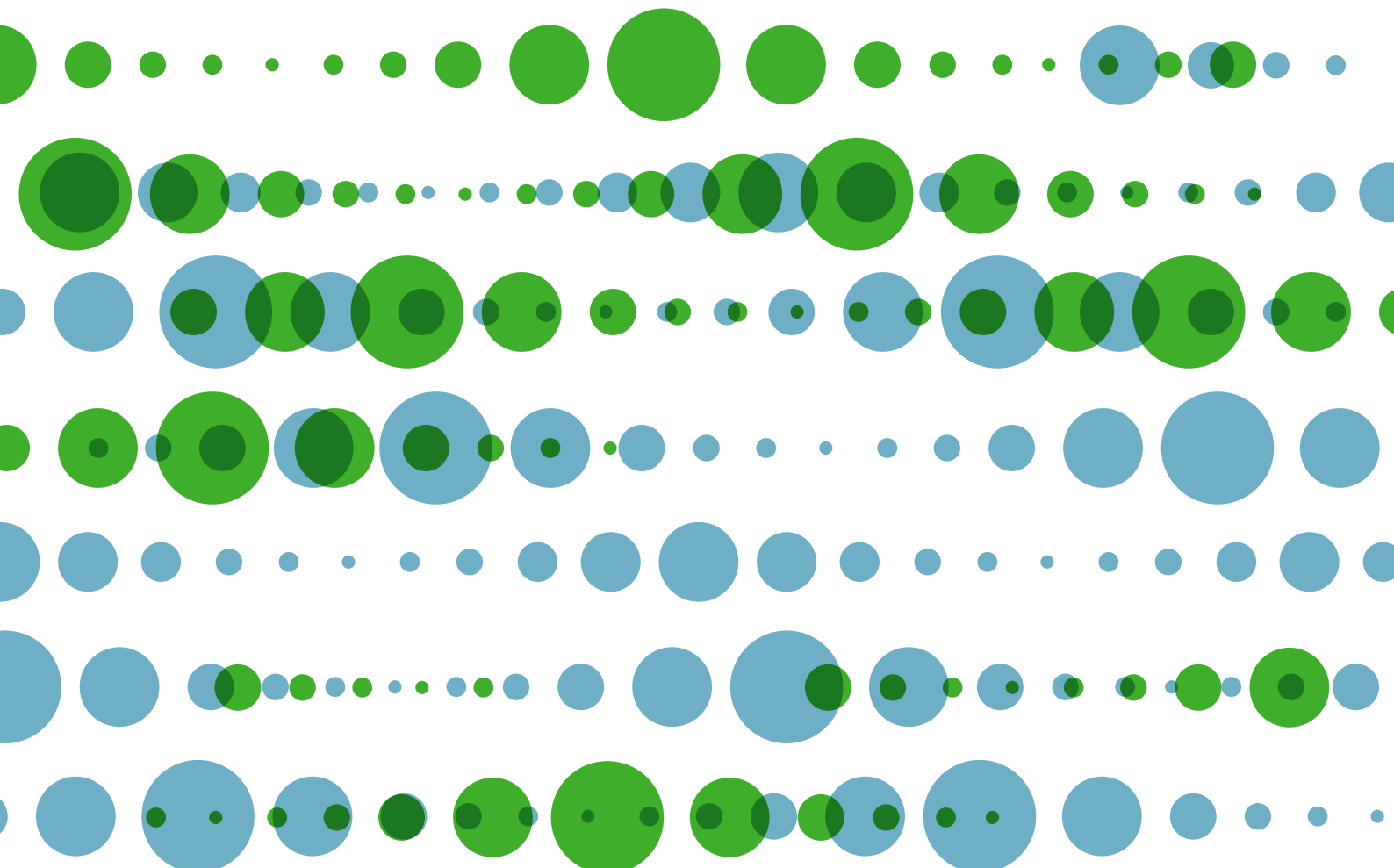
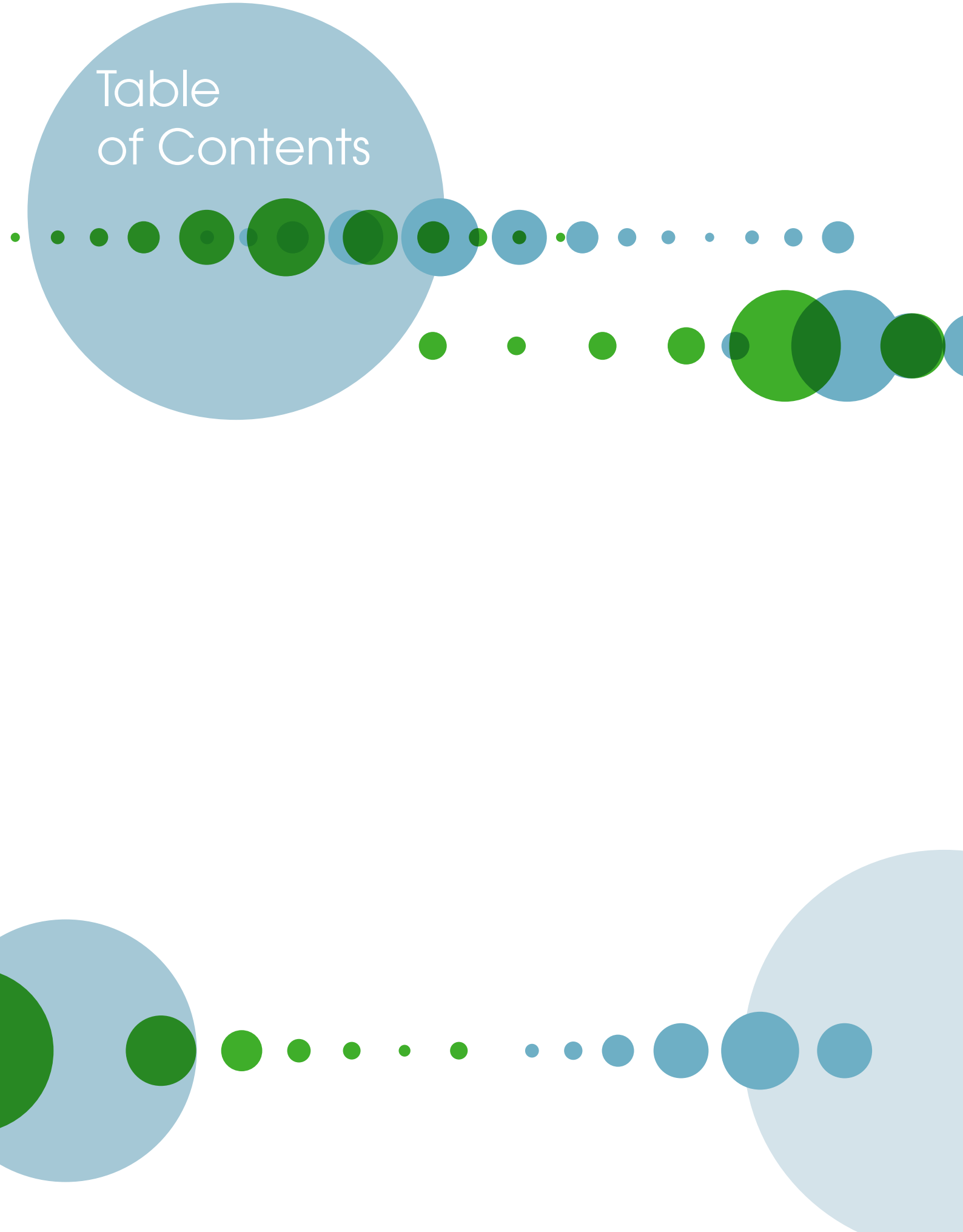


Connecting  
clinicians  
and  
consumers



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# Review of operations



Your Directors submit their report for the financial year ended 30 June 2016.

## **CHAIRMAN'S LETTER**

Dear Shareholders,

I am pleased to report that the Company achieved a Net Profit after Tax of \$1.375m in another challenging year.

Following last year's Annual General Meeting, the Company signed key contracts with ACT Health and two large Primary Health Networks which helped consolidate its reputation as Australia's leading collaborative healthcare solution provider.

The business and assets of healthcare software vendor Abaki Pty Ltd which were acquired in July 2015, have been successfully integrated into the Company's offering, and continue to bolster our development and support capability with a Vietnamese offshore centre.

The Company's legal action against SA Health for breaches of contract and infringements of copyright by the State of South Australia, has come to a close resulting in a pleasing outcome as announced to the market in August 2016. Recognition of part of this revenue as disclosed in the settlement details, along with associated legal costs, helped boost the Company's final result.

My sincere thanks to all our employees and my fellow Board Members for their hard work, loyalty and ongoing commitment to the achievement of the Company's goals.

As always, the Board continues to look for ways to grow shareholder value and we also thank you, our shareholders, for your continued support.

Yours faithfully,



Steven Leigh Pynt  
Non-Executive Chairman

## CHIEF EXECUTIVE OFFICER'S OPERATIONS REPORT

### FINANCIAL SUMMARY

Your Directors submit their report for the financial year ended 30 June 2016.

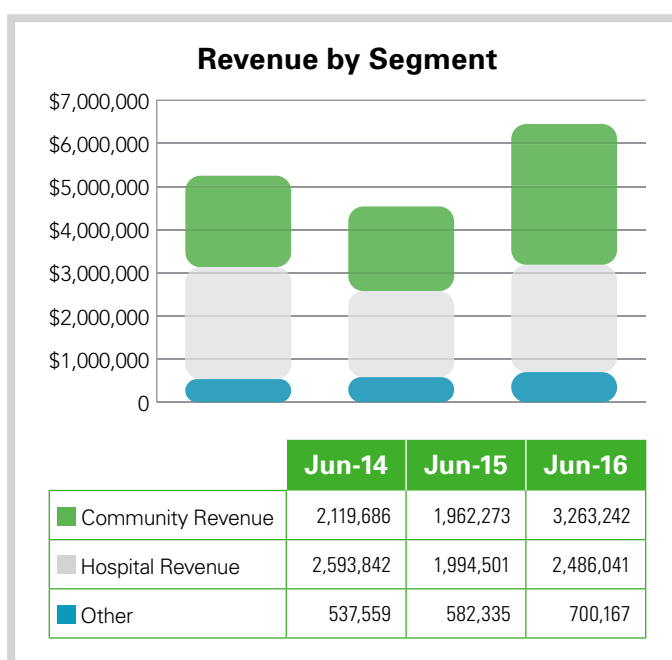
#### Result Highlights

- Revenue up 42% (+\$1,910,341) to \$6,449,450 inclusive of \$1,250,000 in SA Health licence arrears as per settlement of the South Australian licence dispute.
- Revenue up 36% to \$5,199,450 excluding SA Health revenue in FY15 and FY16.
- Net Profit after Tax up 30% to \$1,375,154.
- Earnings per Share (EPS) up 29% to 4.18 cents per share.

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

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

A federal government Research and Development Tax Incentive of \$518k (FY15: \$532k) represents the bulk of Other Revenue received in the reporting period.



### COMMUNITY (NON-ACUTE) SECTOR

Revenue and margins from customers delivering healthcare services in the community has experienced record growth with revenue increasing by 66% (up \$1,300,969) and segment EBITDA increasing by 108% (up \$566,192) over the prior year.

#### MasterCare EMR – Community Health, Mental Health and Chronic Disease Management

The core product in this segment is the Company's MasterCare EMR – a multi-disciplinary, team-based shared Electronic Medical Record. MasterCare EMR has experienced record revenue and earnings growth achieved through a number of significant contracts won since 1 July 2015 including:

- ACT Mental Health, Justice Health and Alcohol & Drug Services territory-wide;
- Adelaide Primary Health Network covering the metropolitan population of 1.2m in South Australia;
- Country South Australia Primary Health Network covering the remaining 30% of the South Australian population outside metropolitan Adelaide;
- 360 Health + Community healthcare service provider delivering over 150,000 community services annually across Western Australia;
- Malaysian Ministry of Health's MENTARI Mental Health Network in 12 of the 13 states and territories across Malaysia.

A number of other significant opportunities for MasterCare EMR are in the process of finalisation as at 30 June 2016.

### **Primary Clinic – General Practice, Specialists and Allied Health**

In July 2015, the Company announced the acquisition of the PracNet and MediNet software and associated assets of Abaki Pty Ltd. These practice and medical software applications provide the Company with a foothold and competitive market offerings across General Practice, Specialists and Allied Health. These assets have been re-launched and marketed under the 'Primary Clinic' brand ([www.primaryclinic.com.au](http://www.primaryclinic.com.au)).

The acquisition has been smoothly integrated within the Company's operations with productivity benefits and positive financial contributions in line with expectations. Over the reporting period, the Primary Clinic Business increased revenues with positive cash flow and positive earnings contributions to the Group.

Customer numbers were largely constant over the reporting period with revenue and margin growth derived from value-add sales of the Company's wider portfolio of software applications to existing customers of Primary Clinic.

The Company has provided additional marketing resources to expand the number of customers in this highly competitive sector of the healthcare market and believe we will see the benefit of this investment during the current financial year.

### **ReferralNet – Connectivity and Enterprise Integration**

ReferralNet is the brand within the Company's portfolio that provides a platform for the:

- secure electronic exchange of correspondence between healthcare providers in separate organisations;
- integration of patient and clinical records across disparate systems within an organisation and,
- claims processing for organisations from funders of healthcare services such as private health funds, Medicare Australia and the DVA (Department of Veterans' Affairs).

