

Lifespot Health Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity: Lifespot Health Ltd
ABN: 90 611 845 820
Reporting period: For the half-year ended 30 June 2019
Previous period: For the half-year ended 30 June 2018

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	66.0% to	92,322
Loss from ordinary activities after tax attributable to the owners of Lifespot Health Ltd	down	2.2% to	(1,042,759)
Loss for the half-year attributable to the owners of Lifespot Health Ltd	down	2.2% to	(1,042,759)

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 and non-controlling interest amounted to \$1,042,759 (30 June 2018: \$1,066,568).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.68</u>	<u>2.90</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Seng Vital	-	-	-	(46,675)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	(46,675)
Income tax on operating activities			-	-

On 2 October 2018, the company acquired the remaining 50% of Seng-Vital Pty Ltd. As a result the company did not hold any investments in associates or joint ventures at any during the current period.

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):

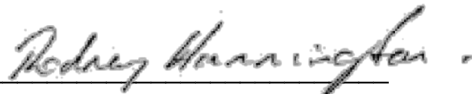
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Lifespot Health Ltd for the half-year ended 30 June 2019 is attached.

12. Signed

Signed 

Date: 30 August 2019

Rodney Hannington
Chairman

Lifespot Health Ltd

ABN 90 611 845 820

Interim Report - 30 June 2019

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**Lifespot Health Ltd
Corporate directory
30 June 2019**

Directors	Francesco Cannavo Rodney Hannington Greg Plunkett
Company secretary	Justyn Stedwell
Registered office	1B 205/207 Johnston Street Fitzroy VIC 3065 Ph : 03 9191 0135
Principal place of business	1B 205/207 Johnston Street Fitzroy VIC 3065
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford Vic 3067 Ph : 03 9415 5000
Auditor	HLB Mann Judd (Vic Partnership) Level 9 575 Bourke Street Melbourne Vic 3000
Stock exchange listing	Lifespot Health Ltd shares are listed on the Australian Securities Exchange (ASX code: LSH)
Corporate Governance Statement	Refer to www.lifespot-health.com

Lifespot Health Ltd
Directors' report
30 June 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Lifespot Health Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2019.

Directors

The following persons were directors of Lifespot Health Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Rodney Hannington - Non-Executive Chairman
Francesco Cannavo - Non-Executive Director
Greg Plunkett - Non-Executive Director
Heinrich Emden - Executive Director (resigned 1 February 2019)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- commercialising the BodyTel system; and
- developing and seeking to commercialise its smart cannabis vaporiser through its investment in Seng Vital.

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,042,759 (30 June 2018: \$1,066,568).

Cost containment

The company continues to tightly manage expenditure with a lean resource base and efficient investment of marketing expenses and efficient low cost travel for face to face business development meetings. Costs related to an ongoing high level of business development meetings and client directed prototype development has been offset by further reduced staffing and administration costs.

Business development

Cost containment will continue in the second half of 2019 as we initiate the IONIC Joint Venture. As such the Business Development Lead appointment for North America is on hold until the revenues from the IONIC Brands Joint Venture commence.

The company has maintained a high level of Business Development focused on the three key pillars that drive revenues in the future.

- Recreational Cannabis - JV with IONIC
- Medical Cannabis - Medical Cannabis companies and cannabis clinics
- Bodytel Software as a service (SAAS) - for healthcare diagnostic companies

Recreational Cannabis Joint Venture with IONIC

The company signed a Heads of Agreement (HOA) with IONIC Brands Corp (IONIC) on 2nd July 2019 with the commitment to sign a Joint Venture Agreement in 60 days. Under the terms of the HOA the parties have committed to launching in 2019 independently of the completion of the JV to ensure the company is first to market with our unique technology.

The company expects to complete the Joint Venture Agreement by the end of August 2018. However, tooling for the first product launch under the joint venture has already commenced to ensure we are first to market with the unique features of this new product.

