Jayex Healthcare Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Jayex Healthcare Ltd
ABN:	15 119 122 477
Reporting period:	For the period ended 31 December 2015
Previous period:	For the year ended 30 June 2015

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	43.5%	to	1,181
Loss from ordinary activities after tax attributable to the owners of Jayex Healthcare Ltd	up	237.6%	to	(2,903)
Loss for the period attributable to the owners of Jayex Healthcare Ltd	up	237.6%	to	(2,903)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $2,903,000 (30 June 2015: $860,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(2.22)	(1.22)

4. Control gained over entities

Name of entities (or group of entities)	Appointuit Pty Ltd; Jayex Technologies Limited
Date control gained	22 September 2015; 15 December 2015

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(114)

5. Loss of control over entities

Name of entities (or group of entities)	Not Applicable
Date control lost	

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	-

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

This report, and the accompanying financial statements, are based upon accounts which are in the process of being audited.

11. Attachments

Details of attachments (if any):

Unaudited summary consolidated financial statements for Jayex Healthcare Limited and its controlled entities for the period ended 31 December 2015 are attached.

12. Signed

Signed ____________________ Date: 29 February 2016

ASX/Media Release

Jayex Healthcare Limited
Appendix 4E – Full Year Results
31 December 2015

2015 was a significant year for the Company in its overall strategy to provide an integrated healthcare services delivery system not only domestically but internationally as well.

During 2015 the Company made two key acquisitions:

- Appointuit Pty Ltd in September 2015, a patient engagement solution that enhances communication between patient and GP; and
- Jayex Technologies Limited in December 2015, a United Kingdom based business that operates the Enlighten platform, a patient management system that focuses on the workflow of patients through general practice clinics and hospitals,

Both of these acquisitions represent key milestones in the Company's overall strategy.

The financial results of the above companies have been consolidated into the group financial statements and accompanying notes on a pro rata basis from the date of each acquisition being since 22 September for Appointuit Pty Ltd and 15 December for Jayex Technologies Limited respectively. Both entities are now wholly-owned subsidiaries of Jayex Healthcare Limited.

In addition, the Company also successfully listed on the Australian Securities Exchange ("ASX") on 17 December 2015 via an Initial Public Offering ("IPO") of 25 million shares at 32 cents per share, raising funds of $8,000,000.

The Company's focus has been to efficiently integrate the acquired company's into the group, which has been achieved, with the process assisted by Company's experience with the Enlighten product through a prior product licencing agreement with Jayex Technologies Limited which had commenced in 2013.

Australia Operations
In the six months to December 2015 the Company has continued with the successful commercialisation of the Enlighten patient workflow platform, having sold 59 Enlighten check-in kiosks, 9 calling screens and 4 tablet solutions. In total to date, Jayex has deployed 118 Enlighten devices to customers in Australia, including 13 to hospitals and 105 to GP clinics. Sales in the six-month period to 31 December 2015 for the Enlighten platform in Australia were $674,000, compared to $741,000 in the twelve-month period to 30 June 2015.

The Company also commenced Enlighten trials with three major Australian medical centre operators in late December 2015.

With regards to the Appointuit patient engagement solution, subscribers have grown steadily over the six months to December from 2,096 to 2,291, representing an increase of 9.3%. Appointuit Pty Ltd delivered top line revenue of $153,000 in the period from 22 September 2015 to 31 December 2015 and a small loss of $34,000 over that period.

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Integration of the Enlighten and Appointuit technologies within the Group continues and has also meant the Company has been able to commence cross-selling of its technology products between existing Australian Appointuit and Enlighten customers with early results encouraging.

United Kingdom Operations
Jayex Technologies Ltd and the Enlighten product has a strong history and is well established in United Kingdom. The Jayex Technologies Ltd is a key component of the Group's overall strategy and has continued to be a profitable business in 2015. To date, the Enlighten platform has been deployed across a number of clinics and hospitals in the United Kingdom. The 31 December 2015 Financial Report includes only 15 days of operations from Jayex Technologies Limited, in which the business delivered revenues of $354,000 and a loss after tax of $116,000, which reflects seasonality in the earnings of this business unit.

