

MedAdvisor International Pty Ltd

(ACN 161 366 589)



*med***Advisor**[®]

Financial Report

for

year ended 30th June, 2014

MEDADVISOR INTERNATIONAL PTY LTD
ACN 161 366 589

GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

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The financial report is presented in Australian currency.

MedAdvisor International Pty Ltd is a company *limited by shares, incorporated and domiciled in Australia.*

Its registered office and principal place of business is:

The registered office is:

MedAdvisor International Pty Ltd
4/22 Council Street
HAWTHORN EAST VIC 3123

The principal place of business is:

MedAdvisor International Pty Ltd
4/22 Council Street
HAWTHORN EAST VIC 3123

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

The financial report was authorised for issue by the directors on **21st May, 2015**. The company has the power to amend and re-issue the financial report.

DIRECTORS REPORT

Your directors presents their report on MedAdvisor International Pty Ltd (referred to hereafter as the Entity) for the year ended ended 30 June 2014.

Directors

The names of the company's directors who held office during or since the end of the financial year are:

Mr Joshua Swinnerton

Mr Carlo Campiciano

Mr Jim Xenos

Mr Mike da Gama

Directors were in office for the entire period and up to the date of this report, unless otherwise stated.

Principal activities

The principal activity of the Entity during the course of the financial year was the development and commercialisation of the medication adherence platform marketed as MedAdvisor

There have been no significant changes in the nature of this activity during the year.

Operating Results

The loss of the Entity for the financial year after providing for income tax amounted to **\$835,453** (*seven months to 30 June, 2013 loss \$206,966*).

Dividends

No dividends have been paid or declared since the start of the financial year.

Matters Subsequent to end of Financial Year

Actavis Pharma Pty Ltd (Formerly Watson Pharma Pty Ltd) have discharged the security over the property of the Company on 8 April 2015.

There have been no other matters or circumstances which have arisen since the end of the financial year, that significantly affected or may significantly affect the operations of the Entity, the results of those operations or the state of affairs of the Entity, in future years.

Likely Developments

Likely developments in the operations of the Entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Entity.

DIRECTORS REPORT

Environmental Regulation

The Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on Directors

Mr Joshua Swinnerton - MEI, GradCert Eng., BE, BCS(Hons)
Managing Director/CEO/COO

Josh has had considerable experience in leading and managing sizeable IT ventures, both within large companies as well as start-ups. A primary focus of his career has been the innovative creation of web and web enabled systems that address personal needs of consumers.

Mr Carlo Campiciano - MEI, GradDip(Comp), Bbus(Acc), MIPA
Executive Director/CFO

Carlo has extensive experience working with and in medium enterprises in a wide range of areas including: finance, taxation, systems design and implementation, planning and strategy.

Mr Jim Xenos - BSc, DipEd, AFAIM, GAICD
Non Executive Director

Jim is an experienced General Manager with a strong sales and marketing background. He has a well proven track record in building and leading high performance teams delivering market share and profit growth in both national and multinational brands. Jim was a co-founder of NostraData Pty Ltd and as a result brings with him experience in starting and growing a business from the ground up.

Mr Mike da Gama - MBA, BSC, GAICD
Non Executive Director

Mike is an experienced sales executive and brand marketer having spent 10 years in the pharmaceutical industry. More recently Mike together with Jim Xenos co-funded NostraData Pty Ltd which is a leading pharmaceutical data businesses in Australia providing aggregated data and analysis tools.

Meetings of Directors

The numbers of meetings of the company's board of directors and of each board committee held:

Board Member

Mr Joshua Swinnerton
Mr Jim Xenos
Mr Carlo Campiciano
Mr Mike da Gama

Directors Meetings	
A	B
12	12
12	12
12	12
12	12

DIRECTORS REPORT

Where:

- column A: is the number of meetings the Director was entitled to attend
- column B: is the number of meetings the Director attended

Shares under Option

No options over issued shares or interests in the Entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Insurance and Indemnity

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on behalf of the company

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on the following page.