Medical Cannabis Business Development

The company's Medihale™ Medical Cannabis Vaporiser system is the first fully integrated vaporiser solution to enter the market, powered by Bodytel™ and supported by the Seng Vital Cannabis APP. We continue to have our devices and accompanying software undergoing evaluation with an increasing number of cannabis companies as they evaluate development programs for vaporising targeting diseases such as chronic pain, post chemotherapy induced nausea and vomiting and post traumatic stress disorder.

Lifespot Health Ltd
Directors' report
30 June 2019

In addition, the company is in discussion with Medical Cannabis Clinics in USA, Canada and Australia who already have a strong patient flow across a broad range of therapeutic areas. The Medihale™ integrated Bodytel™ system provides a comprehensive technology platform for clinics to provide a high quality standard of care with integrated doctor supervision via the Bodytel™ system.

Sales cycles for medical cannabis are longer than recreational cannabis. The company continues to build strong relationships directly with medical brands and clinics as they evaluate our systems as an integral part of their product development programs.

Bodytel™ Software as a Service

The company has also commenced business development initiatives to sell Bodytel™ as stand-alone software platform for any company measuring patient data and storing in cloud platform with multiple users.

Now available as Software as a service (SAAS) the Bodytel™ system enables companies to analyse their own medical diagnostic information that is captured by any integrated medical measurement devices and transmitted via Bluetooth to the Bodytel™ APP or wireless systems to provide a statistical analysis. The Company maintains Bodytel™ medical software under ISO 13485 Quality System and operates according to IEC/EN 62304.

The Bodytel™ backend system manages the information of the user's vital physiological functions, generates notification alerts to the user, the user's family members and medical staff, to inform them of any statistical data trigger points being reached so that the relevant individuals can take action accordingly.

Significant changes in the state of affairs

On 11 January 2019, 28,347,299 fully paid ordinary shares and 7,550,000 options over ordinary shares were released from escrow.

On 5 June 2019, the company issued 2,000,000 unlisted options over ordinary shares to directors with expiry date of 5 June 2022.

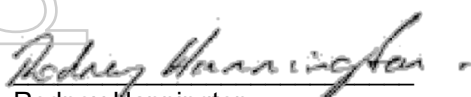
There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors


Rodney Hannington
Chairman

30 August 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the half-year financial report of Lifespot Health Limited for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lifespot Health Limited and the entities it controlled during the half-year ended 30 June 2019.



**HLB Mann Judd
Chartered Accountants**

Melbourne
30 August 2019



**Jude Lau
Partner**

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Lifespot Health Ltd
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General information

The financial statements cover Lifespot Health Ltd as a consolidated entity consisting of Lifespot Health Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Lifespot Health Ltd's functional and presentation currency.

Lifespot Health Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1B 205/207 Johnston Street
Fitzroy VIC 3065

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2019.

Lifespot Health Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2019

	Note	Consolidated Jun 2019 \$	Consolidated Jun 2018 \$
Revenue	3	92,322	271,386
Interest revenue calculated using the effective interest method		17,185	35,764
Expenses			
Cost of sales		(81,270)	(142,745)
Consulting fees		(252,625)	(93,758)
Legal fees		(47,269)	(17,408)
Employee benefits expense		(195,828)	(645,285)
Audit fees		(9,754)	(29,850)
Depreciation and amortisation expense		(69,484)	(40,810)
Insurance		(29,812)	(15,213)
Directors' fees		(83,800)	(65,135)
Travel expenses		(155,722)	(4,943)
Impairment of intangible assets		-	(125,984)
Impairment of receivables		(54,201)	-
Share of losses of associates accounted for using the equity method		-	(46,675)
Other expenses		(172,501)	(190,063)
Loss before income tax benefit		(1,042,759)	(1,110,719)
Income tax benefit		-	26,416
Loss after income tax benefit for the half-year		(1,042,759)	(1,084,303)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(5,235)	(68,760)
Other comprehensive income for the half-year, net of tax		(5,235)	(68,760)
Total comprehensive income for the half-year		<u>(1,047,994)</u>	<u>(1,153,063)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		-	(17,735)
Owners of Lifespot Health Ltd		(1,042,759)	(1,066,568)
		<u>(1,042,759)</u>	<u>(1,084,303)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		-	(17,821)
Owners of Lifespot Health Ltd		(1,047,994)	(1,135,242)
		<u>(1,047,994)</u>	<u>(1,153,063)</u>
		Cents	Cents
Basic earnings per share from continuing operations	7	(1.34)	(1.42)
Diluted earnings per share from continuing operations	7	(1.34)	(1.42)