Business Objectives for 2016
The business objectives for 2016 will be a continued focus on the successful commercialisation of the Enlighten patient workflow platform, and ongoing development and commercialisation of the Appointuit patient engagement solution in the Australian market. The Company is aiming to grow its market share for its products not only through the Australian GP clinics and hospitals, but also through the Australian Allied Healthcare Professional (AHP) market, which includes chiropractors, physiotherapists, optometrists, naturopaths and other healthcare providers.

With regards to the United Kingdom business, the Company's aim is to continue to grow the profitability of the business through gaining greater market share with Enlighten product and also exploring opportunities for introducing some of the Company's other technologies such as Appointuit and Pharmacy Delivery 2 U (p2u). Further, the UK business is examining opportunities in both Europe and North America in which to extend the Enlighten product range.

Please note the Jayex Healthcare Ltd Appendix 4E – Preliminary Final Report has been lodged under review. The Company is not expecting any material differences between the figures presented in Appendix 4E and the Audited Annual Report due to be lodged in late March 2016.

Contacts for further information:

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Company Secretary
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Jayex Healthcare Ltd

ABN 15 119 122 477

Summary Financial Information - 31 December 2015

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General information

The financial statements cover Jayex Healthcare Ltd as a consolidated entity consisting of Jayex Healthcare Limited ("the Company") and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Jayex Healthcare Limited's functional and presentation currency.

During the current financial period, Jayex Healthcare Limited changed its financial year end from 30 June to 31 December, in order to align the consolidated entity's financial year end with that of its major subsidiary, Jayex Technologies Limited, which is based in the United Kingdom. The financial year ends of Jayex Healthcare Limited's other subsidiaries, and of the consolidated entity, were also amended to 31 December in order to synchronise them with the financial year end of Jayex Healthcare Limited.

As a result of these changes:

- the current financial year reported in these financial statements is the six month period ended 31 December 2015, chosen to align with its new financial year end;
- the previous financial year, for which comparative information is disclosed, is the year ended 30 June 2015;
- the amounts presented in these financial statements are not entirely comparable, as:
    - o the current period closing balances disclosed in the statement of financial position, statement of changes in equity and supporting information are as at 31 December 2015, whereas the comparative information is as at 30 June 2015; and
    - o the current period amounts disclosed in the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flow and supporting information are for the six month period ended 31 December 2015, whereas the comparative information is for the year ended 30 June 2015.

Jayex Healthcare Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
529 Burwood Road
Hawthorn VIC 3122

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2016. The directors have the power to amend and reissue the financial statements.

Jayex Healthcare Ltd
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2015

	Note	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Revenue and other income	4	1,181	823
Expenses			
Cost of sales		(521)	(330)
Employee benefits expense		(942)	(229)
Professional services expenses		(212)	(138)
Depreciation and amortisation expense	5	(397)	(6)
Consultancy expenses		(313)	(708)
Travel expenses		(127)	(145)
Finance costs	5	(110)	(26)
Other expenses		(313)	(101)
Capital raising and acquisition expenses		(1,222)	-
Loss before income tax benefit		(2,976)	(860)
Income tax benefit	6	73	-
Loss after income tax benefit for the period attributable to the owners of Jayex Healthcare Ltd		(2,903)	(860)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(84)	-
Other comprehensive income for the period, net of tax		(84)	-
Total comprehensive income for the period attributable to the owners of Jayex Healthcare Ltd		(2,987)	(860)

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

Jayex Healthcare Ltd
Statement of financial position
As at 31 December 2015

	Note	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Assets			
Current assets			
Cash and cash equivalents	7	4,637	29
Trade and other receivables	8	1,446	197
Inventories	9	273	36
Other	10	75	-
Total current assets		6,431	262
Non-current assets			
Property, plant and equipment	11	128	30
Intangibles	12	17,161	586
Total non-current assets		17,289	616
Total assets		23,720	878
Liabilities			
Current liabilities			
Trade and other payables	13	3,066	1,134
Borrowings	14	32	227
Employee benefits	15	85	-
Provisions	16	272	-
Other	17	1,492	-
Total current liabilities		4,947	1,361
Non-current liabilities			
Borrowings	18	17	23
Deferred tax	19	2,734	-
Payables	20	2,214	-
Other	21	-	86
Total non-current liabilities		4,965	109
Total liabilities		9,912	1,470
Net assets/(liabilities)		13,808	(592)
Equity			
Issued capital	22	24,588	7,650
Reserves	23	365	-
Accumulated losses	24	(11,145)	(8,242)
Total equity/(deficiency)		13,808	(592)