Connectivity and interoperability are core to the Company's motto of "Connecting Clinicians and Consumers" and is recognised by governments and professional peak bodies as the key to improving productivity and patient outcomes in healthcare.

Achieving interoperability with other Secure Messaging Platforms has proven challenging for technical and commercial reasons. Nevertheless, over the reporting period, the Company made some significant headway:

- execution of a bilateral message interchange agreement and the commencement of an interoperability pilot with Argus Connect – a Telstra Health company;
- execution of a bilateral message interchange agreement and interoperability testing with Queensland-based Medical Objects; and
- execution of a Preferred Supplier agreement with the Australian Psychological Society – the leading professional association for mental health practitioners with over 22,000 members.

In addition to the Company's commitment to interoperable secure messaging, the Company has increased ReferralNet organically through the 'freemium' business model and successfully converted a number of freemium subscribers to paying, 'Premium' subscribers.

Over the reporting period, the Connectivity business unit increased revenue by over 100% with positive cash flow and positive earnings contributions to the Group.

We believe this will continue to grow once the benefits of interoperability with other Secure Messaging Platforms is demonstrated in the market.

## HOSPITAL (ACUTE) SECTOR

Revenue and margins from customers delivering services within hospitals has been flat over the reporting period.

Core subscriptions in this sector are for the use of the Company's MasterCare PAS (Patient Administration System) to manage patient workflow from pre-admission through to discharge including the management of beds, theatres, medical records, billing and receipting.

A dedicated Business Development Manager was recruited in November 2015 to develop new customer opportunities and increase customer value through the bundling of complementary products.

Over the reporting period, the Company implemented MasterCare PAS at three new private hospitals and commenced the bundling of the Company's LifeCard Patient Portal, MasterCare Connect Provider Portal, MasterCare Data Warehouse and ReferralNet Secure Messaging platform at six "early adopter" hospital sites.

It is expected that these early adopters will demonstrate productivity gains for our hospital customers over the coming months.

Given the relatively small size of the Australian private hospital market with a total of approximately 600 day and overnight private hospitals, the Company will commence overseas market development to achieve scale in the medium to long term.

## FINANCIAL COMMENTARY

Expenses increased by \$1,191,770 (up 36%).

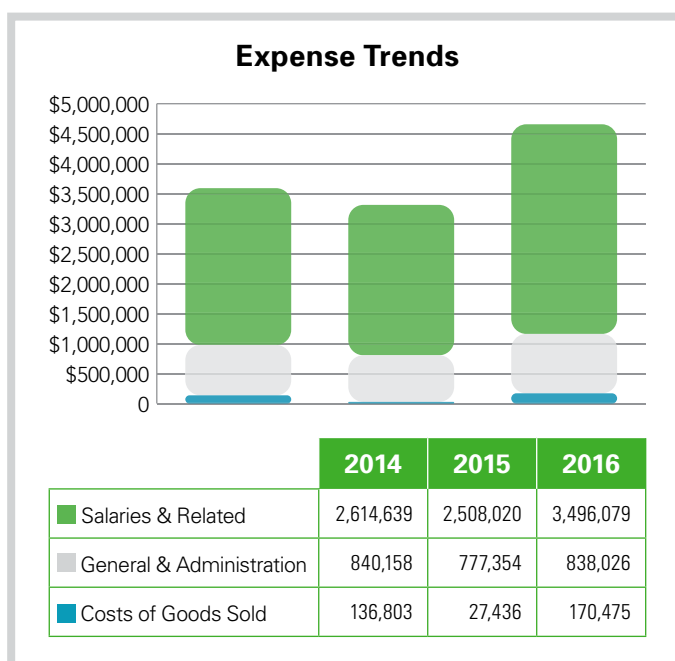
The \$143,039 increase (up 521%) in Cost of Goods Sold are largely due to increased costs associated with third party revenue such as SMS services and appointment commissions, from the Primary Clinic (ex-Abaki) business.

The \$60,672 increase (up 8%) in General and Administration relate primarily to the engagement of three additional sales staff in November 2015 reflecting the increased confidence in the Company's prospects at the time, as well as to compensate for the distraction of key senior executives to litigation matters which are now settled.

The \$988,059 increase (up 39%) in Salaries and Related costs is the most significant impact on the overall expense profile for the period.

A quick succession of significant projects secured from December 2015 meant the Company was under-resourced coming into the second half of the financial year. Prompt action was taken through the engagement of contractors and recruitment of new operational staff.

Key payment milestones from these projects have slipped into the first quarter of this (FY17) financial year resulting in a mismatch between revenue and expenses over the reporting period.



The core financial measures of revenue, EBITDA, NPAT and EPS growth are trending up and are forecast to continue into the future.

## FINANCIAL POSITION

At 30 June 2016, the Company had Net Assets of \$5,056,903 – an increase of \$1,428,897 from 30 June 2015.

Expenditure on Research and Development has been increased in the second half of the reporting period to catch up with delivery timelines that had fallen behind due to the competing demands on cash for expenditure on the SA Health litigation over the past 18 to 36 months and working capital from a run of significant project contracts secured in quick succession.

In order to adequately address these competing demands on cash, the Company secured \$1,899,427 in debt over the reporting period. This has resulted in a debt to equity ratio of 37% as at 30 June 2016.

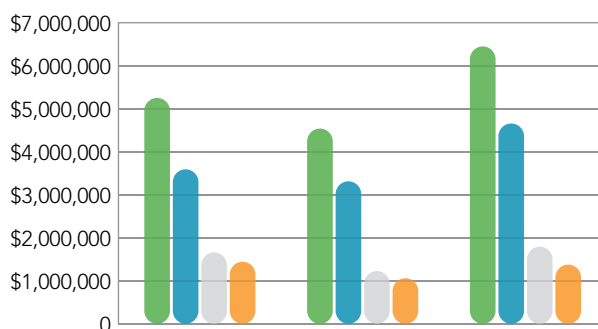
Closing cash plus Net Receivables was up \$2,106,600 (+276%) to \$2,868,604.

The SA Health settlement and payment of \$5.5m (GST inclusive) was made on 16 August 2016 and positions the Company to repay the debt and still maintain a healthy cash position.

Re-invigorated R&D has enabled the Company to launch a suite of Consumer engagement applications designed to enable healthcare consumers to better engage with their care providers and pro-actively manage their health and wellness.

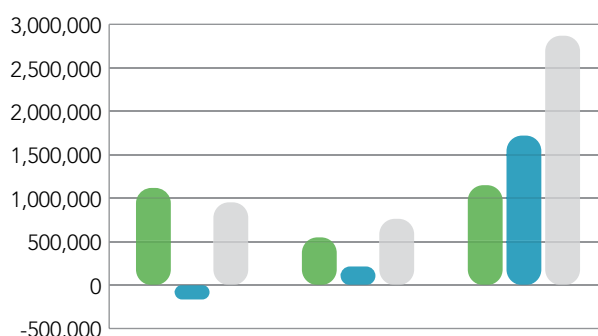
Notwithstanding the strong demands on the Company's cash over the past year, the financial position of the Company is at its strongest in over a decade.

### Financial Performance Profile



	Jun-14	Jun-15	Jul-16
Revenue	\$5,251,086	\$4,539,109	\$6,449,450
Operating Expense	\$3,591,600	\$3,312,810	\$4,504,580
EBITDA	\$1,659,486	\$1,226,299	\$1,944,870
NPAT	\$1,443,513	\$1,059,907	\$1,375,154
EBITDA Margin	32%	27%	30%
NPAT Margin	27%	23%	21%

### Cash + Net Receivables



	Jun-14	Jun-15	Jul-16
Closing Cash	1,117,444	548,404	1,149,028
Net Receivables	-165,918	213,600	1,719,576
Cash + Net Receivables	951,526	762,004	2,868,604

## FORWARD OUTLOOK

Over 2000 healthcare organisations use the Company's applications across hospitals, community and chronic disease health centres, specialists, general practice and allied health. The historical business of the Company has been selling software to healthcare businesses – commonly referred to as B2B. The suite of software applications for healthcare providers and businesses are:

- [MasterCare EMR](#) – a team-based, multi-disciplinary clinical system for mental health, chronic disease management and community health;
- [MasterCare Connect](#) – a clinical viewer for providers to securely create, view and exchange patient correspondence such as referrals, specialist letters, orders and results with their healthcare colleagues;
- [MasterCare PAS](#) – a Patient Administration System for the back office operations of day and overnight hospitals;
- [ReferralNet](#) – a platform for connectivity providing Secure Message Delivery, payment processing to public and private health funds and enterprise integration; and
- [Primary Clinic](#) – practice management and clinical software for GPs, Allied Health and Specialists.

This portfolio of discrete applications integrate with each other through web services or Application Programming Interfaces. This means the Company's portfolio is open for integration with complementary third party software applications that enhance the goal of "streamlining the patient journey".

In June, the Company "soft launched" its initial portfolio of consumer products available on the Web, with mobile apps for Apple and Android smart phones. These integrate with the B2B portfolio and develops a Business-to-Consumer (B2C) opportunity for the Company and its customers.



LifeCard ([www.lifecard.com](http://www.lifecard.com)) is a Personal Health Record for consumers, accessible anywhere, anytime and from any device. Healthcare consumers can share some or all of their health record with anyone - clinicians, care providers, siblings, parents or fitness trainer; for a specific period or until they decide otherwise, and choose the extent of access.



HotHealth ([www.hothealth.com](http://www.hothealth.com)) is a platform for developing a digital health community around the website of an organisation to engage online with their consumers (patients, clients and the public).

Business customers can interact online via chat or email, and exchange information such as staff profiles, news, articles, videos and events within their community of healthcare consumers.

HotHealth includes links to patient portals, online aggregators and provides a web-store for financial transactions between healthcare businesses and their community of healthcare consumers.

For consumers, HotHealth provides a single application to their multiple healthcare providers and is seamlessly integrated to their LifeCard Personal Health Record.



## **Global Health Cloud Hosting**

In line with market trends, the Company continues to transition from the higher-priced, customised product, to a more volume-based, commodity model based on Commercial-off-the-Shelf (COTS) products delivered as a fully managed cloud service ('Software as a Service' (SaaS)).

Over the reporting period the Company has commenced the logical extension to this strategy by establishing the Global Health Managed Cloud Service for customers of the Company's enterprise and SaaS platforms.

The provision of integrated Cloud applications and infrastructure extends the Company's sales reach to the global marketplace and significant new revenue opportunities in subsequent years.

### **For further information please contact:**

**Mathew Cherian**, CEO and Managing Director  
Global Health Limited  
T: 61 3 9675 0688  
E: [mathew.cherian@global-health.com](mailto:mathew.cherian@global-health.com)

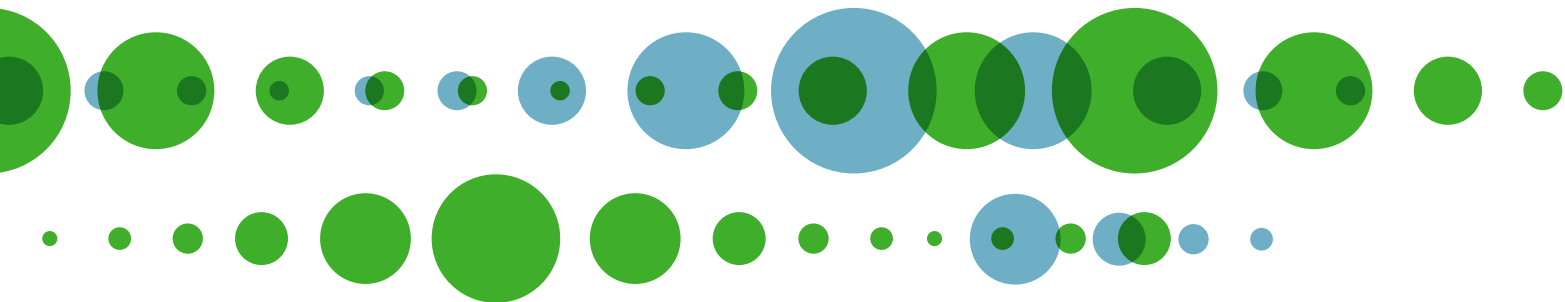
For and on behalf of Global Health Limited,



Mathew Cherian  
Chief Executive Officer and Managing Director

# MasterCare®

A business and clinical solution that supports  
healthcare delivery across acute and non-acute sectors





# Directors' Report

Your Directors present their report on Global Health Limited consolidated entity ('Group') for the financial year ended 30 June 2016.

## DIRECTORS

The following persons were Directors of Global Health Limited during the whole of the financial year and up to the date of this report (except where indicated otherwise):

**1. Steven L. Pynt LLB, BBus, MBA, MTax** Age 58  
**Independent Non-Executive Chairman**

Mr Pynt has been an independent non-executive director since 2000 and Chairman since 2005.

Mr Pynt is Legal Director of Muzz Buzz Franchising Pty Ltd, a drive through coffee store franchisor.

Mr Pynt was previously a Director of the Perth legal firm, McDonald Pynt, and his main area of practice was in commercial law including corporations law and contracts. He was also a Fellow of CPA Australia and a member of the Australian Institute of Company Directors, the Racing Penalties Appeals Tribunal and Chairman of the Commercial Tribunal of WA.

