

L vél Health Limited

ACN: 158 067 586

Financial Statements

For the Year Ended 30 June 2018

L vél Health Limited
ACN: 158 067 586

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For the Year Ended 30 June 2018

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L vél Health Limited
ACN: 158 067 586

Directors' Report

30 June 2018

The directors present their report on L vél Health Limited for the financial year ended 30 June 2018.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Margaret Poppelwell

Michael Cox

Lisa Hornery

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of L vél Health Limited during the financial year was that of providing investors with exposure to the life science and health sectors.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ (417,899) (2017: \$ (195,342)).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that the company continued to hold investments in the life science and health sectors.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

L vél Health Limited
ACN: 158 067 586

Directors' Report

30 June 2018

Options

There have been no unissued shares or interests under option in the Company during or since reporting date.

Indemnification and insurance of officers and auditors

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 L vél Health Limited.

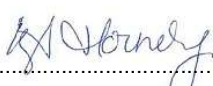
Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Margaret Poppelwell

Director:

Lisa Hornery

Dated this 31st day of October 2018

LNP Audit and Assurance

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF L VÉL HEALTH LIMITED

As lead auditor of L vél Health Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance



Robert Nielson
Director

Sydney, 31 October 2018

L vél Health Limited
ACN: 158 067 586

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| Note | \$ | \$ |
| Operational expenses | (7,428) | (6,686) |
| Impairment | (410,471) | (188,656) |
| Loss before income tax | (417,899) | (195,342) |
| Income tax expense | - | - |
| Loss from continuing operations | (417,899) | (195,342) |
| Loss for the year | (417,899) | (195,342) |
| Other comprehensive income, net of income tax | - | - |
| Total comprehensive income/(loss) for the year | (417,899) | (195,342) |

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 30 June 2018

| | 2018 | 2017 | |
|----------------------------------|------|--------------------|------------------|
| Note | \$ | \$ | |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 18,180 | 25,198 |
| TOTAL CURRENT ASSETS | | 18,180 | 25,198 |
| NON-CURRENT ASSETS | | | |
| Investments | 6 | 735,200 | 1,145,671 |
| TOTAL NON-CURRENT ASSETS | | 735,200 | 1,145,671 |
| TOTAL ASSETS | | 753,380 | 1,170,869 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 49,684 | 49,274 |
| TOTAL CURRENT LIABILITIES | | 49,684 | 49,274 |
| TOTAL LIABILITIES | | 49,684 | 49,274 |
| NET ASSETS | | 703,696 | 1,121,595 |
| EQUITY | | | |
| Issued capital | 8 | 1,792,600 | 1,792,600 |
| Retained earnings | | (1,088,904) | (671,005) |
| TOTAL EQUITY | | 703,696 | 1,121,595 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2018

2018

| | Ordinary Shares | Accumulated Losses | Total |
|---|--------------------|-----------------------|----------------|
| Note | \$ | \$ | \$ |
| Balance at July 1, 2017 | 1,792,600 | (671,005) | 1,121,595 |
| Loss attributable to members of the parent entity | - | (417,899) | (417,899) |
| Transactions with owners in their capacity as owners | | | |
| Balance at 30 June 2018 | <u>1,792,600</u> | <u>(1,088,904)</u> | <u>703,696</u> |

2017

| | Ordinary Shares | Accumulated Losses | Total |
|---|--------------------|-----------------------|------------------|
| Note | \$ | \$ | \$ |
| Balance at July 1, 2016 | 1,792,600 | (475,663) | 1,316,937 |
| Loss attributable to members of the parent entity | - | (195,342) | (195,342) |
| Transactions with owners in their capacity as owners | | | |
| Balance at 30 June 2017 | <u>1,792,600</u> | <u>(671,005)</u> | <u>1,121,595</u> |

Statement of Cash Flows
For the Year Ended 30 June 2018

| | 2018 | 2017 |
|---|-------------------------------|---------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Payments to suppliers and employees | <u>(7,018)</u> | (5,996) |
| Net cash used in operating activities | 10 <u>(7,018)</u> | (5,996) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from issue of shares | <u>-</u> | 30,000 |
| Net cash provided by financing activities | <u>-</u> | 30,000 |
| Net increase/(decrease) in cash and cash equivalents held | (7,018) | 24,004 |
| Cash and cash equivalents at beginning of year | <u>25,198</u> | 1,194 |
| Cash and cash equivalents at end of financial year | 5 <u><u>18,180</u></u> | <u>25,198</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers L vél Health Limited as an individual entity. L vél Health Limited is a for-profit Company, incorporated and domiciled in Australia.