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

Jayex Healthcare Ltd
Statement of changes in equity
For the period ended 31 December 2015

Consolidated	Issued capital $'000	Options reserve $'000	Foreign exchange reserve $'000	Accumulated losses $'000	Total deficiency $'000
Balance at 1 July 2014	6,614	-	-	(7,382)	(768)
Loss after income tax expense for the period	-	-	-	(860)	(860)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(860)	(860)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 22)	1,036	-	-	-	1,036
Balance at 30 June 2015	7,650	-	-	(8,242)	(592)

Consolidated	Issued capital $'000	Options reserve $'000	Foreign exchange reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2015	7,650	-	-	(8,242)	(592)
Loss after income tax benefit for the period	-	-	-	(2,903)	(2,903)
Other comprehensive income for the period, net of tax	-	-	(84)	-	(84)
Total comprehensive income for the period	-	-	(84)	(2,903)	(2,987)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 22)	16,938	-	-	-	16,938
Share-based payments	-	449	-	-	449
Balance at 31 December 2015	24,588	449	(84)	(11,145)	13,808

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

Jayex Healthcare Ltd
Statement of cash flows
For the period ended 31 December 2015

	Note	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,261	897
Payments to suppliers and employees (inclusive of GST)		(3,153)	(1,292)
		(1,892)	(395)
R&D tax incentive received		-	27
Interest and other finance costs paid		(4)	(26)
Net cash used in operating activities		(1,896)	(394)
Cash flows from investing activities			
Payment for business acquisitions (net of cash acquired upon acquisitions)		(511)	-
Net cash used in investing activities		(511)	-
Cash flows from financing activities			
Proceeds from issue of shares		8,000	416
Proceeds from issues of convertible notes		1,000	-
Proceeds from borrowings from related parties		-	13
Repayment of borrowings		(1,241)	-
Repayment of shareholders loan		(437)	-
Mortgage payments		(5)	(7)
Share issue transaction costs		(240)	-
Net cash from financing activities		7,077	422
Net increase in cash and cash equivalents		4,670	28
Cash and cash equivalents at the beginning of the financial period		29	1
Effects of exchange rate changes on cash and cash equivalents		(62)	-
Cash and cash equivalents at the end of the financial period	7	4,637	29

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

Note 1. Significant accounting policies

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

During the current financial period the

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

During the current financial period, Jayex Healthcare Ltd changed its financial year end from 30 June to 31 December, in order to align the consolidated entity's financial year end with that of its major subsidiary, Jayex Technologies Limited, which is based in the United Kingdom. The financial year ends of Jayex Healthcare Ltd's other subsidiaries, and of the consolidated entity, were also amended to 31 December in order to synchronise them with the financial year end of Jayex Healthcare Ltd.

As a result of these changes:

- the current financial year reported in these financial statements is the six month period ended 31 December 2015, chosen to align with its new financial year end;
- the previous financial year, for which comparative information is disclosed, is the year ended 30 June 2015;
- the amounts presented in these financial statements are not entirely comparable, as:
    - the current period closing balances disclosed in the statement of financial position, statement of changes in equity and supporting information are as at 31 December 2015, whereas the comparative information is as at 30 June 2015; and
    - the current period amounts disclosed in the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flow and supporting information are for the six month period ended 31 December 2015, whereas the comparative information is for the year ended 30 June 2015.

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

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jayex Healthcare Ltd ('Company' or 'parent entity') as at 31 December 2015 and the results of all subsidiaries for the period then ended. Jayex Healthcare Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 1. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Jayex Healthcare Ltd's functional and presentation currency.

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

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

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

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

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Critical accounting judgements, estimates and assumptions

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

The business combinations also included estimations to be made regarding the probability of deferred consideration payments. These estimations will be assessed at each reporting date and adjusted as required.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into two operating segments: Australia and United Kingdom (UK). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation), excluding capital-raising expenses and share-based payments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Major customers
The Consolidated Entity does not have a major customer that contributes more than 10% or more to the Consolidated Entity's revenue.