**Other Listed Company Current Directorships**

Ephraim Resources Limited  
Richfield International Limited  
Gondwana Resources Limited

**Former Directorships in the last 3 years**

South East Asia Resources Limited

**Special Responsibilities**

Chairman of the Board  
Member of Audit Committee

**2. Mathew Cherian BBus (IS/IT), MACS, MAICD** Age 59  
**Chief Executive Officer**

Mr Cherian has been in the information technology industry since 1981. In 1985 he established Working Systems Pty Ltd in Perth, Western Australia.

Mr Cherian was appointed CEO of Working Systems Solutions Limited in January 2002, to re-focus the Group as a software product developer for the Healthcare sector. The initial phase culminated with the re-branding of the Company as Global Health Limited in December 2007.

Mr Cherian plays an active role in product strategy and the development of overseas markets for the Company.

**Other Current Directorships**

None

**Former Directorships in the last 3 years**

None

**Special Responsibilities**

Managing Director

**3. Grant Smith BComm, AAIM, ASIA Age 63****Independent Non-Executive Director**

Mr Smith has worked in insurance, superannuation, investment and funds management for over 30 years. He started with National Mutual (now AMP) in the investments division and was responsible for the establishment of the funds management business for National Mutual.

In 1984 he established an independent funds management group and floated Hospitals of Australia - the first healthcare investment fund in Australia. Hospitals of Australia owned and operated a number of hospitals throughout Australia. Mr Smith was intimately involved in the building of a number of hospitals including Strathfield Private, Southern Highlands Private Hospital, Port Macquarie Hospital and the refurbishment of a number of other healthcare facilities. Hospitals of Australia was ultimately acquired by Mayne Nickless Limited.

In the past 15 years Mr Smith developed and built the Medica Centre and opened the first digital (paperless) private surgical hospital in Australia. He is currently involved in developing new hospitals in Sydney, Melbourne and Papua New Guinea.

Mr Smith is also involved in utilising digital technology to generate increased productivity and efficiencies for the healthcare sector.

**Other Listed Company Current Directorships**

None

**Former Directorships in the last 3 years**

None

**Special Responsibilities**

Member of Audit Committee

**4. Robert Knowles MAICD, AO Age 69****Independent Non-Executive Director**

Mr Knowles is a farmer and company director.

He is a director of the Silver Chain Group of Companies, IPG Pty Ltd and Drinkwise Australia Ltd.

He is also a Commissioner with the National Mental Health Commission and Chair of the Royal Children's Hospital.

Mr Knowles was Victorian Minister for Health from 1996 until 1999 and a member of the Victorian Legislative Council from 1976-1999. He has also served as Chairman of Food Standards Australia and New Zealand and as an Aged Care Complaints Commissioner.

**Other Listed Company Current Directorships**

None

**Former Directorships in the last 3 years**

None

**Special Responsibilities**

None

## COMPANY SECRETARY

Since October 2005, the position of Company Secretary has been held by Mr Peter Curigliano [B Bus (Accounting), CPA]. This role is responsible for the Company's continuous disclosure requirements, preparation of the Annual Report, Annual General Meetings and announcements to the share market.

Mr Curigliano was appointed Chief Financial Officer in October 2007 after joining the Company as Financial Controller in May 2004. As Chief Financial Officer of the Company, Mr Curigliano has direct responsibility for corporate matters and is primarily responsible for financial reporting, treasury and managing the financial risks of the Company.

He has in excess of 25 years' experience in corporate accounting including financial and business planning and compliance and taxation.

## MEETING OF DIRECTORS AND COMMITTEES

The number of meetings of the Company's Board of Directors and of each Audit committee held, whereby members could attend in their capacity during the year ended 30 June 2016, and the number of meetings attended by each Director were:

	Directors Meetings		Audit Committee Meetings	
	Number of Meetings Attended	Number of Meetings eligible to attend	Number of Meetings Attended	Number of Meetings eligible to attend
Mr M Cherian	6	6	-	-
Mr S L Pynt	6	6	1	1
Mr G Smith	6	6	1	1
Mr R Knowles	6	6	-	-

## DIRECTORS' INTERESTS

Relevant interests of the Directors and their closely related parties in the shares of the Company at the date of this report are:

	Ordinary Shares
Mr M Cherian	18,619,370
Mr S L Pynt	232,408
Mr G Smith	300,000
Mr R Knowles	20,000
<b>Total</b>	<b>19,171,778</b>

*There are no options currently issued to Directors.*

## PRINCIPAL ACTIVITIES

During the year the principal activities of the Group consisted of:

1. the development, sales and support of application software for the healthcare sector; and
2. the development of systems integration software that enables data to be securely exchanged between multiple, disparate applications within an enterprise and across the healthcare value chain.

## RESULTS AND DIVIDENDS

### Operating Results

The profit of the Group for the financial year after providing for income tax and eliminating non-controlling equity interests amounted to \$1,375,154 (2015: \$1,059,907).

### Dividends

No dividends have been declared or paid on the ordinary shares for the financial year ended 30 June 2016.

## REVIEW OF OPERATIONS

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the 'Chief Executive Officer's Operations Report' section of this Annual Report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes in the state of affairs of the Group during the financial year ended 30 June 2016 and up to the date of this report.

## SIGNIFICANT EVENTS AFTER REPORTING DATE

On 2 August 2016, the Company, its subsidiary Working Systems Software Pty Ltd and SA Health reached settlement regarding SA Health's continuing use of CHIRON software. Part of the settlement required SA Health to pay a licence fee of \$5,000,000 plus GST for the period of 1 April 2015 - 31 March 2020, on or before 30 August 2016. This amount was received in full by the Company on 16 August 2016.

A formal announcement regarding the settlement terms was made to the share market on 4 August 2016.

On 29 July 2015, the Company finalised the acquisition of the medical software business and associated assets of Abaki Pty Ltd. The maximum consideration of \$500,000 in 4 equal parts of cash and Global Health shares is payable over 37 months. The cash component has been and will be funded out of working capital.

## LIKELY DEVELOPMENTS

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

## SHARE OPTIONS

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

Date of Issue	Date of Expiry	Exercise Price per option	Number Under Option
5 July 2013	5 July 2018	\$0.15	300,000
19 December 2013	19 December 2018	\$0.65	530,000
26 May 2014	26 May 2019	\$0.75	300,000
10 June 2015	10 June 2020	\$0.65	390,000
			<b>1,520,000</b>

There were no share options which expired during the financial year.

## REMUNERATION REPORT

### Principles used to determine the nature and amount of remuneration

Remuneration of Directors and key management personnel of the Company is established by the Board. Remuneration is determined as part of an annual performance review, having regard to market factors and a performance evaluation process. The remuneration framework is designed to align executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. For Directors and executives, remuneration packages generally comprise salary and superannuation. Executives are also provided with longer-term incentives through the employee share and share option schemes, which act to align the executive's actions with the interests of the shareholders. Non-Executive Directors are not entitled to performance-based bonuses.

The Board meets annually to review its own performance. The Chairman also holds individual discussions with each Director to discuss their performance. The Non-executive Directors are responsible for evaluating the performance of the Chief Executive Officer, who in turn evaluates the performance of all other senior executives. These evaluations are based on specific criteria, including the Group's business performance and achievement of turnover and NPAT (Net Profit After Tax) targets, whether long-term strategic objectives are being achieved and the achievement of individual performance objectives.

#### · **Non-Executive Directors' remuneration**

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board to ensure all payments are appropriate and in line with the market. The maximum amount of remuneration as determined by shareholders at the Company's Annual General Meeting on 24 November 2009 is \$350,000 per annum which may be divided among Non-executive Directors in the manner determined by the Board from time to time. The Chairman's fees are determined independently to the fees of Non-executive Directors based on comparative roles in similar sized companies and sectors in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration. There were no remuneration consultants used during the year.

#### · **Executive Directors' remuneration**

The Executive Directors' salary and conditions are determined by the Board of Directors and reviewed at the expiry of each contract period.

#### · **Executive remuneration**

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. There is no guaranteed base pay increases included in any senior executive's contract.

## Details of Remuneration

Details of the remuneration of the Directors and the key management personnel of Global Health Limited are set out in the following table:

2016	Short-Term benefits	Performance related	Post-Employment Benefits	Other long term benefits	Share-based Payment	
Name	Salary and or Fees \$	Bonus \$	Superannuation \$	Accrued Long Service Leave \$	Shares \$	Total \$
<b>Directors:</b>						
Mr S L Pynt	41,284	-	3,922	-	-	45,206
Mr M Cherian	290,339	-	24,799	4,199	-	319,337
Mr G Smith	32,037	-	3,043	-	-	35,080
Mr R Knowles	32,037	-	3,043	-	-	35,080
<b>Key Management Personnel:</b>						
Mr P Curigliano	156,328	-	16,292	2,758	-	175,378
Mr K Jayesuria	137,513	-	13,064	-	-	150,577
<b>TOTAL</b>	689,538	-	64,163	6,957	-	760,658

2015	Short-Term benefits	Performance related	Post-Employment Benefits	Other long term benefits	Share-based Payment	
Name	Salary and or Fees \$	Bonus \$	Superannuation \$	Accrued Long Service Leave \$	Shares \$	Total \$
<b>Directors:</b>						
Mr S L Pynt	41,284	-	3,922	-	-	45,206
Mr M Cherian	278,526	-	23,881	4,187	-	306,594
Mr G Smith	32,037	-	3,043	-	-	35,080
Mr R Knowles	32,037	-	3,043	-	-	35,080
<b>Key Management Personnel:</b>						
Mr P Curigliano	165,159	-	15,688	2,751	-	183,598
Mr K Jayesuria	122,209	-	11,610	-	-	133,819
<b>TOTAL</b>	671,252	-	61,187	6,938	-	739,377

## Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. It is Company policy that employment contracts contain provisions for termination with notice or payment in lieu thereof and for termination by the Company without notice for serious misconduct and breach of contract. The Managing Director is entitled to receive a termination payment in addition to notice where the Company terminates employment on grounds of illness or incapacity.



The notice period required to be given by the employee or the Company along with any termination payments are set out in the table below.

	Notice period by Company	Notice period by Employee	Termination Payments
<b>Managing Director</b>			
Mr M Cherian	6 months	6 months	6 months*
<b>Chief Financial Officer</b>			
Mr P Curigliano	1 month	1 month	None
<b>Technology Delivery Manager</b>			
Mr K Jayesuria	1 month	1 month	None

\* if termination is by reason of the employee's illness or incapacity.

## Shares granted to key management personnel of the Company

Key Management Personnel	Number of shares issued		Number of options granted	
	2016	2015	2016	2015
Mr K Jayesuria	4000	-	-	-

During the financial year and up to the date of these accounts, the Company, on 12 January 2016, issued \$1,000 worth of unlisted ordinary shares (equivalent to 4,000 shares) each to 10 employees of the Company at an issue price of \$0.25 per share.

These unlisted employee shares cannot be transferred or assigned by the holder within a period of three years from the date of issue or transfer to the holder unless the holder ceases employment with the Company earlier than that date.

During the previous financial year, the Company, on 10 June 2015, issued 390,000 unlisted employee options to two employees of the Company with an exercise price of 65 cents per option.

All of the unlisted employee options vest in equal one-third parts every 12-months over a period of 36 months from their respective dates of issue and all will expire five years thereafter.

During the financial year and up to the date of this report, nil options have been exercised.

## INDEMNIFICATION OF DIRECTORS AND EXECUTIVES OR AUDITORS

During or since the end of the financial year, the Group has not, in any respect for any person who is or has been an officer or director of the parent entity or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings.

During or since the end of the financial year the Group has paid premiums in respect of a contract insuring the Directors and officers of all companies in the Group against a liability incurred in their role as Directors and officers of all companies within the Group except where:

- i. The liability arises out of conduct involving a wilful breach of duty; or
- ii. There has been a contravention of Sections 232(5) or (6) of the Corporations Act 2001.

The total amount of premiums paid by the Group for Directors and Officers Liability Insurance was \$13,608 (2015: \$24,171).

## **PROCEEDINGS ON BEHALF OF THE COMPANY**

The Company's wholly-owned subsidiary, Working Systems Software Pty Ltd commenced legal proceedings against the Crown in right of the State of South Australia by filing originating process in the Adelaide Registry of the Federal Court of Australia on 11 June 2015. Working Systems Software Pty Ltd claimed breaches of contract and infringements of copyright by the State of South Australia, arising from the State's continuing use of the Company's Chiron Patient Administration System software and Harmony Financial System software after the State's licence to use expired on 31 March 2015. Working Systems sought damages, declarations and a permanent injunction restraining the State from continuing to use Chiron and Harmony. The South Australian Minister for Health indicated the State's intention to rely upon the Crown's compulsory licensing regime for Commonwealth and State governments under the Copyright Act 1968 (Cth) which Working Systems contended did not apply to computer programs.

On 2 August 2016 the Company, its subsidiary Working Systems Software Pty Ltd and SA Health reached settlement regarding SA Health's continuing use of CHIRON software as detailed in Note 29 Events subsequent to Reporting Date.

## **NON-AUDIT SERVICES**

The Group had a need to employ the auditor – MSI Ragg Weir – on assignments additional to their statutory audit duties as detailed in Note 22.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 22 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to the commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

## **ENVIRONMENTAL ISSUES**

As the operations of the Group are limited to computer software development and support and professional consulting services, the Group has minimal involvement in and exposure to environmental risks and issues. The Group is not required to comply with any specific Act.

## **CORPORATE GOVERNANCE**

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles to the extent outlined in the Corporate Governance Statement. The Company's Corporate Governance Statement is contained in a separate section of this Annual Report.