Signed in accordance with a resolution of the Directors:



Joshua Swinnerton

Director

Hawthorn East

Date 29/5/2015

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of MedAdvisor International Pty Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



P W FRASER
Partner

Melbourne, VIC
29 May 2015

MEDADVISOR INTERNATIONAL PTY LTD
ACN 161 366 589

STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2014

	Notes	<u>2014</u> \$	<u>2013</u> \$
Revenues from continuing operations	2	1,000,606	500,000
Other revenue	2	88,677	1,984
Direct expenses		(20,243)	-
Development costs		(820,642)	(598,232)
Employee benefits expenses		(587,212)	-
Marketing expense		(385,805)	(45,090)
Depreciation and amortisation expenses		(9,000)	-
Other expenses	3	(101,007)	-
Finance costs		<u>(827)</u>	<u>(65,628)</u>
Profit / (loss) before income tax		(835,453)	(206,966)
Income tax (expense) / income	4	<u>-</u>	<u>-</u>
Profit / (loss) for the year		(835,453)	(206,966)
Other comprehensive income		-	-
Total comprehensive income (loss) for the period		<u><u>(835,453)</u></u>	<u><u>(206,966)</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes. Comparative figures are for the seven months ended 30 June 2013

MEDADVISOR INTERNATIONAL PTY LTD

ACN 161 366 589

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	<u>2014</u> \$	<u>2013</u> \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	714,871	313,403
Trade and Other Receivables	8	30,129	43,174
Other Assets	9	23,458	-
Total Current Assets		<u>768,458</u>	<u>356,577</u>
Non-Current Assets			
Intangible Assets	10	84,460	91,300
Total Non-Current Assets		<u>84,460</u>	<u>91,300</u>
Total Assets		<u>852,918</u>	<u>447,877</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	244,604	654,743
Employee Benefits	12	28,296	-
Total Current Liabilities		<u>272,900</u>	<u>654,743</u>
Total Liabilities		<u>272,900</u>	<u>654,743</u>
Net Assets / (Liabilities)		<u>580,018</u>	<u>(206,866)</u>
EQUITY			
Contributed Equity		1,622,436	100
Retained Profits / (Losses)	13	(1,042,418)	(206,966)
Total Equity		<u>580,018</u>	<u>(206,866)</u>

The above statement of financial position should be read in conjunction with the accompanying notes.
Comparative figures are for the seven months ended 30 June 2013

MEDADVISOR INTERNATIONAL PTY LTD
ACN 161 366 589

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2014

	Notes	<u>Contributed Equity</u> \$	<u>Retained Earnings</u> \$	<u>Total Equity</u> \$
Balance 1 November 2012				
Transactions with Equity Holders in their capacity as Equity Holders:				
Ordinary Shares Issued		100		100
Net Profit / (Loss)			<u>(206,966)</u>	<u>(206,966)</u>
Balance 30 June 2013	13	<u>100</u>	<u>(206,966)</u>	<u>(206,866)</u>
Balance 1 July 2013				
		100	(206,966)	(206,866)
Transactions with Equity Holders in their capacity as Equity Holders:				
Ordinary Shares Issued		1,750,000		1,750,000
Capital Raising Costs (net of GST)		(127,664)		(127,664)
Net Profit / (Loss)			<u>(835,453)</u>	<u>(835,453)</u>
Balance 30 June 2014	13	<u>1,622,436</u>	<u>(1,042,418)</u>	<u>580,018</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes. Comparative figures are for the seven months ended 30 June 2013

MEDADVISOR INTERNATIONAL PTY LTD
ACN 161 366 589

STATEMENT OF CASH FLOW
FOR YEAR ENDED 30 JUNE 2014

	Notes	<u>2014</u> \$	<u>2013</u> \$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		1,168,436	552,000
Payments to suppliers and employees (inclusive of GST)		(2,029,169)	(522,381)
Interest received		24,024	1,984
Net cash inflow (outflow) from operating activities	15	<u>(836,709)</u>	<u>31,603</u>
Cash Flows From Investing Activities			
Payments for intangibles		(101,160)	(1,300)
Net cash outflow from investing activities		<u>(101,160)</u>	<u>(1,300)</u>
Cash Flows From Financing Activities			
Proceeds from new share issue		1,750,000	100
Capital Raising Costs (net of GST)		(127,663)	-
Proceeds from related parties		-	308,000
Repayments from related parties		25,000	-
Payments to related parties		(308,000)	(25,000)
Net cash (outflow) inflow from financing activities		<u>1,339,337</u>	<u>283,100</u>
Net increase/(decrease) in cash held		401,468	313,403
Cash and cash equivalents at the beginning of the year		313,403	-
Cash and cash equivalents at the end of the year		<u>714,871</u>	<u>313,403</u>