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

Lifespot Health Ltd
Statement of financial position
As at 30 June 2019

	Consolidated	
	Jun 2019	Dec 2018
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,320,410	2,314,513
Trade and other receivables	184,301	225,683
Other	63,616	20,050
Total current assets	<u>1,568,327</u>	<u>2,560,246</u>
Non-current assets		
Property, plant and equipment	83,915	96,105
Intangibles	369,588	434,635
Total non-current assets	<u>453,503</u>	<u>530,740</u>
Total assets	<u>2,021,830</u>	<u>3,090,986</u>
Liabilities		
Current liabilities		
Trade and other payables	345,806	408,329
Total current liabilities	<u>345,806</u>	<u>408,329</u>
Total liabilities	<u>345,806</u>	<u>408,329</u>
Net assets	<u>1,676,024</u>	<u>2,682,657</u>
Equity		
Issued capital	8,243,190	8,243,190
Reserves	(754,247)	(790,373)
Accumulated losses	(5,812,919)	(4,770,160)
Total equity	<u>1,676,024</u>	<u>2,682,657</u>

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

Lifespot Health Ltd
Statement of changes in equity
For the half-year ended 30 June 2019

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 January 2018	8,018,190	(417,226)	(3,094,440)	-	4,506,524
Loss after income tax benefit for the half-year	-	-	(1,066,568)	(17,735)	(1,084,303)
Other comprehensive income for the half-year, net of tax	-	(68,760)	-	-	(68,760)
Total comprehensive income for the half-year	-	(68,760)	(1,066,568)	(17,735)	(1,153,063)
<i>Transactions with owners in their capacity as owners:</i>					
Non-controlling interest upon gaining control of Seng Vital	-	-	-	(48,873)	(48,873)
Balance at 30 June 2018	<u>8,018,190</u>	<u>(485,986)</u>	<u>(4,161,008)</u>	<u>(66,608)</u>	<u>3,304,588</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 January 2019	8,243,190	(790,373)	(4,770,160)	-	2,682,657
Loss after income tax expense for the half-year	-	-	(1,042,759)	-	(1,042,759)
Other comprehensive income for the half-year, net of tax	-	(5,235)	-	-	(5,235)
Total comprehensive income for the half-year	-	(5,235)	(1,042,759)	-	(1,047,994)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	41,361	-	-	41,361
Balance at 30 June 2019	<u>8,243,190</u>	<u>(754,247)</u>	<u>(5,812,919)</u>	<u>-</u>	<u>1,676,024</u>

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

Lifespot Health Ltd
Statement of cash flows
For the half-year ended 30 June 2019

	Consolidated	
	Jun 2019	Jun 2018
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	97,139	231,161
Payments to suppliers and employees (inclusive of GST)	<u>(1,115,456)</u>	<u>(1,369,365)</u>
	(1,018,317)	(1,138,204)
Interest received	<u>21,696</u>	<u>41,897</u>
Net cash used in operating activities	<u>(996,621)</u>	<u>(1,096,307)</u>
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	<u>-</u>	<u>(22,915)</u>
Net cash used in investing activities	<u>-</u>	<u>(22,915)</u>
Cash flows from financing activities		
Net cash from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(996,621)	(1,119,222)
Cash and cash equivalents at the beginning of the financial half-year	2,314,513	4,516,016
Effects of exchange rate changes on cash and cash equivalents	<u>2,518</u>	<u>(81,036)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,320,410</u></u>	<u><u>3,315,758</u></u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated, throughout the body of the report.