Note 3. Operating segments (continued)

Operating segment information

Consolidated Dec 2015	**Australia**	**United Kingdom**	**Total reportable segments**
	$	**$**	**$**
Revenue			
Sales to external customers	827	354	1,181
Total sales revenue	827	354	1,181
Segment operating expenses	(1,587)	(393)	(1,980)
EBITDA	(760)	(39)	(799)

Consolidated June 2015	**Australia**	**United Kingdom**	**Total reportable segments**
	$	**$**	**$**
Revenue			
Sales to external customers	741	-	741
Total sales revenue	741	-	741
Operating expenses	(1,677)	-	(1,677)
EBITDA	(936)	-	(936)

The total Revenue and Loss after income tax presented in the Consolidated Entity's operating segments reconcile to the corresponding key financial figures as presented in its Statement of profit or loss and other comprehensive income as follows:

	31 December 2015	**30 June 2015**
	$'000	**$'000**
Revenue		
Total reportable segment revenues	1,181	741
Interest income	-	-
Other revenue	-	82
Group revenues	1,181	823

	31 December 2015	**30 June 2015**
	$'000	**$'000**
Profit or loss		
Total reportable segment EBITDAs	(799)	(936)
Other income	-	82
Depreciation and amortisation expense	(397)	(6)
Share-based payments expense	(448)	-
Capital raising and acquisition expenses	(1,222)	-
Interest expense	(110)	-
Income tax (expense)/benefit	73	-
Group profit/(loss) after income tax expense/benefit	(2,903)	(860)

Note 3. Operating segments (continued)

Geographical information

	Sales to external customers 31 December 2015 $	Sales to external customers 30 June 2015 $	Geographical non-current assets 31 December 2015 $	Geographical non-current assets 30 June 2015 $
Australia	827	741	5,838	616
United Kingdom	354	-	11,451	-
	1,181	741	17,289	616

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Revenue and other income

	Consolidated 31 December 2015 $'000	Consolidated 30 June 2015 $'000
Sales revenue		
Sales revenue	1,181	741
Other income		
R&D tax incentive	-	82
Revenue and other income	1,181	823

Note 5. Expenses

	Consolidated	
	31 December 2015 $'000	30 June 2015 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	5	6
Amortisation		
Development	29	-
Software	303	-
Customer relationships	60	-
Total amortisation	392	-
Total depreciation and amortisation	397	6
Finance costs		
Interest and finance charges paid/payable	110	26
Rental expense relating to operating leases		
Minimum lease payments	39	40
Superannuation expense		
Defined contribution superannuation expense	29	10
Share-based payments expense		
Share-based payments expense	448	-
Employee benefits expense excluding superannuation and share based payments		
Employee benefits expense excluding superannuation and share based payments	465	219

Note 6. Income tax benefit

	Consolidated 31 December 2015 $'000	Consolidated 30 June 2015 $'000
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(2,976)	(860)
Tax at the statutory tax rate of 30%	(893)	(258)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	134	-
Non-deductible research & development costs	-	55
Non-assessable R&D tax incentive receivable	-	(25)
Tax rate differential	8	-
Other non-deductible items	52	-
Deferred tax asset for temporary differences not recognised	357	9
	(342)	(219)
Current period tax losses not recognised	269	219
Income tax benefit	(73)	-

	Consolidated 31 December 2015 $'000	Consolidated 30 June 2015 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	4,916	4,020
Potential tax benefit @ 30%	1,475	1,206

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Current assets - cash and cash equivalents

	Consolidated 31 December 2015 $'000	Consolidated 30 June 2015 $'000
Cash on hand	4,637	29

Note 8. Current assets - trade and other receivables

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Trade receivables	1,326	74
Other receivables	17	-
R&D refund receivable	-	82
GST receivable	103	41
	1,446	197

As at 31 December 2015 there were no material receivables amounts past due therefore there were no amounts past due but not impaired (30 June 2015 - Nil).