## **AUDITORS' INDEPENDENCE DECLARATION**

A copy of the Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 accompanies and forms part of this report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'S. Pynt', with a long horizontal stroke extending to the right.

Steven Leigh Pynt  
Non-Executive Chairman  
Melbourne, 29 September 2016

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF GLOBAL HEALTH LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, 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.

  
**MSI RAGG WEIR**  
Chartered Accountants

  
**LS WONG**  
Partner

Melbourne: 29 September 2016

# ReferralNet

A cloud-based platform for connectivity across the healthcare sector





# Corporate Governance Statement

Global Health Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (2014 – Version 3) as well as current standards of best practice for the entire financial year ended 30 June 2016.

The Company and its controlled entities together are referred to as the Group in this statement.

The Board of Directors of the Company is responsible for the corporate governance of the Group. The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. The Board is also responsible for setting the strategic direction and establishing the policies of the Group. The focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and senior executives.

A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year.

## **Ethical Standards**

The Board is committed to its core governance values of integrity, respect, trust and openness among and between board members, management, employees, customers and suppliers. These values are enshrined in the Board's Code of Conduct policy.

The Code of Conduct policy requires all directors, management and employees to, at all times:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with both the letter and spirit of the law;
- encourage the reporting and investigation of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure that the Board's core governance values are not compromised in any decisions the Board makes.

## Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and Board diversity and the importance of benefiting from all available talent.

The policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both objectives and the progress in achieving those objectives. As Director and senior executive positions become vacant and appropriately qualified candidates become available, the Board has developed the following objectives:

- achieve a diverse and skilled workforce leading to continuous improvement;
- develop clear criteria for behavioural expectations in relation to promoting diversity in the work environment;
- ensure that personnel responsible for recruitment take diversity issues into account when considering vacancies;
- create a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives; and
- create awareness in all employees of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Board believes it has implemented these objectives throughout the Company's workforce and continues to monitor and assess the Company's efforts in this regard.

The number of women employed by the Company and their employment classifications are as follows:

	2016		2015	
	Number	Percentage	Number	Percentage
Women on the Board	-	0%	-	0%
Women in senior management	-	-	1	12%
Women employees in the Company	13	40%	10	37%

## COMPOSITION OF THE BOARD

There were four directors on the Board at any one time throughout the year. Of these, three were non-executive directors and one was an executive director – the latter being the Managing Director/Chief Executive Officer. Each year one-third of directors and any director (excluding the Managing Director) who has held office for three years or three annual general meetings (whichever is longer) must retire from office. A retiring director is eligible to seek re-election if so minded.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report and their term of office are detailed in the Directors' Report. The Board strives to achieve a mix of commercial, financial, legal, management, health industry and IT skills and experience among its members.

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least three Directors and should maintain a majority of independent and Non-executive Directors;
- the Chairman must be an independent and Non-Executive Director;
- the roles of Chief Executive Officer and Chairman must not be performed by the same individual;
- the Board should comprise Directors with an appropriate range of qualifications and expertise; and
- the Board shall meet regularly and have available all necessary information to participate in an informed discussion of all agenda items.

When considering potential candidates for directorship, the Board assesses qualified professionals and experienced business people in industry. The Company does not engage any consultants to source potential Board members, but relies on the Directors' industry contacts to identify potential candidates based on an individual's professional and business reputation, health care services industry experience and other areas of expertise. The Company seeks to maintain a diverse range of members of the Board by having only one director drawn from any one professional background at any one time.

## BOARD MEMBERS

The Directors in office at the date of this statement are:

Name	Position
Mr S L Pynt	Non-Executive Chairman
Mr M Cherian	Chief Executive Officer and Managing Director
Mr G Smith	Non-Executive Director
Mr R Knowles AO	Non-Executive Director

There are three Non-Executive Directors who are deemed independent under the principles set out below, and one Executive Director, at the date of signing the Directors' Report.

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Group and Directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

As a Board, the Directors need to provide the following skills and knowledge:

- a balance of proven expertise, diverse skills and experience in commerce, finance, health care innovation and other areas where software technology can improve the experience of consumers and providers of health care services;
- understanding of the roles, duties and responsibilities of directors under the Corporations Act;
- leadership skills, experience making decisions at the highest levels, strategic thinking and long-term planning abilities;
- an understanding of current issues affecting the Australian health care industry in particular, and in general a wider understanding of international medical and technological trends in health care provision and consumption;
- flexible, consultative and innovative approaches to communicating and achieving corporate goals; and
- a passion for and strong commitment to the success of the activities of the Company.



As Global Health Limited has a relatively small Board, the full Board acts as a nomination committee and reviews Board memberships including an assessment of necessary and desirable competencies, particularly in consideration of appointments and removals.

## **BOARD RESPONSIBILITIES**

The responsibilities of the Board include:

1. providing strategic guidance to the Company including contributing to the development of and approving the corporate strategy;
2. reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
3. overseeing and monitoring:
  - a. organisational performance and the achievement of the Group's strategic goals and objectives; and
  - b. progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;
4. monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
5. appointment, performance assessment and, if necessary, removal of the Managing Director;
6. ratifying the appointment and removal of and contributing to the performance assessment of members of the senior management team;
7. ensuring there are effective management processes in place and approving major corporate initiatives;
8. enhancing and protecting the reputation of the organisation; and
9. overseeing the operation of the Group's system for compliance and risk management reporting to shareholders.

## **NON-EXECUTIVE DIRECTORS' INDEPENDENCE**

The Board has adopted specific principles in relation to Non-Executive Directors' independence. These state that to be deemed independent, a Director must be a Non-Executive and:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years, not have been employed in an executive capacity by the Company or any other Group member or been a Director after ceasing to hold any such employment;
- within the last three years not have been a principal of a material professional advisor or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided;
- not be a material supplier or customer of the Company or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- must have no material contractual relationship with the Company or a controlled entity other than as a Director of the Group;
- not have been on the Board for any period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

## **TRADING POLICY**

Directors are subject to the Corporations Act 2001 relative to restrictions applying to acquiring and disposing of securities of the Company, if they are in possession of information which is not generally available, and which, if generally available, a reasonable person would expect to have a material effect on the price of the securities of the Company.

The Company's policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)**

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

The CEO is responsible for implementing Group strategies and policies. The Board charter specifies that these are separate roles to be undertaken by separate people.

## **COMMITMENT**

The Board held six Board meetings during the year.

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each Director is disclosed in the Directors' Report.

The three Non-Executive Directors meet during the year, in scheduled sessions without the presence of management, to discuss the operation of the Board and a range of other matters. Relevant matters arising from this meeting was shared with the full Board.

It is the Company's practice to allow its Executive Directors to accept appointments outside the Company with prior written approval of the Board.

Prior to appointment or being submitted to for re-election, each Non-Executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

## **CORPORATE REPORTING**

The Managing Director and Chief Financial Officer have made the following certifications to the Board:

- that the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Group and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Group's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

## **AUDIT COMMITTEE**

The Board has established an Audit Committee which acts in accordance with its charter. The Audit Committee consists of the following Non-Executive Directors:

Mr S L Pynt  
Mr G Smith

Due to the small number of Board members, the Board has agreed to allow the Audit Committee to be made up of two independent Non-Executive Directors. Details of these Directors' qualifications and attendance at Audit Committee meetings are set out in the Directors' Report.

The Audit Committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the Group operates. The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

It is the committee's responsibility to ensure that an effective internal control framework exists within the Group, including liaison with external auditors. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

## **REMUNERATION**

The Board does not have a separate remuneration committee due to the small number of Board members. Consequently the issue of remuneration is under the control of the Board which has the responsibility of reviewing and approving remuneration of the Non-Executive Chairman and other executives of the Group. Remuneration levels will be competitively set to attract the most qualified and experienced Directors and senior executives. Where necessary the Board may obtain independent advice on the appropriateness of remuneration packages and obtain any necessary shareholder approvals. The amount of remuneration for all Directors is detailed in the Directors' Report section.

Payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders. The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the Group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

## **MONITORING OF THE BOARD'S PERFORMANCE**

The Board has adopted a code of conduct for Directors in keeping with the Company's desire to remain a good corporate citizen and appropriately balance, protect and preserve all stakeholders' interests.

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the Chairman reviews the performance of all Directors annually.

## COMMUNICATION TO SHAREHOLDERS

The Board aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the economic entity. Information is communicated to the shareholders through:

- the Annual Report which is distributed to all shareholders;
- the Annual General Meeting and other meetings called to obtain approval for Board action as appropriate;
- regular release of media and market updates to the ASX; and
- the Company's website: [www.global-health.com](http://www.global-health.com).

The Company Secretary is the person responsible for communications with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the materials used in the presentation are released to the ASX and posted on the Company's website.

All shareholders are entitled to receive a copy of the Company's annual and half yearly reports. In addition, the Company seeks to provide opportunities for shareholders to participate through electronic means. Initiatives to facilitate this include making all Company announcements, media briefings, details of Company meetings, press releases for the last three years and financial reports for the last three years available on the Company's website. The website also includes an option for shareholders to register their email address for direct email updates on Company matters.

## INDEPENDENT PROFESSIONAL ADVICE

Each Director is entitled to seek independent professional advice at the expense of the Company in carrying out his duties as a Director. Prior to obtaining such advice, if at the expense of the economic entity, the Chairman will be advised of the matter and an estimate of the cost.

## ASX RECOMMENDATIONS

		Complied	Note
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its Board and management; and (b) those matters expressly reserved to the Board and those delegated to senior management	✓	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	✓	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	✓	
1.4	The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	✓	
1.5	A listed entity should have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined in and published under that Act.	✓	
1.6	A listed entity should have and disclose the process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	✓	
1.7	A listed entity should have and disclose the process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	✓	
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	-	1
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	✓	
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	✓	
2.4	A majority of the Board of a listed entity should be independent Directors	✓	
2.5	The Chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	✓	
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	✓	
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	✓	
4.1	The Board of a listed entity should: (a) have an Audit Committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	✓	2

		Complied	Note
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	✓	
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	✓	
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	✓	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	✓	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	✓	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	✓	
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	✓	
7.2	The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	✓	
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	-	3
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	✓	
8.1	The Board of a listed entity should : (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	-	4
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	✓	
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	✓	

Note 1: The Board of Directors of the Company does not have a Nomination Committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a Nomination Committee can be adequately handled by the full Board.

Note 2: The Company has three Non-Executive Directors, of whom two comprise the Audit Committee. The Board is of the opinion that due to the nature and size of the Company, this function can be adequately handled with less than the three members recommended under ASX guidelines.

Note 3: The Company does not have an Internal Audit Function. The Board is of the opinion that due to the nature and size of the Company, the functions performed by an internal auditor are being adequately served by the Company's independent external auditors.

Note 4: The Company does not have a Remuneration Committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a Remuneration Committee can be adequately handled by the full Board.

# LifeCard

A personal health record that empowers consumers to be more proactive about their health and wellness



# Directors' Declaration

1. In the opinion of the Directors of Global Health Limited ('the Company'):
  - (a) the financial statements and notes, set out on pages 34 to 71 are in accordance with the Corporations Act 2001 including:
    - i) giving a true and fair view of financial position of the consolidated entity as at 30 June 2016 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date;
    - ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
    - iii) complying with International Reporting Standards as disclosed in Note 1; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the controlled entities identified in Note 18 will be able to meet any obligations or liabilities to which they are or may become subject.
3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2016.

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

On behalf of the Board



Steven Leigh Pynt  
Non-Executive Chairman  
Melbourne, 29 September 2016



# HotHealth

An e-health portal for healthcare organisations to engage with their providers and patients online





# Annual Financial Report 2016

This Global Health Limited consolidated entity ('Group') financial report is presented in the Australian currency.

Global Health Limited is a company limited by shares, incorporated and domiciled in Australia.

The Company's registered office and principal place of business is:

Global Health Limited  
Level 2, 607 Bourke Street  
Melbourne, Victoria 3000  
Australia.

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities in the Directors' Report which are part of this financial report.

