:		
Issue of shares by VPCL pursuant to Prospectus before costs (assuming minimum is raised of 17,500,000 shares)		3,500,000
Costs of the offer and the acquisition		(590,000)
Subsequent event - Sales of VPCL Investments held for sale		500,000
Subsequent event - Settlement of Pro9 Global Ltd Loan receivable		209,092
Subsequent event - Issue of 14,259,801 Health House ordinary shares to new and current investors (Before costs)		2,595,284
Subsequent event - Purchase of Gee Pharmacy trade and assets		(332,056)
Subsequent event - Issue of 10,730,000 Health House ordinary shares to new and current investors (Before costs)		976,430
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		10,695,812
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5. Trade and Other Receivables		
CURRENT		
Trade and other receivables	324,912	1,505,921
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The movements in trade and other payables are as follows:		
Actual – VPCL holding as at 30 June 2020		342,912
Actual – Health House holding as at 30 June 2020		1,090,815
Pro-forma adjustments:		
Subsequent event - Settlement of Pro9 Global Ltd Loan receivable		(334,092)
Subsequent event - Purchase of Gee Pharmacy trade and assets		406,286
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		1,505,921
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NOTES TO THE CONSOLIDATED FINANCIAL POSITION

	Actual 30 June 2020 AUD\$	Pro-Forma Consolidated 30 June 2020 AUD\$
6. Investments held for sale		
CURRENT		
Investments held for sale	500,000	125,000
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The movements in provisions are as follows:		
Actual – VPCL holding as at 30 June 2020		500,000
Actual – Health House holding as at 30 June 2020		-
Pro-forma adjustments:		
Subsequent event - Sales of VPCL Investments held for sale		(500,000)
Subsequent event - Settlement of Pro9 Global Ltd Loan receivable		125,000
		<hr/>
		125,000
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7. Trade and Other Payables		
CURRENT		
Trade and other payables	41,160	1,740,002
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The movements in trade and other payables are as follows:		
Actual – VPCL holding as at 30 June 2020		41,160
Actual – Health House holding as at 30 June 2020		1,976,359
Payables settled post 30 June 2020 by way of a share issue		(277,463)
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		1,740,002
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NOTES TO THE CONSOLIDATED FINANCIAL POSITION

	Actual 30 June 2020 AUD\$	Pro-Forma Consolidated 30 June 2020 AUD\$
8. Share Capital		
Movements in ordinary share capital	No. of shares Legal parent (VPCL)	AUD\$ Legal parent (VPCL)
Ordinary issued and paid up share capital		
Actual balance as at 30 June 2020	1,130,846,123	33,216,771
Consolidation on a 50 for 1 basis	(1,108,229,201)	-
Balance as at 30.06.2020 on a post consolidation basis	22,616,922	33,216,771
Pro-forma adjustments:		
Reverse acquisition adjustment to reverse opening share capital value in VPCL	-	(33,216,771)
Reverse acquisition adjustment to recognise opening share capital value in Health House	-	1,841,360
Deemed consideration for the issue of ordinary shares by VPCL as purchase consideration for Health House	115,298,743	4,523,384
Shares issued pursuant to current prospectus to raise A\$2,500,000 at \$0.20 per share on a post consolidation basis	17,500,000	3,500,000
Shares issued to Advisors at \$0.20 per share on a post consolidation basis	3,458,961	691,192
Transaction costs relating to capital raising	-	(471,000)
Subsequent event – issue of Health House shares as part consideration for Gees Pharmacy	-	254,800
Subsequent Event – issue of Health House shares to settle various liabilities	-	641,463
Subsequent event - Issue of 14,259,801 Health House ordinary shares to new and current investors (Before costs)	-	2,595,284
Subsequent event - Issue of 10,730,000 Health House ordinary shares to new and current investors (Before costs)	-	976,430
Pro-forma balance as at 30 June 2020	158,874,626	14,552,914