Note 9. Current assets - inventories

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Stock on hand - at cost	273	36

Note 10. Current assets - other

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Prepayments	75	-

Note 11. Non-current assets - property, plant and equipment

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Motor vehicles - at cost	76	36
Less: Accumulated depreciation	(29)	(6)
	47	30
Computer equipment - at cost	8	-
Less: Accumulated depreciation	(6)	-
	2	-
Office equipment - at cost	278	-
Less: Accumulated depreciation	(204)	-
	74	-
Furniture and fittings - at cost	52	-
Less: Accumulated depreciation	(47)	-
	5	-
	128	30

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated	Furniture & fittings $'000	Office equipment $'000	Computer equipment $'000	Motor vehicle $'000	Total $'000
Balance at 1 July 2014	-	-	-	-	-
Additions	-	-	-	36	36
Depreciation expense	-	-	-	(6)	(6)
Balance at 30 June 2015	-	-	-	30	30
Additions through business combinations (note 25)	5	75	2	21	103
Depreciation expense	-	(1)	-	(4)	(5)
Balance at 31 December 2015	5	74	2	47	128

Note 12. Non-current assets - intangibles

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Goodwill - at cost	6,402	-
Development - at cost	1,145	-
Less: Accumulated amortisation	(29)	-
	1,116	-
Patents and trademarks - at cost	586	586
Software platform - at cost	7,933	-
Less: Accumulated amortisation - software	(303)	-
	7,630	-
Customer relationships - at cost	1,487	-
Less: Accumulated amortisation - Customer relationships	(60)	-
	1,427	-
	17,161	586

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated	Goodwill $'000	Patents & trademarks $'000	Development $'000	Software $'000	Customer relationships $'000	Total $'000
Balance at 1 July 2014	-	586	-	-	-	586
Balance at 30 June 2015	-	586	-	-	-	586
Additions	-	-	7	-	-	7
Additions through business combinations (note 25)	6,403	-	1,173	7,933	1,487	16,996
Exchange differences	-	-	(36)	-	-	(36)
Amortisation expense	-	-	(29)	(303)	(60)	(392)
Balance at 31 December 2015	6,403	586	1,115	7,630	1,427	17,161

During the financial year, the consolidated entity acquired Jayex Technologies Limited (JUK), which is based in the United Kingdom, and Appointuit Pty Ltd (Appointuit). Both of these companies operate technologies which are complementary to the technology which is the subject of the patents and therefore now has enhanced technology business relationships upon which to pursue discussions in key world markets. The majority of the Consolidated Entity's technologies were acquired through the acquisitions of JUK and Appointuit.

The valuation of intangibles recognised as part of the various business combinations has been provisionally measured. The company will finalise its provisional acquisition accounting in the coming financial reporting period**.**

The directors are satisfied that the carrying value of the patents and other intangibles will be recovered through commercialisation.

Note 13. Current liabilities - trade and other payables

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Trade payables	1,419	1,045
Accrued expenses	231	79
Current consideration payable on business acquisition	1,098	-
GST payable	93	-
Other payables	225	10
	3,066	1,134

The current consideration payable on business acquisition relates to the acquisition of Jayex Technologies Limited and was paid in full after the end of the reporting period. Refer Note 26 for further information.

Note 14. Current liabilities - borrowings

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Loans	21	217
Chattel mortgage	11	10
	32	227

Total secured liabilities
The total secured current liabilities are as follows:

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Chattel mortgage	32	33

The chattel mortgage has a term of 4 years from September 2014.

Assets pledged as security
The chattel mortgage, which financed the acquisition of a motor vehicle, is effectively secured as the rights to the financed assets, recognised in the statement of financial position, revert to the financier in the event of default.

The carrying amounts of assets pledged as security for current borrowings are:

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Motor vehicle	27	31

Note 15. Current liabilities - employee benefits

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Annual leave	85	-

Note 16. Current liabilities - provisions

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Provision for warranties	219	-
Provision for credit notes	53	-
	272	-

Note 17. Current liabilities - other

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Deferred revenue	1,392	-
Contingent consideration	100	-
	1,492	-

Deferred revenue represents sales invoiced in advance of the provision of contracted services.