The financial report was authorised for issue by the Directors on 29 September 2016.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Consolidated Group	
		2016 \$	2015 \$
Revenue from the sale of licenses and maintenance contracts	2	4,837,110	3,504,313
Revenue from professional services	2	906,187	450,023
Other revenues	2	706,153	584,773
<b>Total revenue from continuing operations</b>		<b>6,449,450</b>	<b>4,539,109</b>
Salaries and related costs	3	(3,496,079)	(2,508,020)
Direct external costs	3	(170,475)	(27,436)
General and administration costs		(838,026)	(777,354)
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>1,944,870</b>	<b>1,226,299</b>
Finance costs	3	(97,568)	(17,759)
Depreciation	3	(122,048)	(47,502)
Amortisation	3, 9	(364,331)	(211,371)
Non-operating foreign exchange gains/(losses)		14,231	110,240
<b>Profit before income tax</b>		<b>1,375,154</b>	<b>1,059,907</b>
Income tax benefit/(expense)	4	-	-
<b>Net profit for the period</b>		<b>1,375,154</b>	<b>1,059,907</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations		(18,757)	(106,953)
<b>Total comprehensive profit for the period</b>		<b>1,356,397</b>	<b>952,954</b>
<b>Net profit/(loss) for the period attributable to:</b>			
Owners of the parent	16	1,373,270	1,060,120
Non-controlling interest	17	1,884	(213)
		<b>1,375,154</b>	<b>1,059,907</b>
<b>Total comprehensive profit/(loss) attributable to:</b>			
Owners of the parent		1,354,477	953,243
Non-controlling interest		1,920	(289)
		<b>1,356,397</b>	<b>952,954</b>
<b>Earnings per share</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share (cents per share)	24	4.187	3.246
Diluted earnings per share (cents per share)	24	4.173	3.240

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

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	Consolidated Group	
		2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	1,149,028	548,404
Receivables	6	2,786,734	931,730
Other Assets	7	403,680	235,989
<b>Total Current Assets</b>		<b>4,339,442</b>	<b>1,716,123</b>
<b>Non-Current Assets</b>			
Receivables	6	276,645	135,047
Property, plant and equipment	8	172,613	146,971
Intangibles	9	5,118,324	4,025,198
<b>Total Non-Current Assets</b>		<b>5,567,582</b>	<b>4,307,216</b>
<b>Total Assets</b>		<b>9,907,024</b>	<b>6,023,339</b>
<b>Current Liabilities</b>			
Payables	10	1,067,257	718,130
Interest bearing liabilities	11	355,351	28,508
Provisions – Employee Benefits	12	423,370	452,510
Unearned income	13	1,471,764	1,029,282
<b>Total Current Liabilities</b>		<b>3,317,742</b>	<b>2,228,430</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	11	1,386,378	39,415
Provisions – Employee Benefits	12	146,001	127,488
<b>Total Non-Current Liabilities</b>		<b>1,532,379</b>	<b>166,903</b>
<b>Total Liabilities</b>		<b>4,850,121</b>	<b>2,395,333</b>
<b>Net Assets/(Liabilities)</b>		<b>5,056,903</b>	<b>3,628,006</b>
<b>Equity</b>			
Contributed equity	14	20,728,742	20,656,242
Reserves	15	60,463	79,256
Accumulated losses	16	(15,596,046)	(16,969,316)
<b>Total Parent Entity Interest</b>		<b>5,193,159</b>	<b>3,766,182</b>
Non-controlling interest	17	(136,256)	(138,176)
<b>Total Equity</b>		<b>5,056,903</b>	<b>3,628,006</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Group	Issued capital ordinary	Option reserve	Currency translation reserve	Retained earnings	Total attributable to owners of the parent	Non-Controlling interest	Total equity
<b>Balance 1 July 2015</b>	20,656,242	29,978	49,278	(16,969,316)	3,766,182	(138,176)	3,628,006
Share based payments	72,500	-	-	-	72,500	-	72,500
<b>Transactions with owners</b>	72,500	-	-	-	72,500	-	72,500
Profit/(loss) for the period	-	-	-	1,373,270	1,373,270	1,884	1,375,154
<b>Other comprehensive income:</b>							
Exchange difference on translation of foreign operations	-	-	(18,793)	-	(18,793)	36	(18,757)
<b>Total comprehensive profit/(loss) for the period</b>	-	-	(18,793)	1,373,270	1,354,477	1,920	1,356,397
<b>Balance 30 June 2016</b>	20,728,742	29,978	30,485	(15,596,046)	5,193,159	(136,256)	5,056,903
<b>Balance 1 July 2014</b>	20,656,242	29,978	156,155	(18,029,436)	2,812,939	(137,887)	2,675,052
Share based payments	-	-	-	-	-	-	-
<b>Transactions with owners</b>	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	1,060,120	1,060,120	(213)	1,059,907
<b>Other comprehensive income:</b>							
Exchange difference on translation of foreign operations	-	-	(106,877)	-	(106,877)	(76)	(106,953)
<b>Total comprehensive profit/(loss) for the period</b>	-	-	(106,877)	1,060,120	953,243	(289)	952,954
<b>Balance 30 June 2015</b>	20,656,242	29,978	49,278	(16,969,316)	3,766,182	(138,176)	3,628,006

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated Group	
		2016 \$	2015 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		4,839,316	3,921,599
Receipts from Research and Development Grants		518,089	531,896
Payments to suppliers and employees		(4,743,208)	(3,711,475)
Sub-total		614,197	742,020
Interest received		15,069	22,506
Interest and finance costs paid		(97,568)	(17,759)
<i>Net cash inflow from operating activities</i>	<i>27</i>	<i>531,698</i>	<i>746,767</i>
<b>Cash Flows from Investing Activities</b>			
Proceed from sale of plant and equipment		1,850	1,650
Purchase of property, plant and equipment		(149,273)	(184,711)
Purchase of intangibles		(1,457,457)	(1,156,469)
<i>Net cash outflow from investing activities</i>		<i>(1,604,880)</i>	<i>(1,339,530)</i>
<i>Net cash inflow/(outflow) from operating and investing activities</i>		<i>(1,073,182)</i>	<i>(592,763)</i>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		1,915,578	176,337
Repayment of borrowings		(241,772)	(152,614)
<i>Net cash inflow/(outflow) from financing activities</i>		<i>1,673,806</i>	<i>23,723</i>
Net increase in cash and cash equivalents held		600,624	(569,040)
Cash and cash equivalents at the beginning of the financial year		548,404	1,117,444
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5</b>	<b>1,149,028</b>	<b>548,404</b>

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



# Notes to the Financial Statements

Global Health Limited and its controlled entities is a for-profit listed company limited by shares and domiciled in Australia. The financial statements were authorised for issue by the Board of Directors on 29 September 2016. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The separate financial statements and notes of the parent entity, Global Health Limited, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001. The parent entity summary is included in Note 31.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

### (a) Basis of preparation

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

#### **Compliance with IFRSs**

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

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention and are also prepared on an accruals basis.

#### **Critical Accounting Estimates and Judgements**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

### **Key estimates**

#### *(i) Impairment*

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. Impairment tests are carried out on intangibles, receivables and subsidiaries.

With respect to cash flow projections in Australia and overseas, modest growth rates have been factored into valuation models for the next five years on the basis of management's expectations around the Group's continued ability to capture market share from competitors.

### **Key judgments**

#### *(i) Provision for Impairment of Receivables*

Provision for impairment of trade receivables has been included in Note 6 Receivables.

## **(b) Principles of Consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2016. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

A list of controlled entities is contained in Note 18 to the financial statements. All controlled entities have a June financial year end.

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

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

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

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership is held in the acquiree.



The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously-held equity interest shall form the cost of the investment. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer. Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of profit or loss. Where changes in the value of such equity holdings had been previously recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds or consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of profit or loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

### **(c) Impairment of non-financial assets**

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

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

### **(d) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

#### ***Sales Revenue***

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

#### **· Initial Licence Fees and Upgrade Fees**

Initial Licence Fees and Upgrade Fees are brought to account on the earlier of:

1. the date of signing the contract or agreement or;
2. the date stipulated in the executed contract or agreement.

The entity is able to recognise the revenue when the significant risks of ownership are transferred from the entity to the buyer and one of the above conditions is met.

- **Maintenance Fees**

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

- **Professional Services**

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

**Grants**

Grant monies are not recognised until there is reasonable assurance that the consolidated entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled.

**Rent recharge**

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

**Interest Income**

Interest revenue is recognised using the effective interest method.

**Asset Sales**

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

**(e) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

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

## **(f) Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying values in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Current and deferred tax balances attributable to amounts directly in equity are also recognised directly in equity.

### ***Tax consolidation legislation***

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

The Company is responsible for recognising the deferred tax assets relating to tax losses for the Tax Consolidated Group. The Tax Consolidated Group has entered into a tax-sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the Tax Consolidated Group.

## **(g) Intangible assets**

Intangible assets consist of the following:

### **1. Development expenditure**

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is 10 years.

### **2. Legal Fees – Protection of Intellectual Property**

Where legal fees incurred are directly related to the protection of Intellectual Property, the costs will be capitalised and shown as a Non-Current Asset on the Company's Statement of Financial Position where there is a reasonable expectation that the claim will succeed. Should this condition not be met, legal fees for the protection of Intellectual Property will be expensed to the Profit and Loss Statement.

Yearly amortisation is in accordance with the period in which the claimed revenue is recognised.

## (h) Plant and Equipment

### **Cost and valuation**

Plant and equipment, leasehold improvements and furniture and fittings are carried at cost.

Asset are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

### **Depreciation and Amortisation**

Plant and equipment, leasehold improvements and furniture and fittings of the consolidated entity are depreciated/amortised on a diminishing value basis. Rates of depreciation/amortisation are calculated to allocate the cost, less estimated residual value at the end of the useful lives of the assets.

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

<b>Class of Asset</b>	<b>Diminishing Value (%)</b>
Leasehold Improvements	29 - 37
Plant and Equipment	25 - 50
Furniture and Fittings	13 - 33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

## (i) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against general and administrative expenses in the statement of profit or loss and other comprehensive income.

## (j) Foreign Currency

### **Functional and presentation currency**

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

### ***Translation of controlled foreign entities***

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other currency instruments, are taken to shareholders' equity.

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

### **(k) Leases**

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

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

### **(l) Employee Benefits**

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

#### ***Short Term Benefits***

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

#### ***Long Term Benefits***

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

Liabilities for employee benefits which are not expected to be settled within twelve months are discounted using corporate rates at reporting date, which most closely match the terms of maturity of the related liabilities.

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

### ***Share-based payments***

Share-based compensation benefits are provided to employees via the Company's Employee Option Plan and an employee share scheme. Information relating to these schemes is set out in Note 26.

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

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

At each reporting date, the entity revises its estimate of the number of options that is expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

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

### **(m) Accounts Payable**

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

### **(n) Financial Instruments**

#### ***Initial recognition and measurement***

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

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

#### ***Classification and subsequent measurement***

##### ***Loans and receivables***

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

##### ***Financial liabilities***

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

##### ***Impairment of financial assets***

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss.

### **Financial Guarantees**

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

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

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

### **Derecognition**

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

### **(o) Contributed Equity**

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

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

### **(p) Earnings Per Share**

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

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

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(q) Cash and cash equivalents**

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

**(r) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income on the date of receipt of the grant.

The Government has the right to review grants paid and may clawback funds in the event of an excess claim.

*Research and Development Grant*

The Company received a federal government Research and Development Tax Incentive of \$518,089 (2015:\$ 531,896) in relation to its research and development activities for the 2016 financial year.

**(s) Borrowing Costs**

Borrowing costs are expensed as incurred.

**(t) Legal Fees**

Legal costs will be incurred from time to time. Their treatment will be classified under the following scenarios:

1. Ordinary Course of Business

Where legal fees are incurred in the ordinary course of business they will be expensed to the Statement of Profit and Loss.

2. Protection of Intellectual Property

Refer to Note 1(g) Intangible Assets.



## (u) New accounting standards and Australian Accounting Interpretations

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

There are no significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts.

At the date of authorisation of the financial statements, the following Australian Accounting Standards/ Accounting Interpretations have been issued or amended and are applicable to the Group but are not yet effective and have not been adopted in preparation of the financial statements.

Standard/Interpretation	Impact on the Group	Effective for annual reporting periods beginning on or after	First applied in the year ending
AASB 9 Financial Instruments	This is likely to impact on the provision method for trade receivables. The impact of AASB 9 has not yet been quantified.	1 January 2018	30 June 2019
AASB 15 Revenue from contracts with customers AASB 2014-5 Amendment to Australian Accounting Standards arising from AASB 15 AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15	The changes in revenue recognition requirements in AASB 15 might cause changes to the timing and amounts of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.	1 January 2018	30 June 2019
AASB 16 Leases	Whilst the impact of IFRS 16 has not yet been quantified, the entity currently has \$872,606 worth of operating leases which are anticipated to be brought onto the statement of financial position.  Interest and amortisation expense will increase and rental expense will decrease.	1 January 2019	30 June 2019

## 2. REVENUE AND OTHER INCOME

	Consolidated Group	
	2016 \$	2015 \$
<b>Revenue</b>		
Sales of licences	2,050,224	917,488
Maintenance contracts	2,786,886	2,586,825
Professional services	906,187	450,023
	<b>5,743,297</b>	<b>3,954,336</b>
<b>Other Income</b>		
Interest received on financial assets at amortised cost	15,069	22,506
Research and Development grants	518,089	531,896
Rental recharge	-	903
Other	172,995	29,468
	<b>706,153</b>	<b>584,773</b>
	<b>6,449,450</b>	<b>4,539,109</b>

### 3. EXPENSES

	Consolidated Group	
	2016 \$	2015 \$
<b>Profit before income tax includes the following specific expenses</b>		
Cost of sales	170,475	27,436
Depreciation of non-current assets	122,048	47,502
Amortisation of Intangibles	364,331	211,371
Wages and salaries, net of Capitalised Development cost	3,496,079	2,508,020
Travel and accommodation	118,502	91,028
Operating lease payments	161,794	180,725
Finance cost (interest expense and bank charges)	97,568	17,759

### 4. INCOME TAX EXPENSE

	Consolidated Group	
	2016 \$	2015 \$
A The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie income tax payable on profit/(loss) before income tax at 30%	412,546	317,972
Increase/(decrease) in income tax expense due to:		
- other non-allowable items	128,316	133,883
- foreign subsidiary losses not booked	(23,382)	3,133
- recoupment of losses	203,988	(195,538)
Deferred tax asset/(liabilities) not brought to account	(721,468)	(259,450)
	-	-
B Deferred tax asset not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(f) occur		
- from temporary differences	(976,917)	(514,899)
- from unused tax losses	1,447,755	1,243,767
	<b>470,838</b>	<b>728,868</b>

### 5. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2016 \$	2015 \$
Cash at bank and on hand	1,149,028	548,404
Deposits at call	-	-
<b>Balance per Statement of Cash Flows</b>	<b>1,149,028</b>	<b>548,404</b>

## 6. RECEIVABLES

	Consolidated Group	
	2016 \$	2015 \$
<i>Current</i>		
Trade receivables	2,787,645	932,641
Impairment of receivables	(911)	(911)
	<b>2,786,734</b>	<b>931,730</b>
<i>Non-Current</i>		
Trade receivables	276,645	135,047
	<b>276,645</b>	<b>135,047</b>
	<b>3,063,379</b>	<b>1,066,777</b>

### **Provision for Impairment of Current Trade Receivables**

Current trade receivables are non-interest bearing receivables and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

*Movements in the provision are as follows:*

	Consolidated Group	
	2016 \$	2015 \$
Balance at beginning of year	911	7,010
Charge for year	-	-
Amounts written off	-	-
Amounts reversed	-	(6,099)
<b>Closing balance</b>	<b>911</b>	<b>911</b>

### **Trade receivables that are impaired**

As at 30 June 2016, the following trade receivables of the Group were past due and impaired (2015: \$911).

