Intelicare Holdings Limited

ABN 84 622 484 397

Annual Report - 30 June 2019

The directors present their report, together with the financial statements, on InteliCare Holdings Limited (referred to hereafter as the 'Company') for the year ended 30 June 2019.

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

Mike Tappenden (Appointed on 10 December 2017 and resigned on 22 October 2019)
Greg Leach (Appointed on 10 December 2017)
Matt De Boer (Resigned on 16 October 2019)
Branden Dekenah (Appointed on 19 February 2019)
Jason Waller (Appointed on 23 October 2019)
Scott Taylor (Appointed on 19 October 2019)
Neil Hackett (Appointed on 18 October 2019)

Principal activities
During the financial year the principal continuing activities of the Company consisted of:

- Production Monitoring Solution for seniors and at-risk individuals
- Sales and Marketing
- Research and development activities
- Capital raising

The Company made significant progress in the commercialisation of the product in first half 2019 with several significant sales.

Dividends
No dividends were paid during the financial year.

Review of operations
The loss for the Company after providing for income tax amounted to $499,544 (30 June 2018: $210,190).

The Company achieved several significant milestones in 2019 through multi-dwelling commercial sales to the Department of Communities (Disability Services) and MEEDAC Aboriginal Corporation, and a successful trial with SwanCare.

Capital raising activities were conducted throughout 2019 with the support of Discovery Capital. This resulted in several outcomes.
- the Company was accepted into the AEON Accelerator out of Israel.
- A USA investor and partner roadshow illustrated the (US) Insurance company vs the (AUS) Government responsibility for assuming the financial burden of ageing related costs resulting in a renewed focus on Government grant funding opportunities in Australia.
- Validation from feedback from USA based care organisations and tech accelerators that the Company was well advanced compared to similar products they had reviewed.

The Company investigated an investment partnership opportunity with Bethanie Group and progressed to the Due Diligence stage. During this process it was apparent that this option was not in the interests of existing shareholders due to lack of alignment with regards to the partner structure.

R&D activities continued throughout 2018/19 focusing on scalability and analytics.

Significant changes in the state of affairs
There were no other significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

Subsequent to the financial year, the Company reached several significant milestones.

The Company entered into reseller and distribution agreements with successful grant recipients, which were awarded grants from Commonwealth Health Department's Commonwealth Home Support Program Innovation joint funding.
In both instances, the Company was named in the successful applications as a key service provider. The reseller and distribution agreements were entered into with:

- the Company's existing partner Whatever Support Whenever Pty Ltd (WSW), a Victoria-based immediate medical response agency, which was awarded a grant with a value of approximately $450,000. Of this grant the Company expects to invoice approximately $290,000 (excluding GST) through subscription agreements between clients and WSW in relation to the Company's products, installation and oversight of 100 InteliCare base package units and a 12-month subscription to the InteliCare App; and
- Extended Community Help Organisation Inc (ECHO) - with a grant value of approximately $540,000 (excluding GST) for a program undertaken over the period of 1 July 2019 to 30 June 2020, of which the Company expects to invoice approximately $270,000 (excluding GST) through subscription agreements between clients and ECHO in relation to the Company's products, installation and oversight of 100 InteliCare base package units and a six month subscription to the InteliCare App.

Following on from the Bethanie Group partnership opportunity, the Board consensus was the best capital raising option for the Company was to pursue an ASX listing proposal put forward by JP Equity. The Company proceeded to execute this strategy and commenced the required activities to prepare for this option.

On 21 August 2019, JP Equity was engaged to pursue capital investment via Seed, pre-Initial Public Offering (IPO) and IPO raises. A key component of this strategy included the onboarding of an ASX experienced Managing Director. On 30 August 2019 Jason Waller was engaged as the new Company CEO, tasked with executing the ASX listing strategy. As a consequence, Mike Tappenden resigned as CEO and was appointed as Chief Technology Officer (CTO).