Note 18. Non-current liabilities - borrowings

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Chattel mortgage	17	23

Note 19. Non-current liabilities - deferred tax

	Consolidated 31 December 2015 $'000	30 June 2015 $'000
Deferred tax liability	2,734	-

Note 20. Non-current liabilities - payables

	Consolidated 31 December 2015 $'000	Consolidated 30 June 2015 $'000
Deferred consideration payable on business acquisition	2,214	-

Deferred consideration payable on business acquisition
The deferred consideration payable on business acquisition relates to the acquisition of Appointuit Pty Ltd. Refer Note 26 for further information.

Note 21. Non-current liabilities - other

	Consolidated 31 December 2015 $'000	Consolidated 30 June 2015 $'000
Contingent consideration	-	86

Note 22. Equity - issued capital

	Consolidated 31 December 2015 Shares	30 June 2015 Shares	31 December 2015 $'000	30 June 2015 $'000
Ordinary shares - fully paid	150,997,874	19,342,114	24,588	7,650

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$'000
Balance	1 July 2014	18,494,760		6,614
Shares issued to investors	21 July 2014	219,200	$1.00	219
Shares issued to investors	31 October 2014	151,385	$1.30	197
Employee share issue	31 October 2014	23,077	$1.30	30
Shares issued to settle consultant fees payable	31 October 2014	30,615	$1.30	40
Shares issued on conversion of related party loan	6 November 2014	423,077	$1.30	550
Balance	30 June 2015	19,342,114		7,650
Issue of shares in lieu of Directors fees	21 August 2015	45,000	$1.30	59
Share split 1:5	21 August 2015	77,548,456	$0.00	-
Issue of shares to Appointuit vendors	22 September 0215	6,286,187	$0.32	2,012
Conversion of convertible notes	15 December 2015	3,772,739	$0.27	1,026
Issue of shares to JUK vendors	15 December 2015	19,003,378	$0.32	6,081
Initial public offering	15 December 2015	25,000,000	$0.32	8,000
Capital raising costs		-	$0.00	(240)
Balance	31 December 2015	150,997,874		24,588

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

Note 22. Equity - issued capital (continued)

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

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 23. Equity - reserves

	Consolidated	
	31 December 2015 $'000	30 June 2015 $'000
Foreign currency reserve	(83)	-
Share-based payments reserve	448	-
	365	-

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 24. Equity - accumulated losses

	Consolidated	
	31 December 2015 $'000	30 June 2015 $'000
Accumulated losses at the beginning of the financial period	(8,242)	(7,382)
Loss after income tax benefit for the period	(2,903)	(860)
Accumulated losses at the end of the financial period	(11,145)	(8,242)

Note 25. Business combinations

During the period ended 31 December 2015, the Consolidated Entity undertook two separate acquisitions of businesses owned by Jayex Technologies Limited (Jayex UK) and Appointuit Pty Ltd (Appointuit) as part of its business strategy to acquire a set of complementary technologies in the health services sector. The following comments apply generally to all acquisitions during the period.

The factors that make up the goodwill recognised in relation to the respective business combinations include: expected synergies from combining operations of a number of similar and complementary acquired businesses and increasing efficiencies by using common systems across the businesses.

In relation to the business acquisitions, the Consolidated Entity has performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition. For the purposes of the balance sheet, the assets and liabilities have been recorded at their provisional fair values. Under Australian Accounting Standards, the Consolidated Entity has up to 12 months from the date of acquisition to complete its initial acquisition accounting. The Consolidated Entity has already commenced this exercise to consider the fair value of intangible assets acquired in the acquisitions. Any adjustments to the fair values, including associated tax adjustments, will have an equal and opposite impact on the goodwill recorded on acquisition. Accordingly, any such adjustments will have no impact on the aggregate of the net assets or the Consolidated Entity's net profit after tax with the exception of any amortisation charges. At the time of this report the total amount of goodwill that is expected to be deductible for tax purposes has not yet been determined

Specific details of the different acquisitions are as follows. Australian dollar values shown are calculated using exchange rates at the time of the respective acquisition transactions.