The ageing of trade receivables which have been impaired are as follows:

	Consolidated Group	
	2016 \$	2015 \$
1 to 3 months	-	-
3 to 6 months	-	867
Over 6 months	911	44

### **Trade receivables that are past due but not impaired**

As of 30 June 2016, trade receivables of \$138,848 (2015: \$53,598) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated Group	
	2016 \$	2015 \$
1 to 3 months	67,865	44,550
3 to 6 months	44,118	9,048
Over 6 months	26,865	-

### **Fair Values**

The carrying value less impairment provision of trade receivables are assumed to approximate fair value.

## **7. OTHER ASSETS**

	Consolidated Group	
	2016 \$	2015 \$
<b>Current</b>		
Prepayments	287,578	123,967
Security bonds	116,102	112,022
	<b>403,680</b>	<b>235,989</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2016 \$	2015 \$
Leasehold improvements – at cost	178,787	173,217
Accumulated amortisation	(92,065)	(40,769)
	<b>86,722</b>	<b>132,448</b>
Plant and equipment – at cost	594,398	460,750
Accumulated depreciation	(508,507)	(446,227)
	<b>85,891</b>	<b>14,523</b>
Property, plant and equipment (net)	<b>172,613</b>	<b>146,971</b>

Reconciliation of the carrying amounts of each class of property, plant and equipment are set out below:

<b>Leasehold improvements</b>		
Carrying amount – as at 1 July	132,448	-
Additions	5,570	173,217
Amortisation	(51,296)	(40,769)
Carrying amount – as at 30 June	<b>86,722</b>	<b>132,448</b>
<b>Plant and equipment</b>		
Carrying amount – as at 1 July	14,523	10,664
Additions	143,703	11,495
Disposal, net	(1,583)	(903)
Depreciation	(70,752)	(6,733)
Carrying amount – as at 30 June	<b>85,891</b>	<b>14,523</b>

## 9. INTANGIBLES

	Consolidated Group	
	2016 \$	2015 \$
<b>Non-Current</b>		
Development expenditure – at cost*	5,400,110	4,460,104
Accumulated amortisation	(738,932)	(526,981)
	<b>4,661,178</b>	<b>3,933,123</b>
Legal fees – protection of Intellectual Property – at cost	609,526	92,075
Accumulated amortisation	(152,380)	-
	<b>457,146</b>	<b>92,075</b>
Total Intangibles, net	<b>5,118,324</b>	<b>4,025,198</b>
<b>Intangibles</b>		
Carrying amount – as at 1 July	4,025,198	3,080,101
Additions	1,457,457	1,156,468
Amortisation	(364,331)	(211,371)
<b>Carrying amount – as at 30 June</b>	<b>5,118,324</b>	<b>4,025,198</b>

\* This represents costs arising from the development phase of internal projects.

## 10. PAYABLES

	Consolidated Group	
	2016 \$	2015 \$
Trade creditors	712,326	416,755
Other creditors and accruals	354,931	301,375
	<b>1,067,257</b>	<b>718,130</b>

The carrying value of trade payables is assumed to approximate fair value.

## 11. INTEREST BEARING LIABILITIES

	Consolidated Group	
	2016 \$	2015 \$
<b>Current</b>		
Loans	355,351	-
Loan for Leasehold Improvements	-	28,508
	<b>355,351</b>	<b>28,508</b>
<b>Non-Current</b>		
Loans	1,386,378	-
Loan for Leasehold Improvements	-	39,415
	<b>1,386,378</b>	<b>39,415</b>

The Loan for Leasehold Improvements relates to work done for Level 2, 607 Bourke Street, Melbourne. The Company's head office relocated to these premises on 1 September 2014.

## 12. PROVISIONS – EMPLOYEE BENEFITS

	Consolidated Group	
	2016 \$	2015 \$
<b>Analysis of Provisions</b>		
<b>Consolidated Group</b>		
Opening balance at 1 July	579,998	589,037
Amounts taken during the year	(252,291)	(244,730)
Amount provided during the year	241,664	235,691
<b>Closing Balance 30 June</b>	<b>569,371</b>	<b>579,998</b>
<b>Current</b>		
Employee benefits	423,370	452,510
<b>Non-Current</b>		
Employee benefits	146,001	127,488
	<b>569,371</b>	<b>579,998</b>

### 13. UNEARNED INCOME

	Consolidated Group	
	2016 \$	2015 \$
Annual licence and maintenance in advance	1,471,764	1,029,282

Annual licence and maintenance in advance revenue comprises fees for the right to use our software, minor fixes, rights to updated versions and limited help line support. These are invoiced up to 12 months in advance. The revenue is recognised monthly as the services are provided to clients.

### 14. CONTRIBUTED EQUITY

	Consolidated Group			
	2016 Number	2016 \$	2015 Number	2015 \$
Issued and paid up capital	32,846,662	20,728,742	32,659,758	\$20,656,242
<i>Ordinary shares</i>				
Opening balance	32,659,758	20,656,242	32,659,758	\$20,656,242
Add: Shares issued for the purchase of the medical software business of Abaki Pty Ltd (50% of 1st of 4-part consideration)	146,904	62,500	-	-
Add: Shares issued under Exempt Employee Share Plan	40,000	10,000	-	-
Total number of shares on issue	<b>32,846,662</b>	<b>20,728,742</b>	<b>32,659,758</b>	<b>\$20,656,242</b>

#### (a) Ordinary shares

The holders of ordinary shares are entitled to receive dividends as they are declared from time to time and are entitled to one vote per share at the shareholders meeting. In the event of winding up the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any net proceeds of liquidation. There is no par value attributed to the shares of the Company.

On 12 January 2016, the Company issued 40,000 ordinary shares to employees in accordance with the Company's Exempt Employee Share Plan. These shares were issued at no cost to the employees.

## (b) Options

The movement in the number of unlisted options on issue throughout the year is as follows:

	Consolidated Group	
	2016 Number	2015 Number
(i) \$0.15 options exercisable on or before 5 July 2018		
Opening balance	300,000	300,000
Issued	-	-
Exercised	-	-
Cancelled	-	-
<b>Closing balance</b>	<b>300,000</b>	<b>300,000</b>
(ii) \$0.65 options exercisable on or before 19 December 2018		
Opening balance	690,000	690,000
Issued	-	-
Exercised	-	-
Cancelled	160,000	-
<b>Closing balance</b>	<b>530,000</b>	<b>690,000</b>
(iii) \$0.75 options exercisable on or before 26 May 2019		
Opening balance	300,000	300,000
Issued	-	-
Exercised	-	-
Cancelled	-	-
<b>Closing balance</b>	<b>300,000</b>	<b>300,000</b>
(iv) \$0.65 options exercisable on or before 10 June 2020		
Opening balance	390,000	-
Issued	-	390,000
Exercised	-	-
Cancelled	-	-
<b>Closing balance</b>	<b>390,000</b>	<b>390,000</b>
<b>TOTAL</b>	<b>1,520,000</b>	<b>1,680,000</b>

On 24 November 2015, due to the resignation of an employee, 160,000 unlisted employee options which had not yet vested, were forfeited.

During the previous financial year, the Company issued 390,000 unlisted employee share options exercisable at 65 cents on or before 10 June 2020 which will vest in equal one-third parts (ie 130,000) every 12 months over a period of 36 months.

## (c) Capital management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital comprises ordinary share capital, supported by financial assets. There are no externally imposed capital requirements.



## 15. RESERVES

### **Nature and purpose of reserve**

#### *Currency Translation Reserve*

The foreign currency translation reserve records the foreign currency differences arising from the translation of foreign operations.

#### *Option Reserve*

The option reserve records the accumulated cost of options on issue for the Company.

## 16. ACCUMULATED LOSSES

	Consolidated Group	
	2016 \$	2015 \$
Accumulated losses at the beginning of the financial year	(16,969,316)	(18,029,436)
Net profit attributable to the members of the parent entity	1,373,270	1,060,120
<b>Accumulated losses at the end of the financial year</b>	<b>(15,596,046)</b>	<b>(16,969,316)</b>

## 17. NON-CONTROLLING INTEREST

Global Health Limited has a 93.8% (2015: 93.8%) interest in the subsidiary Working Systems Solutions (Malaysia) Sdn Bhd. Retained earnings attributable to the non-controlling interest are as follows:

	Consolidated Group	
	2016 \$	2015 \$
Balance at the beginning of the financial year	(138,176)	(137,887)
Non-controlling interests attributable to this entity is as follows:		
- share of profit/(loss)	1,884	(213)
- share of currency translation reserve	36	(76)
<b>Balance at the end of the financial year</b>	<b>(136,256)</b>	<b>(138,176)</b>

## 18. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

Global Health Limited, incorporated in Australia, is the ultimate parent entity. Its legal form is a public company and the Company is domiciled in Victoria.

Controlled Entity	Place of Incorporation	Type of Security	Interest 2016	Interest 2015
Global Health (Australia) Sdn Bhd	Kuala Lumpur	Ordinary Shares	100%	100%
Working Systems Solutions (Malaysia) Sdn Bhd	Kuala Lumpur	Ordinary Shares	94%	94%
Working Systems Solutions Pty Ltd	Victoria	Ordinary shares	100%	100%
Uni U International Pty Ltd	Western Australia	Ordinary shares	100%	100%
Working Systems Solutions (Singapore) Pte Ltd	Singapore	Ordinary shares	100%	100%
Bourke Johnston Systems Pty Ltd	Victoria	Ordinary shares	100%	100%
Working Systems Software Pty Ltd	Western Australia	Ordinary shares	100%	100%
Statewide Unit Trust	Western Australia	Units	100%	100%

## 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's financial instruments consist primarily of trade receivables, trade payables and borrowings. The Group does not have significant risk exposure to financial instruments and as such risk exposures are generally managed as part of the Group's overall strategic and operational risk management strategies. Consequently, there is currently no specific risk mitigating techniques employed. However, as the Group expands both domestically and internationally, management continues to monitor its exposure and will implement suitable policies when deemed necessary.

The current financial instruments held by the Group are as follows:

		Consolidated Group	
		2016 \$	2015 \$
Financial Assets			
- Cash and cash equivalents	5	1,149,028	548,404
- Receivables	6	2,786,734	931,730
		<b>3,935,762</b>	<b>1,480,134</b>
Financial Liabilities			
- At amortised cost		<b>(1,422,608)</b>	<b>(746,638)</b>
Financial liabilities measured at amortised cost consist of:			
- Current payables	10	(1,067,257)	(718,130)
- Current interest-bearing liabilities	11	(355,351)	(28,508)
		(1,422,608)	(746,638)

The Group is exposed to foreign currency fluctuations due to loan accounts between related entities being unhedged and requiring payment in Australian dollar at an undetermined date in the future.

### (a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and essentially arises from holdings of cash and deposits, trade receivables and loans receivable as well as from the parent's potential obligations under the indemnity guarantee provided to banks. The risk is largely managed through a policy of only dealing with creditworthy counterparties. Periodic assessments of debtor balances are undertaken and provisions for impairment are recognised where appropriate.

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements arising from the Group's recognised financial assets is considered to be equivalent to their carrying values at reporting date. Maximum exposures arising from the indemnity guarantee are as disclosed at Note 23: Commitments and Contingencies. The Group does not have any significant credit risk exposure to any single counterparty or groups of counterparties having similar characteristics.

The majority of customers have long standing business relationships with the Group and their credit quality with respect to trade receivables is assessed as high.

All cash and cash equivalents are held with large reputable financial institutions within Australia, Malaysia and Singapore and therefore credit risk is considered very low.

	Consolidated Group	
	2016 \$	2015 \$
Cash at Bank and deposits		
Australian banks	1,145,451	544,445
Malaysian banks	3,577	3,959
	<b>1,149,028</b>	<b>548,404</b>

## (b) Liquidity risk

Liquidity risk is managed through monitoring current funds available, undrawn facilities and anticipated recovery of receivables and comparing with future funding requirements contained in management budgets and forecasts. In this regard, the timing of expected settlement of liabilities is also analysed so as to minimise risk with respect to obligations becoming past due. This is consistent with the prior year.

The maturity profile of the Group's financial liabilities is presented in the following table based on contractual maturity dates and represent undiscounted cash flows.