Through these arrangements, the Company:

- in September 2019, conducted a successful Seed raise of $250,000 and issue of 1,250,000 shares at $0.20 with an implied pre-money valuation of A$2.56 million.
- in October 2019, through a Shareholder Resolution amongst other matters the Company:
  - converted to a public company effective 12 December 2019 to enable further capital raises
  - conducted a 2.5:1 share split
  - approved Board changes as follows:
    - Mike Tappenden retired as a Director
    - Matthew De Boer retired as a Director, but remains engaged as a business development consultant with a restructured Options package to reflect the new role
    - Greg Leach retired as Company Secretary
    - Jason Waller was appointed as a Director
    - Neil Hackett was appointed as a Director
    - Scott Taylor was appointed as a Director, and
    - Neil Hackett was also appointed as Company Secretary; and
- in November-December 2019, conducted a private placement of 5,937,500 new fully paid ordinary shares in the Company $0.16 each with an attaching 1 for 1 option exercisable at $0.30 cents with a 3-year expiry from date of issue to raise up to A$950,000 (before costs).

Further, the Company appointed Bellanhouse Pty Ltd (subsequently merged to become HWL Ebsworth Lawyers) as legal counsel to support IPO and a successful IPO In-principle applications was submitted to and positive advice received from the ASX in November 2019.

Apart from the above, no other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

The ASX funding option is expected to raise the capital required to fully commercialise the InteliCare solution whilst meeting the expectations of (current and future) shareholders relating to value increases and liquidity for their investment.

Environmental regulation
The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Greg Leach
Title:	Non Executive Director, Chairman, Company Secretary
Experience and expertise:	Blockhead Technologies: CEO, Empired Limited: Co-Founder & CTO, Frontline Services Ltd: Co-Founder & Director
Special responsibilities:	None
Name:	Michael Tappenden
Title:	Director, CEO
Experience and expertise:	Frontline Services Ltd: Principal Consultant & Director Asia Iron: Chief Information Officer
Special responsibilities:	None
Name:	Branden Dekenah
Title:	Non-Executive Director
Experience and expertise:	Arc Infrastructure: Director Technology, Sangomo Consulting: Managing Director, Meridian Global Foundation: Non-Executive Director
Special responsibilities:	None
Name:	Matthew De Boer
Title:	Non-Executive Director
Qualifications:	BA
Experience and expertise:	Alerte Digital Sports: Co-Founder & BD Support, Starlight Foundation NSW: Director, WESTAR Academy: Program Manager
Special responsibilities:	None
Name:	Jason Waller
Title:	Executive Director
Experience and expertise:	Defence, aviation and technology including significant strategic, commercial, transformation and project delivery expertise. General Manager and Project Director Aurizon, Sales Director GE Transportation, CEO of ASX listed Spookfish (ASX:SFI). GAICD.
Special responsibilities:	CEO
Name:	Neil Hackett
Title:	Non-Executive Director
Experience and expertise:	Public equity capital raisings, debt financing, corporate takeovers and business acquisitions and 25 years' ASX company expertise. Director Hastings Technology Metals Ltd (ASX:HAS), Ardiden Limited (ASX:ADV) and Calima Energy Ltd (ASX:CE1).
Special responsibilities:	Company Secretary
Name:	Scott Taylor
Title:	Non-Executive Director
Experience and expertise:	Bachelor of Laws and founding Partner of Taylor David Lawyers. Over 15 years' experience in reconstruction and insolvency law. Sits on the London based expert review panel for The Law Reviews. Author of the Australian chapter of the annual International Insolvency Review. Previously a non-executive director of the Children's Hospital Foundation Queensland.
Special responsibilities:	None

Company secretary
Greg Leach held the role of Company Secretary from November 2017 to October 2019, when Neil Hackett was appointed as Company Secretary.

Meetings of directors

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

	Full board	
	Attended	Held
Mike Tappenden	1	1
Greg Leach	1	1
Branden Dekenah	1	1
Matthew de Boer	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Shares under option/Performance Rights

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Issued date	Option	Number	Exercise Price	Vesting Conditions	Expiry Date
23 October 2019	Unquoted	937,500	0.20	50% vest on 1 May 2020 and 50% vest on 1 May 2021.	16 October 2023
23 October 2019	Unquoted	937,500	0.30	50% vest on 1 May 2020 and 50% vest on 1 May 2021.	16 October 2023

Unissued ordinary shares of the Company under Performance Rights at the date of this report are as follows:

Issued date	Number of Performance Rights	Issue price per Right	Vesting Conditions	Expiry date
14 November 2019	575,000	Nil	20-day VWAP of $0.26 following the listing of InteliCare on the ASX, or if listing does not occur prior to 01 April 2020 the fair value of ordinary shares being greater than $0.65	16 October 2024
14 November 2019	575,000	Nil	20-day VWAP of $0.30 following the listing of InteliCare on the ASX, or if listing does not occur prior to 01 April 2020 the fair value of ordinary shares being greater than $0.75	16 October 2025
14 November 2019	575,000	Nil	20-day VWAP of $0.40 following the listing of InteliCare on the ASX, or if listing does not occur prior to 01 April 2020 the fair value of ordinary shares being greater than $1.00	16 October 2026
14 November 2019	575,000	Nil	20-day VWAP of $0.50 following the listing of InteliCare on the ASX, or if listing does not occur prior to 01 April 2020 the fair value of ordinary shares being greater than $1.25	16 October 2027

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

Shares issued on the exercise of options
No ordinary shares of the Company were issued during the year ended 30 June 2019 and up to the date of this report on the exercise of options granted.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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

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

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

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

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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

Auditor
RSM continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Jason Waller
Managing Director

18 February 2020

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of InteliCare Holdings Limited for the year ended 30 June 2019, 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.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 18 February 2020

TUTU PHONG
Partner

General information

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

InteliCare Holdings Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
299 Vincent Street Leederville WA 6007	299 Vincent Street Leederville WA 6007

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

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

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

	Note	2019 $	2018 $
Revenue			
Sales	3	63,605	3,698
Other income	3	204,100	-
Interest revenue	3	86	207
Expenses			
Development expenses		(566,608)	(84,441)
Marketing and advertising expense		(12,999)	(2,558)
Administrative expenses		(186,452)	(127,080)
Finance costs	4	(1,276)	(16)
Loss before income tax expense		(499,544)	(210,190)
Income tax expense		-	-
Loss after income tax expense for the year		(499,544)	(210,190)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(499,544)	(210,190)

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

InteliCare Holdings Limited
Statement of financial position
As at 30 June 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	5	46,862	89,692
Trade and other receivables	6	144,479	19,959
Total current assets		191,341	109,651
Total assets		191,341	109,651
Liabilities			
Current liabilities			
Trade and other payables	7	160,656	12,341
Borrowings	8	65,114	-
Total current liabilities		225,770	12,341
Non-current liabilities			
Borrowings	9	47,805	-
Total non-current liabilities		47,805	-
Total liabilities		273,575	12,341
Net liabilities/assets		(82,234)	97,310
Equity			
Issued capital	10	627,500	307,500
Accumulated losses	11	(709,734)	(210,190)
Total deficiency in equity/equity		(82,234)	97,310

The above statement of financial position should be read in conjunction with the accompanying notes

InteliCare Holdings Limited
Statement of changes in equity
For the year ended 30 June 2019

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2017	-	-	-
Loss after income tax expense for the year	-	(210,190)	(210,190)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(210,190)	(210,190)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 10)	307,500	-	307,500
Balance at 30 June 2018	307,500	(210,190)	97,310

	Issued capital $	Accumulated Losses $	Total equity $
Balance at 1 July 2018	307,500	(210,190)	97,310
Loss after income tax expense for the year	-	(499,544)	(499,544)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(499,544)	(499,544)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 10)	320,000	-	320,000
Balance at 30 June 2019	627,500	(709,734)	(82,234)

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

InteliCare Holdings Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		138,548	3,698
Payments to suppliers and employees (inclusive of GST)		(363,106)	(221,713)
Interest received		86	207
Interest paid		(1,276)	-
Net cash from operating activities	14	(225,748)	(217,808)
Cash flows from financing activities			
Proceeds from issue of shares		70,000	307,500
Repayment of borrowings		112,919	-
Net cash from financing activities		182,919	307,500
Net (decrease)/increase in cash and cash equivalents		(42,830)	89,692
Cash and cash equivalents at the beginning of the financial year		89,692	-
Cash and cash equivalents at the end of the financial year	5	46,862	89,692

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

Note 1. Significant accounting policies

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

Going concern

These financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a loss of $499,544 and had net cash outflows from operating activities of $225,748 for the year ended 30 June 2019. As at that date, the Company had net current liabilities of $34,429 and net liabilities of $82,234.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability to issue additional shares under the *Corporations Act 2001* to raise further working capital;
- As disclosed at Note 13, subsequent to the financial year the Company issued 9,062,500 shares to raise $1.2 million (before costs); and
- The Company has the ability to scale down its operations in order to curtail expenditure, in the event insufficient cash is available to meet projected expenditure.