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 using the modified retrospective method from 1 Jan 2019 and has not restated comparatives for 2018. The classification and adjustments (if any) arising from AASB 16 are therefore recognised in the opening balance sheet. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The impact of its adoption was not material. The impact of its adoption was not material as the Group applied the practical expedient method to its suite of leases, both of which are short-term leases.

In applying AASB 16 for the first time, the consolidated entity has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous; and
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

The consolidated entity has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the consolidated entity relied on its assessments made applying AASB 117 and Interpretation 4 Determining whether an Arrangement contains a Lease.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity incurred a loss from ordinary activities of \$1,042,759 for the half year ended 30 June 2019. In addition, the consolidated entity had negative cash from operating activities of \$996,621.

Note 1. Significant accounting policies (continued)

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

- On 2 July 2019, the company announced that it signed an exclusive heads of agreement with IONIC Brands Corp to develop and distribute Lifespot's software and vaporiser technologies. The directors are confident that the company will execute the joint venture agreement so to enable the generation of sales;
- The directors are also exploring other opportunities to commercialise their existing technologies;
- The directors are of the opinion that the company will be able to access equity capital markets for any additional working capital requirements; and
- The consolidated entity has scaled back certain costs over the past six months and retains the ability to further do this should it need to.

Accordingly, the directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the company not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segments: being development of medical technologies. 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.

Note 3. Revenue

	Consolidated	
	Jun 2019	Jun 2018
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales	46,294	249,293
<i>Other revenue</i>		
Other revenue	46,028	22,093
Revenue	<u>92,322</u>	<u>271,386</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	Jun 2019	Jun 2018
	\$	\$
<i>Major product lines</i>		
Product development services	<u>46,294</u>	<u>249,293</u>
<i>Geographical regions</i>		
Germany	<u>46,294</u>	<u>249,293</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>46,294</u>	<u>-</u>

Lifespot Health Ltd
Notes to the financial statements
30 June 2019

Note 3. Revenue (continued)

The comparative information for 2018 was prepared in accordance with AASB 118 Revenue, while AASB 15 was applied using the modified retrospective approach effective from 1 January 2018 as disclosed in the 31 December 2018 annual report.

Note 4. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 5. Contingent liabilities

The consolidated entity has no contingent liabilities.

Note 6. Events after the reporting period

On 2 July 2019, the company announced that it signed an exclusive heads of agreement with IONIC Brands Corp to develop and distribute Lifespot's software and vaporiser technologies.

No other matter or circumstance has arisen since 30 June 2019 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.

Note 7. Earnings per share

	Consolidated	
	Jun 2019	Jun 2018
	\$	\$
Loss after income tax	(1,042,759)	(1,084,303)
Non-controlling interest	-	17,735
	<u>(1,042,759)</u>	<u>(1,066,568)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>77,568,678</u>	<u>74,940,173</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>77,568,678</u>	<u>74,940,173</u>
	Cents	Cents
Basic earnings per share from continuing operations	(1.34)	(1.42)
Diluted earnings per share from continuing operations	(1.34)	(1.42)

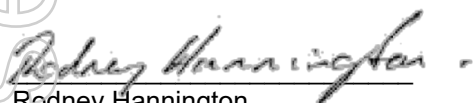
Lifespot Health Ltd
Directors' declaration
30 June 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 1 of the financial statements Going Concern.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Rodney Hannington
Chairman

30 August 2019

Independent auditor's review report to the members of Lifespot Health Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lifespot Health Limited ("the company") and its controlled entities ("the Group"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lifespot Health Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 Going Concern in the financial report, which indicates that the Group incurred a net loss after tax of \$1,042,759 during the period ended 30 June 2019 (2018: loss of \$1,084,303) and reduced its cash balance by \$996,621 (2018: reduction of \$1,119,222). As stated in Note 1 Going Concern in the financial report, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



HLB Mann Judd
Chartered Accountants

Melbourne
30 August 2019



Jude Lau
Partner

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