Consolidated at 30 June 2016	Weighted average effective rate	Variable amount at call	<6 months	6 – 12 months	1 – 2 years	2 – 5 years	>5 years	Total contracted cash flows	Carrying value of financial liability
	%	\$	\$	\$	\$	\$	\$	\$	\$
Trade and Other Payables	-	-	1,067,257	-	-	-	-	1,067,257	1,067,257
Loan & Loan for Leasehold Improvements	8.5%	-	157,517	197,834	348,666	1,037,712	-	1,741,729	1,741,729
<b>Totals</b>		-	<b>1,224,774</b>	<b>197,834</b>	<b>348,666</b>	<b>1,037,712</b>	-	<b>2,808,986</b>	<b>2,808,986</b>
Consolidated at 30 June 2015	Weighted average effective rate	Variable amount at call	<6 months	6 – 12 months	1 – 2 years	2 – 5 years	>5 years	Total contracted cash flows	Carrying value of financial liability
	%	\$	\$	\$	\$	\$	\$	\$	\$
Trade and Other Payables	-	-	718,130	-	-	-	-	718,130	718,130
Loan – Premium Funded Policies & Loan for Leasehold Improvements	11.5%	-	11,457	17,052	32,215	7,199	-	67,923	67,923
<b>Totals</b>		-	<b>729,587</b>	<b>17,052</b>	<b>32,215</b>	<b>7,199</b>	-	<b>786,053</b>	<b>786,053</b>

### (c) Market risk

The Group is exposed to interest rate and foreign currency risk.

#### (i) Interest rate risk

The Group has exposure to variable interest rates on monies that are kept in at-call bank accounts. The table provided at Note 19(b) details the Group's exposure to interest rate risk. For sensitivities relating to interest rate risk, refer to paragraph (iii) below.

#### (ii) Foreign exchange risk

The Group controls subsidiaries in Malaysia and Singapore and participates in a joint venture in Malaysia. The Group is therefore exposed to foreign exchange risk arising from exposure to currencies of these respective countries. Such risk arises from future transactions and assets and liabilities that are denominated in functional currencies other than the Australian dollar. Management does not engage in an active program of hedging exposure to foreign currencies.

The exposure to foreign currency risk at reporting date is represented by the following balances:

	Consolidated Group			
	2016		2015	
	MYR	SGD	MYR	SGD
Assets denominated in foreign currency	100,911	12,889	11,866	12,889
Liabilities denominated in foreign currency	(24,287)	(7,484)	(19,310)	(4,710)
<b>Net exposure to foreign currency</b>	<b>76,624</b>	<b>5,405</b>	<b>(7,444)</b>	<b>8,179</b>

For sensitivities relating to foreign currency risk, refer to paragraph (iii) below.

#### (iii) Sensitivity Analysis

##### Interest Rate Risk and Foreign Currency Risk

The following sensitivity analysis demonstrates the effect on the current year results and equity which could result from a reasonably possible change in interest rate and foreign currency risks. The analysis is indicative only and assumes that the movement in the particular variable is independent of the other variables and that all other variables remained constant.

	Consolidated Group	
	2016 \$	2015 \$
Change in profit after tax		
+/- in interest rate by 0.5%	+/-200	+/-200
+/- in \$A/MYR rate by 15%	+/-0	+/-0
Change in Equity		
+/- in interest rate by 0.5%	+/-200	+/-200
+/- in \$A/MYR rate by 15%	+/-28,000	+/-28,000

#### (iv) Capital Risk Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital comprises ordinary share capital supported by financial assets.

The Group does not currently have significant debt capital employed in the business. There are no externally imposed capital requirements.

## Net Fair Values

### Fair value estimation

The fair values of financial assets and financial liabilities are as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated.

## 20. DIRECTORS

The names of each person holding the position of Director of Global Health Limited at any one time during the year ended 30 June 2016 are Mathew Cherian, Steven Leigh Pynt, Grant Smith and Robert Knowles.

### (a) Contracts involving Directors' interests

Apart from the details disclosed in this note, no Director has entered into any material contract with the Group and there are no material contracts involving Directors' interests subsisting at the end of the current financial period.

Transactions with the Group:

- (i) Mr Cherian's son is employed by Global Health Limited under standard employment terms.

### (b) Transactions of Directors and Director-related entities concerning shares and options

#### Shares

The interest of Directors and their related entities in shares of the Company as at 30 June 2016 are:

	Total number of shares		Number of shares sold		Number of shares acquired	
	2016	2015	2016	2015	2016	2015
Mr M Cherian	18,619,370	18,619,370	-	-	-	-
Mr S L Pynt	232,408	232,408	-	-	-	-
Mr G Smith	300,000	280,000	-	-	20,000	-
Mr R Knowles	20,000	20,000	-	-	-	-
	<b>19,171,778</b>	<b>19,151,778</b>	-	-	<b>20,000</b>	-

#### Options

The interests of Directors and their related entities in options of the Company as at 30 June 2016 are:

	Total number of options		Number of option granted during the year		Number of options exercised during the year	Number of Options vested/ exercisable at report date	Option type (Listed / Unlisted)	Exercise price per Option (\$)
	2016	2015	2016	2015				
Mr M Cherian <sup>1</sup>	150,000	150,000	-	-	-	100,000	Unlisted	\$0.65
Mr S L Pynt	-	-	-	-	-	-	-	-
Mr G Smith	-	-	-	-	-	-	-	-
Mr R Knowles	-	-	-	-	-	-	-	-
	<b>150,000</b>	<b>150,000</b>	-	-	-	<b>100,000</b>	-	-

<sup>1</sup> Through a related party, Kye Cherian.

## 21. KEY MANAGEMENT PERSONNEL DISCLOSURES

### (a) Directors and Key Management Personnel

The following persons were Directors and Key Management Personnel of the Company during the financial year:

Mr S Pynt	Chairman – Independent Non-Executive
Mr M Cherian	Chief Executive Officer and Managing Director
Mr G Smith	Director – Independent Non-Executive
Mr R Knowles	Director – Independent Non-Executive
Mr P Curigliano	Chief Financial Officer
Mr K Jayesuria	Technology Delivery Manager

### (b) Key Management Personnel compensation

Refer to the Remuneration Report in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2016.

The total remuneration paid to Key Management Personnel of the Company and the Group during the year are as follows:

	Consolidated Group	
	2016 \$	2015 \$
Short-term employee benefits	689,538	671,252
Other long-term benefits	6,957	6,938
Post-employment benefits	64,163	61,187
	<b>760,658</b>	<b>739,377</b>

#### Shares

The interest of Key Management Personnel and their related entities in shares of the Company as at 30 June 2016 are:

	Total number of shares		Number of shares sold		Number of shares acquired	
	2016	2015	2016	2015	2016	2015
Mr P Curigliano	55,459	55,459	-	-	-	-
Mr K Jayesuria	4,000	-	-	-	-	-
	<b>59,459</b>	<b>55,459</b>	-	-	-	-

#### Options

The interest of Key Management Personnel and their related entities in options of the Company as at 30 June 2016 are:

	Total number of options		Number of options granted during the year		Number of options exercised during the year	
	2016	2015	2016	2015	2016	2015
Mr P Curigliano	300,000	300,000	-	-	-	-
Mr K Jayesuria	300,000	300,000	-	-	-	-
	<b>600,000</b>	<b>600,000</b>	-	-	-	-

## 22. REMUNERATION OF AUDITORS

	Consolidated Group	
	2016 \$	2015 \$
Amounts received, or due and receivable by the auditors of the entity for:		
- MSI Ragg Weir (Australia)		
Auditing or reviewing the financial report	51,462	48,082
Taxation services	7,950	7,840
- TY Teoh International (Malaysia) [Part of the MSI Group Alliance]		
Auditing or reviewing the financial report of controlled entities	3,174	3,313
Taxation services for controlled entities	1,474	855
- J Wong and Associates (Singapore)		
Auditing or reviewing the financial report	1,482	1,446
	<b>65,542</b>	<b>61,536</b>

## 23. COMMITMENTS AND CONTINGENCIES

### (a) Operating lease commitments

	Consolidated Group	
	2016 \$	2015 \$
Future operating lease rentals not provided for in the financial statements and payable:		
Not later than 1 year	162,725	91,061
Later than 1 year but not later than 5 years	709,881	709,746
Later than 5 years	0	193,229
	<b>872,606</b>	<b>994,036</b>

The parent entity's operating lease for the relocated Melbourne office commenced on 14 July 2014 with reduced floor space in the same building. The Company signed on for a lease term of 7 years.

### (b) Guarantees

	Consolidated Group	
	2016 \$	2015 \$
The parent has provided a cash security bond in favour of the property owner of the parent entity's leased premises in Melbourne, Australia.	102,187	102,187

## 24. EARNINGS PER SHARE

	Consolidated Group	
	2016 \$	2015 \$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net earnings	1,375,154	1,059,907
<b>Adjustment</b>		
Net profit / (loss) attributable to non-controlling interests	1,884	(213)
Earnings used in calculating basic and diluted earnings per share	<b>1,373,270</b>	<b>1,060,120</b>
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating <b>basic</b> earnings per share:	32,794,621	32,659,758
Weighted average number of ordinary shares used in calculating <b>diluted</b> earnings per share:	32,910,114	32,719,544
	2016 cents	2015 cents
<b>Basic</b> Earnings Per Share	4.187	3.246
<b>Diluted</b> Earnings Per Share	4.173	3.240

## 25. SEGMENT INFORMATION

### Operating Segments

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

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

The operating segments are identified by management based on the nature of the service provided. Discrete financial information about each of these operating service lines is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the services provided, the similarity of the customer bases, the common reporting and management systems used and the common regularity environment applicable to each reportable segment. There is a clear designation of responsibility and accountability by the chief operating decision makers for the management and performance of these reportable segments.

The Group comprises the following main operating segments:

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



## 25. SEGMENT INFORMATION (Continued)

### Segment accounting policies

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

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

### Geographical Segments

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

#### Australia

This is the home country of the main operating entity. The corporate head office is based in Melbourne, Victoria with a small number of employees also located in other states in Australia for the provision of professional services and product development.

#### Malaysia

In prior years, the Group operated in the ASEAN region with local resources employed to provide support to Southeast Asian clients of the Group. Currently, the Company's clinical software, Mastercare EMR, is used by the Malaysian Ministry of Health's MENTARI community mental health program. The Company, through its Malaysian distributor, is looking to further its engagement in the market.

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

Primary Reporting Business Segments	Acute		Non-Acute		Other		Corporate		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenue</b>										
Sales to customers outside the consolidated entity	2,486,041	1,994,501	3,263,242	1,962,273	700,167	582,335	-	-	6,449,450	4,539,109
Total segment revenue	2,486,041	1,994,501	3,263,242	1,962,273	700,167	582,335	-	-	6,449,450	4,539,109
Total consolidated revenue									6,449,450	4,539,109
<b>Results</b>										
Segment result	1,717,871	1,736,718	1,010,028	525,862	593,415	406,159	(1,946,160)	(1,608,832)	1,375,154	1,059,907
<b>Assets</b>										
Segment assets	3,818,816	2,646,677	5,012,680	2,603,911	1,075,528	772,751	-	-	9,907,024	6,023,339
<b>Liabilities</b>										
Segment liabilities	1,869,516	1,052,518	2,453,976	1,035,511	526,629	307,304	-	-	4,850,121	2,395,333
Cash flows from operating activities	71,275	34,655	136,380	318,676	24,320	34,397	299,723	359,039	531,698	746,767
Cash flows from investing activities (Acquisition of property, plant & equipment, intangible assets and other non-current assets)	(220,358)	(60,427)	(718,263)	(555,670)	(24,294)	(59,978)	(641,965)	(663,455)	(1,604,880)	(1,339,530)
Cash flows from financing activities	229,829	1,031	439,760	9,485	37,750	1,024	966,467	12,183	1,673,806	23,723
<b>Other segment information:</b>										
Depreciation	16,758	2,065	54,623	18,992	1,847	2,050	48,820	24,395	122,048	47,502

Secondary Reporting Geographical	Australia		International		Consolidated	
	2016	2015	2016	2015	2016	2015
<b>Segment revenue</b>	<b>6,359,607</b>	4,534,731	<b>89,843</b>	4,378	<b>6,449,450</b>	4,539,109
<b>Segment assets</b>	<b>10,973,275</b>	7,158,377	<b>(1,066,251)</b>	(1,135,038)	<b>9,907,024</b>	6,023,339
<b>Segment Result</b>	<b>1,375,154</b>	1,059,907	-	-	<b>1,375,154</b>	1,059,907
<b>Other segment information</b>						
Acquisition of property, plant and equipment, intangible assets and other non-current assets	<b>1,604,880</b>	1,339,530	-	-	<b>1,604,880</b>	1,339,530

## 26. SHARE-BASED PAYMENTS

### (a) Employee Share Option Plan

The Employee Share Option Plan was adopted when the Company was listed. The plan allows the Company to grant options over shares to key executives and directors and other employees as selected by the Directors to enable them to participate in the future growth and profitability of the Company, to provide an incentive and reward for their contributions and to attract and maintain personnel. The options are issued at no consideration. The exercise price of options is based on the weighted average market price of the Company's Shares during the five trading days up to and including the date of grant of the option or such other date or period as the Directors consider appropriate. Options vest one-third each year over three years from the grant date and have an expiry date of five years from the grant date.