It is estimated that, if the acquisitions of the businesses owned by Jayex UK and Appointuit occurred at the beginning of the current reporting period, 1 July 2015, the revenue and loss for the combined entity for the current reporting period would be $4,119,000 and $2,869,000 respectively.

Note 25. Business combinations (continued)

Enlighten Business - Jayex Technologies Limited
Jayex Technologies Limited (Jayex UK), was established in 1978 and has developed a number of technologies, including a patient self-arrival and check-in solution which has been developed into its current form as 'Enlighten'.

On 15 December 2015 Jayex Healthcare Limited (JHL) acquired 100% of the shares in Jayex UK. The total consideration paid by JHL for the Jayex UK shares was $9,165,000, comprising: 19,003,378 JHL shares at their IPO issue price of $0.32, totalling $6,081,000; and cash of $3,084,000, $2,038,000 of which was payable upon acquisition date, and $1,046,000 of which was payable in January 2016.

The acquired business contributed additional revenues of $354,000 and loss after tax of $116,000 to the Consolidated Entity for the period from 15 December 2015 to 31 December 2015.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	1,501
Trade and other receivables	1,228
Inventories	317
Other current assets	214
Plant and equipment	101
Development	1,173
Software	4,176
Customer relationships	994
Trade and other payables	(1,098)
Provisions	(277)
Revenue received in advance	(1,491)
Bank loans	(1,232)
Deferred tax liability	(18)
Deferred tax liability relating to acquired intangible assets	(1,551)
Net assets acquired	4,037
Goodwill	5,128
Acquisition-date fair value of the total consideration transferred	9,165
Representing:	
Cash paid or payable to vendor	3,084
Jayex Healthcare Ltd shares issued to vendor	6,081
	9,165
Acquisition costs expensed to profit or loss (Acquisition expenses)	168
Cash used to acquire business, net of cash acquired:	
Cash paid	2,037
Cash acquired	(1,501)
Net cash used	536

Note 25. Business combinations (continued)

Appointuit Business - Appointuit Pty Ltd
Appointuit is a patient engagement solution that optimises clinic workflow, replaces appointment systems, enables staff to engage with patients to provide tailored health care services, and allows patients to control booking of their medical appointments at their convenience with an on-line appointment booking function. The Appointuit business was developed and owned by Appointuit Pty Ltd.

On 22 September 2015 Jayex Healthcare Limited (JHL) acquired 100% of the shares in Appointuit Pty Ltd. The total consideration for the Appointuit Pty Ltd shares acquisition comprises:

- 6,286,187 JHL shares issued to the vendors upon acquisition, which have been at their IPO issue price of $0.32, totalling $2,012,000;
- contingent consideration of up to 3,384,870 JHL shares to be issued to the vendors upon the Appointuit business achieving certain earnings targets over the period 1 July 2015 to 30 June 2019. The acquisition date fair value of this consideration component was estimated to be $411,000; and
  contingent consideration of a cash incentive payment of up to $10,000,000 to be paid to the vendors upon the Appointuit business achieving certain earnings targets over the period 1 July 2015 to 30 June 2019. The acquisition date fair value of this consideration component was estimated to be $1,803,000.

The acquired business contributed additional revenues of $153,000 and loss after tax of $34,000 to the Consolidated Entity for the period from 22 September 2015 to 31 December 2015.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	25
Trade and other receivables	109
Plant and equipment	2
Software	3,757
Customer relationships	493
Trade and other payables	(96)
Provisions	(64)
Deferred tax liability relating to acquired intangible assets	(1,275)
Net assets acquired	2,951
Goodwill	1,275
Acquisition-date fair value of the total consideration transferred	4,226
Representing:	
Jayex Healthcare Ltd shares issued to vendor	2,012
Contingent consideration	2,214
	4,226
Acquisition costs expensed to profit or loss (Acquisition expenses)	76
Cash used to acquire business, net of cash acquired:	
Cash acquired	(25)

Note 26. Events after the reporting period

On 14 January 2016 Mr Agam Jain was appointed as an Executive Director of the consolidated entity.

On 2 February 2016 the consolidated entity granted 2,875,000 unquoted options to eligible employees in accordance with the consolidated entities Employee Share Option Plan, at an exercise price of $Nil, exercisable on or before 2 February 2019.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.