The functional and presentation currency of L vél Health Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(a) Income Tax

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets at 30 June 2018 are classified as available for sale financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Financial instruments

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

The investment is reported at cost less any impairment charges, as its fair value cannot currently be reliably estimated.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Financial instruments

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(d) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Critical Accounting Estimates and Judgments

The significant estimates and judgements made have been described below.

Fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Going Concern

The financial statements have been prepared on a going concern basis.

Funding of L vél Health Limited is dependent on the support of Financial Markets Infrastructure Fund Pty Limited. The Directors have received a letter of support from Financial Markets Infrastructure Fund Pty Limited which will ensure that all expenditure of the Group is provided by Financial Markets Infrastructure Fund Pty Limited for at least 12 months from the date of this report. Therefore the Directors are satisfied that L vél Health Limited is a going concern at 30 June 2018.

4 Income Tax Expense

(a) The major components of tax expense (income) comprise:

(b) Reconciliation of income tax to accounting profit:

| | 2018 | 2017 |
|--|-----------|----------|
| | \$ | \$ |
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%) | (125,367) | (58,603) |
| Add: | | |
| Tax effect of losses not recognised: | 125,367 | 58,603 |
| Income tax expense | - | - |

Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Cash and Cash Equivalents

| | 2018 | 2017 |
|--------------------------|---------------|---------------|
| | \$ | \$ |
| Cash at bank and in hand | 18,180 | 25,198 |
| | <u>18,180</u> | <u>25,198</u> |

6 Trade and Other Payables

| | 2018 | 2017 |
|-----------------------|---------------|---------------|
| Note | \$ | \$ |
| Current | | |
| Trade payables | 6,100 | 5,690 |
| Loans related parties | 43,584 | 43,584 |
| | <u>49,684</u> | <u>49,274</u> |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

6 Investments

| | 2018 | 2017 |
|---------------------|----------------|------------------|
| Note | \$ | \$ |
| Non-Current | | |
| Investments at cost | 1,690,322 | 1,690,322 |
| Less: Impairment | (955,122) | (544,651) |
| | <u>735,200</u> | <u>1,145,671</u> |

7 Issued Capital

| | 2018 | 2017 |
|---|-----------|-----------|
| | \$ | \$ |
| 18,100,100 (2017: 18,100,100) Ordinary shares | 1,792,600 | 1,792,600 |

(a) Ordinary shares

| | 2018 | 2017 |
|--|------------|------------|
| | No. | No. |
| At the beginning of the reporting period | 18,100,100 | 18,100,100 |

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

8 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

| | 2018 | 2017 |
|--|------------------|-------------|
| | \$ | \$ |
| Loss for the year | (417,899) | (195,342) |
| Cash flows excluded from profit attributable to operating activities | | |
| - Adjustment for impairment | 410,471 | 188,656 |
| Non-cash flows in profit: | | |
| Changes in assets and liabilities: | | |
| - increase in trade and other payables | 410 | 720 |
| Cashflows from operations | (7,018) | (5,966) |

10 Statutory Information

The registered office and principal place of business of the company is:

L Vel Health Limited
Level 1, 7 Bridge Street
Sydney NSW 2000

Directors' Declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 14, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.
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.

Director:

Margaret Poppelwell

Director:

Lisa Hornery

Dated 31 October 2018

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF L VÉL HEALTH LIMITED

Opinion

We have audited the financial report of L vél Health Limited, (the Company), being a special purpose financial report, which comprises the statement of financial position as at 30 June 2018, the income statement, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

In our opinion:

The financial report of L vél Health Limited has been prepared in accordance with the *Corporations Act 2001*, including:

1. Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
2. Complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 3 in the financial report which states that the financial statements have been prepared on the basis that the company is a going concern. This basis has been adopted as the Company has received a guarantee of continuing financial support from Financial Markets Infrastructure Fund Pty Limited to allow the Company to meet its liabilities and it is the belief of the Director that such financial support will continue to be made available

No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that maybe necessary should the Company not continue as a going concern.

Our procedures in relation to going concern included, but were not limited to:

- a) Making enquiries of management and the directors in relation to events and conditions that may impact the assessment on the Company's ability to continue as a going concern;
- b) Challenging the assumptions contained in management's cash flow forecast in relation to the Company's ability to continue as a going concern;
- c) Assessing the adequacy of the disclosures relating to going concern in Note 3.

Accounting & Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result the financial report may not be suitable for another purpose.

Our report is intended solely for L vél Health Limited and should not be distributed to or used by parties other than L vél Health Limited.

Directors' Responsibilities

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 to the extent described in Note 1 and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

LNP Audit and Assurance

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Robert Nielson.

LNP Audit and Assurance

A handwritten signature in black ink, appearing to read 'RN', with a long horizontal line extending to the right.

Robert Nielson

Director

Sydney

Date 31 October 2018