Set out below are summaries of options granted under the plan:

#### Consolidated and parent entity – 2016

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired/forfeited during the year Number	Balance at the end of the year Number	Exercisable at the end of the year Number
5 July 2013	5 July 2018	\$0.15	300,000	-	-	-	300,000	200,000
19 Dec 2013	19 Dec 2018	\$0.65	690,000	-	-	160,000	530,000	380,000
26 May 2014	26 May 2019	\$0.75	300,000	-	-	-	300,000	200,000
10 June 2015	10 June 2020	\$0.65	390,000	-	-	-	390,000	130,000
<b>TOTALS</b>			<b>1,680,000</b>	-	-	<b>160,000</b>	<b>1,520,000</b>	<b>910,000</b>
<i>Weighted average exercise price</i>			\$0.58	\$0.65	-	-	\$0.53	\$0.56

#### Consolidated and parent entity – 2015

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired/forfeited during the year Number	Balance at the end of the year Number	Exercisable at the end of the year Number
5 July 2013	5 July 2018	\$0.15	300,000	-	-	-	300,000	100,000
19 Dec 2013	19 Dec 2018	\$0.65	690,000	-	-	-	690,000	230,000
26 May 2014	26 May 2019	\$0.75	300,000	-	-	-	300,000	100,000
10 June 2015	10 June 2020	\$0.65	-	390,000	-	-	390,000	-
<b>TOTALS</b>			<b>1,290,000</b>	<b>390,000</b>	-	-	<b>1,680,000</b>	<b>430,000</b>
<i>Weighted average exercise price</i>			\$0.56	\$0.65	-	-	\$0.58	\$0.56

## (b) Exempt Employee Share Plan

A plan under which shares may be issued by the Company to employees for no cash consideration was adopted when the Company was listed. All directors, officers or employees who are from time to time engaged in full or part time work for the Company are eligible to participate in the Exempt Employee Share Plan.

Under the plan, eligible employees may be granted up to \$1,000 worth of fully paid ordinary shares in the Company for no cash consideration. The market value of the shares will be measured as the market price quoted for buyers of the Company shares at the close of trading on the day immediately preceding the date of the offer by the Directors as published by the ASX.

Offers under the plan are at the discretion of the Company and the shares cannot be transferred or assigned by the holder within the period of three years from the date of issue or transfer to the holder unless the holder ceases employment with the Company earlier than that date except that the holder may at any time transfer all or any of his Shares to his spouse or to a company the majority of the issued shares in which are beneficially owned by him or to any trust that the holder is a beneficiary of.

During the year, 10 employees each received \$1,000 worth of shares under the plan, making a total of 40,000 ordinary shares issued at a cost to the Company of \$10,000.

## (c) Expenses arising from share-based payment transactions

There were no employee share-based payment transactions during the year.

## 27. CONSOLIDATED STATEMENT OF CASH FLOWS

### Reconciliation of Operating Profit/(Loss) before Income Tax to Net Cash provided by Operating Activities

	Consolidated Group	
	2016 \$	2015 \$
<b>Operating profit/(loss) after income tax</b>	<b>1,375,154</b>	<b>1,059,907</b>
<i>Add (deduct) non-cash items:</i>		
Amortisation of Intangibles	364,331	211,371
Depreciation of fixed assets	122,048	47,502
Bad debt written off	29,455	-
Issuance of shares under employee share plan	10,000	-
Net loss/(gain) on disposal of plant and equipment	(100)	(597)
Movement in foreign currency translation	14,120	(106,877)
<b>Net cash inflow/(outflow) from operating activities before change in assets and liabilities</b>	<b>1,915,008</b>	<b>1,211,306</b>
<i>Change in assets and liabilities during the period:</i>		
(Increase)/Decrease in receivables	(1,996,602)	(468,199)
(increase)/Decrease in other assets	(167,691)	(70,249)
Increase/(Decrease) in provisions	(10,627)	(9,039)
Increase/(Decrease) in payables and deferred income	791,610	82,948
<b>Net cash inflow from operating activities</b>	<b>531,698</b>	<b>746,767</b>

## 28. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS

### (a) Employee Share and Option Plans

The parent entity has adopted two incentive plans to enable employees and directors to participate in ownership of Global Health Limited. The directors have determined that the total number of securities which may be issued pursuant to the Exempt Employee Share Plan and Employee Share Option Plan in any five year period must not exceed 5% of the total number of securities on offer from time to time. This limitation only applies to new offers of securities by the parent entity and not to existing securities purchased on market under the Exempt Employee Share Plan.

### (b) Employee Share Option Plan ('ESOP')

The options issued under the ESOP are not quoted on the Australian Stock Exchange.

Employee Share Options are issued under the terms and conditions of the Plan as disclosed on the Company's website. Should an employee cease employment before the completion of two years after the issue of any employee option, the option issued automatically lapses, except where cessation is due to death or total permanent disability, retirement, redundancy or any other reason, based on which the directors believe is fair and reasonable to warrant the employee maintaining their right to exercise the option in which case they will have six (6) months to exercise the options.

	Consolidated Group	
	2016 Number	2015 Number
Opening balance	1,680,000	1,290,000
Issued	-	390,000
Exercised	-	-
Forfeited	160,000	-
<b>Closing balance</b>	<b>1,520,000</b>	<b>1,680,000</b>

During the financial year and up to the date of these accounts, no options were issued (2015: 390,000 issued).

The value ascribed to the options issued was determined using an options valuation pricing model.

The market price of the ordinary shares of Global Health Limited was \$0.420 on 30 June 2016 (2015: \$0.375).

### (c) The Exempt Employee Share Plan ('EESP')

The EESP is open to all eligible employees including directors (but subject first to shareholder approval in general meeting), be they full-time or part-time. The EESP allows for the allocation of up to \$1,000 worth (market value) of shares per annum per eligible employee. The shares can either be newly issued or purchased on market.

The shares are issued free of consideration. Participants will not be permitted to dispose of their shares until three years after the date of acquisition unless they leave the employment of the Company.

The number of shares issued to participants in the plan is the offer amount divided by the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the week up to and including the date of grant.

## 29. EVENTS SUBSEQUENT TO REPORTING DATE

On 2 August 2016, the Company, its subsidiary Working Systems Software Pty Ltd and the Crown in right of the State of South Australia settled a Federal Court Proceeding at mediation conducted by the Federal Court of South Australia. The Proceeding concerned allegations by Working Systems that SA Health had breached its contract and infringed copyright by SA Health's continued use of the CHIRON Patient Administration System.

The settlement terms included an obligation that SA Health pay the sum of \$5,000,000 plus GST, for the period 1 April 2015 – 31 March 2020, by 30 August 2016. As at 30 June 2016, receipt of the settlement amount was considered virtually certain. This amount has since been received in full by the Company on 16 August 2016.

In line with accounting standards and a review by the Company's auditors, the Company recognised \$1.25m additional revenue in FY2016 (period 1 April 2015 – 30 June 2016) in addition to amortisation costs of \$152,000 for legal fees in relation to this matter.

A formal announcement regarding the settlement terms was made to the share market on 4 August 2016.

On 14 September 2016, the Company declared an unfranked Special Dividend of 1.0c per share. The record date for the Special Dividend will be 4 November 2016 and is payable on 25 November 2016.

## 30. DIVIDENDS

No provision is made for dividends on or before the end of the year. See Note 29 above for the Special Dividend.

## 31. GLOBAL HEALTH LIMITED PARENT COMPANY INFORMATION

	Global Health Limited	
	2016 \$	2015 \$
<b>Assets</b>		
Current Assets	4,234,609	1,698,088
Non-Current Assets	5,574,716	4,314,360
<b>Total Assets</b>	<b>9,809,325</b>	<b>6,012,448</b>
<b>Liabilities</b>		
Current Liabilities	3,494,618	2,409,749
Non-Current Liabilities	1,532,379	166,903
<b>Total Liabilities</b>	<b>5,026,997</b>	<b>2,576,652</b>
<b>Net Assets/(Liabilities)</b>	<b>4,782,328</b>	<b>3,435,796</b>
<b>Equity</b>		
Contributed equity	20,728,742	20,656,242
Reserves	29,979	29,979
Accumulated Losses	(15,976,383)	(17,250,425)
<b>Total Equity</b>	<b>4,782,338</b>	<b>3,435,796</b>
<b>Financial Performance</b>		
Profit /(Loss) for the year	<b>1,274,041</b>	<b>951,492</b>
Other comprehensive income	-	-
<b>Total Comprehensive income/ (loss)</b>	<b>1,274,041</b>	<b>951,492</b>

Other than that stated in Note 23 to the financial statements, the Company is not subject to any contingent liabilities or contractual commitments

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

### Report on the Financial Report

We have audited the accompanying financial report of Global Health Limited 30 June 2016, which comprises the consolidated statement of financial position as at 30 June 2016, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

### 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 gives a true and fair view and 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 our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GLOBAL HEALTH LIMITED continued**

**Opinion**

In our opinion:

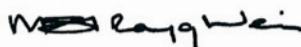
- (a) the financial report of Global Health Limited 30 June 2016 is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's and the consolidated entity's financial positions as at 30 June 2016 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the consolidated financial statements and notes also 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 15 to 17 of the directors' report for the year ended 30 June 2016. 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 Global Health Limited for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.



**MSI RAGG WEIR**  
Chartered Accountants



**L.S. WONG**  
Partner

Melbourne: 29 September 2016

# Shareholder Information

This shareholder information is made up to 12 September 2016.

## SHAREHOLDING

### 1. Distribution of Shareholder Numbers

Category (size of holding)	Number of Holders	Ordinary Shares
1 – 1,000	464	203,020
1,001 – 5,000	302	726,650
5,001 – 10,000	95	753,691
10,001 – 100,000	125	4,063,362
100,001 and over	29	27,268,272
<b>TOTAL</b>	<b>1,015</b>	<b>33,014,995</b>

2. The number of security investors holding less than a marketable parcel of 1,176 securities (\$0.425 per share on 12 September 2016) is 491 and they hold 232,387 securities. An unmarketable parcel of shares is generally a parcel of shares with a total value of less than \$500.

### 3. The names of the twenty largest holders of ordinary shares are:

Shareholder	No. of shares held	% of issued shares
Micron Holdings Pty Ltd (Cherian Family Account)	13,558,334	41.07
Micron Holdings Pty Ltd (Micron Holdings Pty Ltd Superfund A/c)	3,804,602	11.52
Mrs Elizabeth May Priscilla Thomas	1,530,702	4.64
Alumootil Mathew Cherian	1,256,434	3.81
Pacific Nominees Limited	1,250,195	3.79
Triglobal Management Limited	500,000	1.51
Dadiaso Holdings Pty Ltd	450,000	1.36
Dr Serene Lim	400,000	1.21
B & R James Investments Pty Limited	400,000	1.21
Mr David Leroy Boyles	400,000	1.21
Holder Super Pty Ltd	331,253	1.00
Roxanne Investments Pty Ltd	300,000	0.91
Chris Bell Investments Pty Ltd	300,000	0.91
Connaught Consultants (Finance) Pty Ltd	300,000	0.91
Ms Serene Lim & Mr Nicholas Russell Ward	260,000	0.79
Abaki Pty Ltd	255,237	0.77
Mr Rajiv Paramanathan	250,000	0.76
Asket Pty Ltd	201,074	0.61
P Partnership Pacific Services Pty Limited	175,000	0.53
Dr Marie Heitz	167,066	0.51



## SUBSTANTIAL SHAREHOLDERS

Shareholder	No. of Ordinary shares	Percentage
Micron Holdings Pty Ltd (Cherian Family Account)	13,558,334	41.07
Micron Holdings Pty Ltd (Micron Holdings Pty Ltd Superfund A/c)	3,804,602	11.52

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# Corporate Directory

## Directors

Mr Steven Leigh Pynt  
(Independent Non-Executive Chairman)

Mr Mathew Cherian  
(Chief Executive Officer and Managing Director)

Mr Grant Smith  
(Independent Non-Executive Director)

Mr Robert Knowles AO  
(Independent Non-Executive Director)

## Company Secretary

Mr Peter Curigliano CPA

## Head Office

Level 2, 607 Bourke Street  
Melbourne, Victoria 3000  
Australia  
Telephone: +61 (3) 9675 0600  
Facsimile: +61 (3) 9675 0699  
Email: [info@global-health.com](mailto:info@global-health.com)  
Website: [www.global-health.com](http://www.global-health.com)

## Malaysia Registered Office

B-25-2, Block B, Jaya One  
No. 72A Jalan Universiti  
46200 Petaling Jaya, Selangor Darul Ehsan  
Malaysia  
Telephone: +603 7955 0955  
Facsimile: +603 7955 0959

## Auditors

MSI Ragg Weir Chartered Accountants  
2/108 Power Street  
Hawthorn, Victoria 3122, Australia  
Telephone: +61 (3) 9819 4011  
Facsimile: +61 (3) 9819 6780  
Website: [www.raggweir.com.au](http://www.raggweir.com.au)

## Share Registrar

Link Market Services Limited  
Tower 4, 727 Collins Street  
Melbourne, Victoria 3008,  
Australia  
Telephone: 1300 554 474  
Facsimile: +61 (3) 9615 9848  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

## Solicitors

Davies Collison Cave, Melbourne, Australia  
Finlaysons, Adelaide, Australia

## Bankers

Bank of Western Australia Ltd  
ANZ Bank Ltd  
HSBC Ltd

## Stock Exchange Listing

Global Health Limited shares trade on the Australian Stock Exchange

Code: GLH

The home exchange is Australian Stock Exchange (Melbourne) Limited

## Further Information

For further information about Global Health Limited and its operations, refer to Company announcements to the Australian Stock Exchange.

Information is also available on our website:

