



Financial Report

for the year ending

30 June 2019

L Vél Health Ltd

Contents

For the Year Ended 30 June 2019

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	15
Independent Audit Report	16

L Vél Health Ltd

Directors' Report

30 June 2019

The directors present their report on L Vél Health Ltd for the financial year ended 30 June 2019.

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.

Principal activities

The principal activity of L Vél Health Ltd during the financial year was that of providing investors with exposure to the life science and health sectors, through investing in entities in that sector.

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

Operating results and review of operations for the year

Operating results

The loss of the Company for the year amounted to \$9,707 (2018: \$417,899).

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.

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.

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 Ltd.

L Vél Health Ltd

Directors' Report

30 June 2019

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 2019 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 2019

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

As lead auditor of L vél Health Ltd for the year ended 30 June 2019, 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 Pty Ltd



Robert Nielson
Director

Sydney, 31 October 2019

L Vél Health Ltd

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
Administrative expenses	(9,707)	(7,428)
Impairment losses on financial assets	-	(410,471)
Loss before income tax	(9,707)	(417,899)
Income tax expense	-	-
Loss from continuing operations	(9,707)	(417,899)
Loss for the year	(9,707)	(417,899)
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that will be reclassified to profit or loss when specific conditions are met	-	-
Total comprehensive loss for the year	(9,707)	(417,899)

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,189	18,180
TOTAL CURRENT ASSETS		1,189	18,180
NON-CURRENT ASSETS			
Investments	6	735,200	735,200
TOTAL NON-CURRENT ASSETS		735,200	735,200
TOTAL ASSETS		736,389	753,380
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	42,400	49,684
TOTAL CURRENT LIABILITIES		34,500	43,584
TOTAL LIABILITIES		42,400	49,684
NET ASSETS		693,989	703,696
EQUITY			
Issued capital	8	1,792,600	1,792,600
Retained earnings		(1,098,611)	(1,088,904)
TOTAL EQUITY		693,989	703,696

Statement of Changes in Equity
For the Year Ended 30 June 2019

2019

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2018	1,792,600	(1,088,904)	703,696
Loss attributable to members of the parent entity	-	(9,707)	(9,707)
Balance at 30 June 2019	1,792,600	(1,098,611)	693,989

2018

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2017	1,792,600	(671,005)	1,121,595
Loss attributable to members of the parent entity	-	(417,899)	(417,899)
Balance at 30 June 2018	1,792,600	(1,088,904)	703,696

L Vél Health Ltd

Statement of Cash Flows
For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	<u>(7,907)</u>	<u>(7,018)</u>
Net cash (used in) operating activities	10 <u>(7,907)</u>	<u>(7,018)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>(9,084)</u>	<u>-</u>
Net cash (used in) financing activities	<u>(9,084)</u>	<u>-</u>
Net (decrease) in cash and cash equivalents held	(16,991)	(7,018)
Cash and cash equivalents at beginning of year	<u>18,180</u>	<u>25,198</u>
Cash and cash equivalents at end of financial year	5 <u><u>1,189</u></u>	<u>18,180</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

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

The functional and presentation currency of L Vél Health Ltd 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 is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(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

For current year

Financial instruments are recognised initially 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Fair value through other comprehensive income

Equity instruments

The Company has a strategic investment in an unlisted entity over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(c) Financial instruments

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

For comparative year

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 are divided into the following categories which are described in detail below:

- available-for-sale financial assets; and

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 unlisted securities.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(c) Financial instruments

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.

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 comprise 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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(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.

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Company has certain financial assets 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 Ltd 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 Ltd is a going concern at 30 June 2019.

4 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2019	2018
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%)	(2,669)	(114,919)
Add:		
Tax effect of:		
- losses not recognised	2,669	114,919
Income tax expense	<u><u>-</u></u>	<u><u>-</u></u>

Notes to the Financial Statements
For the Year Ended 30 June 2019

5 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	1,189	18,180
	<u>1,189</u>	<u>18,180</u>

6 Investments

	2019	2018
	\$	\$
Investments at fair value through other comprehensive income	735,200	735,200
	<u>735,200</u>	<u>735,200</u>

7 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	7,900	6,100
Loans Related Parties	34,500	43,584
	<u>42,400</u>	<u>49,684</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.

8 Issued Capital

	2019	2018
	\$	\$
18,100,100 (2018: 18,100,100) Ordinary shares	1,792,600	1,792,600
	<u>1,792,600</u>	<u>1,792,600</u>

(a) Ordinary shares

	2019	2018
	No.	No.
At the beginning of the reporting period	18,100,100	18,100,100
	<u>18,100,100</u>	<u>18,100,100</u>

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.

9 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 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:

	2019	2018
	\$	\$
Profit for the year	(9,707)	(417,899)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- impairment loss	-	410,471
Changes in assets and liabilities:		
- increase/(decrease) in trade and other payables	1,800	410
Cashflows used in operations	<u>(7,907)</u>	<u>(7,018)</u>

11 Statutory Information

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

L Vél Health Ltd
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.

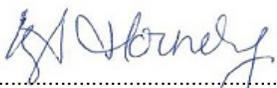
The directors of the Company declare that:

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 2019 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 2019

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF L VÉL HEALTH LTD

Opinion

We have audited the financial report of L vél Health Ltd, (the Company), being a special purpose financial report, which comprises the statement of financial position as at 30 June 2019, 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 Ltd 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 2019 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.

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 Ltd and should not be distributed to or used by parties other than L vél Health Ltd.

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

LNP Audit + Assurance

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.

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 Pty Ltd



Robert Nielson

Director

Sydney

Date 31 October 2019