New or amended Accounting Standards and Interpretations adopted

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

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

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

AASB 9 Financial Instruments

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

Note 1. Significant accounting policies (continued)

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

Impact of adoption
AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There is no impact of adoption on opening accumulated losses as at 1 July 2018.

Basis of preparation
In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of InteliCare Holdings Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of InteliCare Holdings Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation
The financial statements are presented in Australian dollars, which is InteliCare Holdings Limited's functional and presentation currency.

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

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

Note 1. Significant accounting policies (continued)

Revenue recognition
The Company recognises revenue as follows:

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 1. Significant accounting policies (continued)

Impairment of financial assets
The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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

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

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

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

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

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development
Research and development costs are expensed in the period in which they are incurred.
Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit.

Note 1. Significant accounting policies (continued)

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit.

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

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

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

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

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

Provisions
Provisions are recognised when the entity has a present (legal or constructive) obligation as a result of a past event, it is probable the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

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

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

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

Note 1. Significant accounting policies (continued)

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the entity for the annual reporting period ended 30 June 2019. The entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Determination of variable consideration
Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Note 3. Revenue

	2019 $	**2018 $**
Revenue from contracts with customers		
Sale of goods	59,687	3,600
Rendering of services	3,918	98
	63,605	3,698
Other revenue		
R&D grant offset	204,100	-
Interest revenue	86	207
	204,186	207
Revenue	267,791	3,905

Note 4. Expenses

	2019 $	2018 $
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable	1,276	16
Finance costs expensed	1,276	16

Note 5. Current assets - cash and cash equivalents

	2019 $	2018 $
Cash at bank	45,838	1,941
Cash on hand	1,000	1,000
Cash reserve	24	86,751
	46,862	89,692

Note 6. Current assets - trade and other receivables

	2019 $	2018 $
Trade receivables	10,624	1,800
R&D offset receivable	120,334	-
GST receivable	13,521	18,159
	144,479	19,959

Note 7. Current liabilities - trade and other payables

	2019 $	2018 $
Trade payables	143,054	12,341
PAYG withholding payable	3,350	-
Deferred revenue	14,252	-
	160,656	12,341

Note 8. Current liabilities - borrowings

	2019 $	2018 $
Loan – Radium Capital	65,114	-
	65,114	-

The loan is unsecured, interest charge at 15% p.a and repayable by 31 October 2019.

Note 9. Non-current liabilities - borrowings

	2019 $	2018 $
Loan – Frontline Services Pty Ltd	47,805	-
	47,805	-

The loan is unsecured, interest free and had no fixed term of repayments.

Note 10. Equity - issued capital

	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	12,795,239	10,875,715	627,500	306,500

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2017	-		-
Issue of shares	26 October 2017	825	$1	825
	15 November 2017	175	$1	175
Share split (10,000:1)	2 December 2017	10,000,000	$0.0001	1,000
Issue of shares	2 December 2017	875,715	$0.35	306,500
Balance	30 June 2018	10,875,715		307,500
Issue of shares	16 January 2019	140,000	$0.5	70,000
	4 February 2019	500,000	$0.5	250,000
Share issue costs	5 June 2019	1,279,524	$0.0001	-
Balance	30 June 2019	12,795,239		627,500

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

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

Note 11. Equity – accumulated losses

	2019 $	2018 $
Accumulated losses at the beginning of the financial year	(210,190)	-
Loss after income tax expense for the year	(499,544)	(210,190)
Accumulated losses at the end of the financial year	(709,734)	(210,190)

Note 12. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company, its network firms and unrelated firms:

	2019 $	2018 $
RSM Australia Partners		
Audit or review of the financial statements	13,500	-
Stielow & Associates Chartered Accountants		
Audit or review of the financial statements	-	2,100
	13,500	2,100

Note 13. Events after the reporting period

Subsequent to the financial year, the Company reached several significant milestones.