The above statement of cash flow should be read in conjunction with the accompanying notes.
Comparative figures are for the seven months ended 30 June 2013

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 1. Statement of Significant Accounting Policies

MedAdvisor International Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 1. Statement of Significant Accounting Policies (Cont.)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. Going Concern

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

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

- Further capital raisings will be undertaken in 2015 as required to cover recurring expenditure as well as funding development of new revenue streams
- The company is in negotiations with major General Practitioner group to extend services through their network and create new revenue streams.

c. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 1. Statement of Significant Accounting Policies (Cont.)

d. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortized cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

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

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) 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 subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 1. Statement of Significant Accounting Policies (Cont.)

Impairment

At the end of the reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire 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.

e. Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Intangibles Other than Goodwill

Research and development

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.

Development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 1. Statement of Significant Accounting Policies (Cont.)

g. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

i. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k. Revenue and Other Income

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised when received.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 1. Statement of Significant Accounting Policies (Cont.)

I. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

n. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

o. Critical accounting estimates and judgements.

The directors evaluate estimates and judgments incorporated into the financial statements 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 company.

p. New and revised accounting standards and interpretations

Early adoption of Accounting Standards / Interpretations at the date of this financial report, AASB 9 which may impact the entity in the period of initial application, have been issued but are not yet effective. These new Standards and Interpretations have not been applied in the presentation of this financial report. Other than changes to disclosure formats, it is not expected that the initial application of these Standards and Interpretations in the future will have any impact.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Note 2. Revenue		
From continuing operations		
Sale of services	1,000,606	500,000
	1,000,606	500,000
Other Revenue		
Interest received	24,025	1,984
Sundry income	64,653	-
	88,678	1,984
	1,089,284	501,984
Note 3. Expenses		
Profit before income tax includes the following specific expenses:		
Finance costs:		
Other bank charges	827	110
	827	110
Note 4. Income Tax Expense		
a. Tax expense/(income) comprises:		
Current Tax	-	-
Deferred Tax	-	-
	-	-
b. The prima facie tax on profit / (loss) before income tax reconciled to the income tax as follows:		
Profit / (loss) from continuing operations	(835,453)	(206,966)
Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 30% (2010: 30%)	(250,636)	(62,090)
Tax effect of:		
- deferred tax assets not brought to account	250,636	62,090
Income tax expense / (benefit) attributable to entity	-	-
The applicable weighted average tax rates are as	0%	0%
The value of deferred tax assets which have not been recognised in the statement of financial position.	312,726	62,090

MEDADVISOR INTERNATIONAL PTY LTD
ACN 161 366 589

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

	2014	2013
	\$	\$

Note 5. Key Management Personnel Remuneration

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

Short term employee benefits	191,501	-
	191,501	-

Note 6. Auditors' Remuneration

Audit of financial statements	8,500	2,000
Other services	-	1,666
	8,500	3,666

No other benefits were received by the Auditors

Note 7. Cash and Cash Equivalents

Cash on Hand	203	3
Cash at Bank	714,667	313,400
	714,871	313,403

Note 8. Trade and Other Receivables

Other Debtors	30,129	43,174
	30,129	43,174

Note 9. Other Assets

Prepayments	23,458	-
	23,458	-

Note 10. Intangible Assets

Intellectual property	84,860	91,300
	84,860	91,300

Note 11. Trade and Other Payables

Trade Creditors	171,513	203,915
Other Creditors & Accruals	73,091	450,828
	244,604	654,743

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Note 12. Employee Entitlements		
Accrued Annual Leave	25,881	-
Accrued Payroll	2,415	-
	28,296	-
Note 13. Retained Earnings		
Retained Profits at the Beginning of the Financial Year	(206,966)	-
Net Profit / (Loss)	(835,453)	(206,966)
Retained Profits at the End of the Financial Year	(1,042,418)	(206,966)

Note 14. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, trade receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and equivalents	714,871	313,403
Loans and receivables	30,129	43,174
	745,000	356,577

Financial Liabilities

Financial liabilities at amortised cost		
Trade and other payables	236,104	654,743
	236,104	654,743

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Directors' on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Entity is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 14. Financial Risk Management (Cont.)

a. Interest Rate Risk

Exposure to interest risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will effect future cash flows or the fair value of fixed rate financial instruments

b. Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Entity manages this risk through the following mechanisms:

Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities.

Financial liability and financial asset maturity analysis

	Note	<u>Within 1 Year</u> 2014 <u>\$</u>	<u>Within 1 Year</u> 2013 <u>\$</u>
Financial liabilities due for payment			
Trade and other payables	11	244,604	654,743
Financial assets - cash flows realisable			
Cash and equivalents	7	714,871	313,403
Trade, term and loans receivables	8	30,129	43,174
		<u>745,000</u>	<u>356,577</u>
Net (outflow)/inflow on financial instruments		<u>500,396</u>	<u>(298,166)</u>

c. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Entity.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date. Customers who do not meet the Entity's strict credit policies may only purchase in cash or only use recognised credit cards.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 14. Financial Risk Management (Cont.)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. 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. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts on financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of the instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

	2013	
	Net Carrying	Net Fair Value
	Value	Value
	\$	\$
Financial assets		
Cash and cash equivalents	313,403	313,403
Trade and other receivables	43,174	43,174
Total financial assets	<u>356,577</u>	<u>356,577</u>
Financial liabilities		
Trade and other payables	654,743	654,743
	<u>654,743</u>	<u>654,743</u>
	2014	
	Net Carrying	Net Fair Value
	Value	Value
	\$	\$
Financial assets		
Cash and cash equivalents	714,871	714,871
Trade and other receivables	30,129	30,129
Total financial assets	<u>745,000</u>	<u>745,000</u>
Financial liabilities		
Trade and other payables	244,604	244,604
	<u>244,604</u>	<u>244,604</u>

MEDADVISOR INTERNATIONAL PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Note 15. Reconciliation of profit after income tax to net cash flows from operating activities		
a. Reconciliation of cash to the statement of cash flows:		
Cash assets (Note 7)	714,871	313,400
b. Reconciliation of profit from ordinary activities to net cash used in operating activities		
Profit (loss) after income tax	(835,453)	(206,965)
Non Cash Items :	9,000	-
	(826,453)	(206,965)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase) decrease in receivables	(35,413)	(18,174)
- Increase (decrease) in payables / creditors	25,157	256,742
Net cash flows used in operating activities	(836,709)	31,603

Note 16. Contingencies

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

The Company has granted Actavis Pharma Pty Ltd (Formerly Watson Pharma Pty Ltd) security over the property of the Company under a General Security Deed. This has been subsequently discharged after the reporting date.

Note 17. Commitments

The Company had no commitments at the end of the financial year.

Note 18. Events Subsequent to the Reporting Date

Actavis Pharma Pty Ltd (Formerly Watson Pharma Pty Ltd) have discharged the security over the property of the Company on 8 April 2015.

There have been no other matters or circumstances which have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Entity, the results of those operations, or the state of affairs of the Entity in subsequent financial years.

Note 19. Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 19. Other Related Party Transactions (Cont.)