The Company entered into reseller and distribution agreements with successful grant recipients, which were awarded grants from Commonwealth Health Department's Commonwealth Home Support Program Innovation joint funding.
In both instances, the Company was named in the successful applications as a key service provider. The reseller and distribution agreements were entered into with:

- the Company's existing partner Whatever Support Whenever Pty Ltd (WSW), a Victoria-based immediate medical response agency, which was awarded a grant with a value of approximately $450,000. Of this grant the Company expects to invoice approximately $290,000 (excluding GST) through subscription agreements between clients and WSW in relation to the Company's products, installation and oversight of 100 InteliCare base package units and a 12-month subscription to the InteliCare App; and
- Extended Community Help Organisation Inc (ECHO) - with a grant value of approximately $540,000 (excluding GST) for a program undertaken over the period of 1 July 2019 to 30 June 2020, of which the Company expects to invoice approximately $270,000 (excluding GST) through subscription agreements between clients and ECHO in relation to the Company's products, installation and oversight of 100 InteliCare base package units and a six month subscription to the InteliCare App.

Following on from the Bethanie Group partnership opportunity, the Board consensus was the best capital raising option for the Company was to pursue an ASX listing proposal put forward by JP Equity. The Company proceeded to execute this strategy and commenced the required activities to prepare for this option.

On 21 August 2019, JP Equity was engaged to pursue capital investment via Seed, pre-Initial Public Offering (IPO) and IPO raises. A key component of this strategy included the onboarding of an ASX experienced Managing Director. On 30 August 2019 Jason Waller was engaged as the new Company CEO, tasked with executing the ASX listing strategy. As a consequence, Mike Tappenden resigned as CEO and was appointed as Chief Technology Officer (CTO).

Through these arrangements, the Company:

- in September 2019, conducted a successful Seed raise of $250,000 and issue of 1,250,000 shares at $0.20 with an implied pre-money valuation of A$2.56 million
- in October 2019, through a Shareholder Resolution amongst other matters the Company:
    - converted to a public company effective 12 December 2019 to enable further capital raises
    - conducted a 2.5:1 share split
    - approved Board changes as follows:
        - Mike Tappenden retired as a Director
        - Matthew De Boer retired as a Director, but remains engaged as a business development consultant with a restructured Options package to reflect the new role
        - Greg Leach retired as Company Secretary
        - Jason Waller was appointed as a Director
        - Neil Hackett was appointed as a Director
        - Scott Taylor was appointed as a Director, and
        - Neil Hackett was also appointed as Company Secretary; and
- in November-December 2019, conducted a private placement of 5,937,500 new fully paid ordinary shares in the Company $0.16 each with an attaching 1 for 1 option exercisable at $0.30 cents with a 3-year expiry from date of issue to raise up to A$950,000 (before costs).

Further, the Company appointed Bellanhouse Pty Ltd (subsequently merged to become HWL Ebsworth Lawyers) as legal counsel to support IPO and a successful IPO In-principle applications was submitted to and positive advice received from the ASX in November 2019.

Apart from the above, no other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 14. Reconciliation of loss after income tax to net cash from operating activities

	2019 $	2018 $
Loss after income tax expense for the year	(499,544)	(210,190)
Adjustments for:		
Development costs	250,000	-
Change in operating assets and liabilities:		
Trade and other receivables	(124,519)	(19,959)
Trade and other payables	148,315	12,341
Net cash from operating activities	(225,748)	(217,808)

InteliCare Holdings Limited
Directors' declaration
30 June 2019

In the directors' opinion:

- the entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of InteliCare Holdings Limited;

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

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

On behalf of the directors

Jason Waller
Managing Director

18 February 2020
Perth

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
INTELICARE HOLDINGS LIMITED

Opinion

We have audited the financial report of InteliCare Holdings Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with basis of accounting as described in Note 1 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 18 February 2020