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Transactions with Associates

SwinTech Pty Ltd and NostraData are associated entities of the Company which associates have entered into the following related party transaction with the Company since the Company's incorporation in November, 2012:

In accordance with agreements between SwinTech Pty Ltd (formally known as MedAdvisor Pty Ltd), NostraData Pty Ltd and the Company; SwinTech Pty Ltd agreed to sell the intellectual property rights consisting of source code, trade marks and all other intellectual property related to the software platform known as MedAdvisor. These agreements required SwinTech Pty Ltd to continue to provide development services for the MedAdvisor Platform. These services were provided by SwinTech Pty Ltd to the Company at cost. The Company has from time to time provided SwinTech Pty Ltd with short term cash advances to the cover working capital needs of SwinTech Pty Ltd.

As part of these agreements NostraData Pty Ltd also agreed to provide development services to the Company in relation to access to script data by the MedAdvisor platform from the NostraData Pharmacy Data extraction system. These services were in kind services as part of NostraData Pty Ltd.'s obligations under the agreements, the value of these services is unknown. Additionally the agreements provide for NostraData Pty Ltd to procure funds for the continued development of the MedAdvisor platform to a maximum of \$840,000. The agreements also provided that NostraData Pty Ltd would secure strategic partner(s) to fund ongoing development of the MedAdvisor platform by way of license fees and in the event that they were successful NostraData Pty Ltd would be entitled to 50% of the equity of the Company as well as being able to recover any advances made prior to the an agreement.

with a strategic partner. Subsequent to NostraData Pty Ltd securing the strategic relationship with Actavis Pharma Pty Ltd; NostraData Pty Ltd has provided marketing services to the company. In the ordinary course of operations NostraData Pty Ltd incurred both legal and software consulting expenses on behalf of the Company that NostraData Pty Ltd chargeback to the Company at cost.

	2014	2013
	\$	\$
a. Related party transactions with SwinTech Pty Ltd -		
Total value of software development services provided to the Company	685,722	569,758
Total value of rent & outgoings	30,614	
Total value of intellectual property sold to the Company	-	99,000

Amounts due and payable to SwinTech Pty Ltd at the end of the financial year included in Trade & Other Payables (Note 11) -

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED ENDED 30 JUNE 2014

Note 19. Other Related Party Transactions (Cont.)

Software development services:		
Trade Creditors	-	6,665
Other Creditors & Accruals	-	124,231
	-	130,896
	<u> </u>	<u> </u>
Intellectual property acquired:		
Trade Creditors	-	99,000
	<u> </u>	<u> </u>
Advances made to SwinTech Pty Ltd to cover working capital needs during the period	-	69,500
	<u> </u>	<u> </u>
Amounts due and payable by SwinTech Pty Ltd at the end of the financial year included in Trade & Other Receivables (Note 8) -		
Other Debtors (not subject to GST)	-	25,000
	<u> </u>	<u> </u>
b. Related party transactions with NostraData Pty Ltd -		
Total value of advances made to the Company	-	308,000
Total value of advances required to be paid back	-	308,000
Total value of expenses charged back		
Legal Fees	-	43,432
Software consulting	-	21,098
	-	64,530
	<u> </u>	<u> </u>
Total value of marketing services		
including GST	104,456	30,294
excluding GST	-	17,550
	104,456	47,844
	<u> </u>	<u> </u>
Amounts due and payable to NostraData Pty Ltd at the end of the financial year included in Trade & Other Payables (Note 11) -		
Chargebacks		
Trade Creditors	-	64,530
Other Creditors & Accruals	-	308,000
	-	372,530
	<u> </u>	<u> </u>
Marketing services		
Trade Creditors	24,409	30,294
Other Creditors & Accruals (excluding GST)	-	17,550
	24,409	47,844
	<u> </u>	<u> </u>

DIRECTORS DECLARATION

The directors of the company declare that:

- 1 The financial statements and notes, as set out on page 6 to 23, are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standards; and
 - (ii) give a true and fair view of the financial position as at 30 June 2014 and of the performance of the company for the year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Joshua Swinnerton
Director
Hawthorn East

Date 29/5/2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MEDADVISOR INTERNATIONAL PTY LTD

We have audited the accompanying financial report of MedAdvisor International Pty Ltd ("the company"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 entity's preparation and fair presentation of the financial report 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 entity'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of MedAdvisor International Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of MedAdvisor International Pty Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



P W FRASER
Partner

Melbourne, VIC
29 May 2015