

APPENDIX 4E
Preliminary Final Report
novitahealthcare.com.au

Names of Entity	NOVITA HEALTHCARE LIMITED
ABN:	53 108 150 750
Reporting Period:	Financial Year ended 30 June 2019
Previous Corresponding Period	Financial Year ended 30 June 2018

Results for Announcement to the Market

	FY 2019	FY 2018	Change from
	\$	\$	FY 2018
Revenue from continuing operations	913,867	490,741	54%
Profit/(Loss) after tax from continuing operations	(2,944,443)	(4,193,198)	70%
Earnings per share (cents)*	(0.67)	(1.35)	50%
Net Tangible assets per share (cents)	(.07)	.25	
*Weighted Average Number of Issued Shares	434,779,683	311,380,839	72%

The Preliminary Financial Report of Novita Healthcare Limited for the year ended 30 June 2019 is attached.

Dividends

There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial year ended 30 June 2019.

Consolidated Financial Statements

The annual consolidated financial statements are in the process of being audited.

The Company's Annual General Meeting is to be held on Thursday, 26 November 2019 details of which will be communicated to shareholders in due course.

Summary

Highlights of the consolidated results for the year ended 30 June 2019 included:

- Focus on the controlled launch of Tali Train and the continued development of Tali Detect
- Revenue of \$913,867 (up 54%).
- Net loss from operating activities \$2,944,443 (down 30%).
- In August 2019 the Company raised \$1.575 million with the issue of 48,579,677 new shares as part of the 5 for 11 pro-rata non-renounceable entitlement offer of fully paid ordinary shares and binding commitments from various professional and sophisticated investors in respect of 109,000,000 shortfall shares raised at a price of \$0.010 per ordinary share (New Share).

Future focus

The focus for FY20 and beyond will be:

- Direct to consumer marketing and sale activities for the TALI Train Program.
- International expansion into North America, UK and Europe.
- Continue to focus on strategies on the innovation, development and commercialisation of healthcare technologies.

Summary Results for the Year Ended 30 June 2019

	FY 2019	FY 2018	Change
	\$	\$	from 2018
Revenue from continuing operations	913,867	490,741	54%
Gross Profit	913,867	490,741	54%
Gross Profit Margin %	100%	100%	
Other Income	-	-	
Operating Expense	(3,385,207)	(4,546,467)	74%
Earnings before interest, tax and depreciation (EBITDA)	(2,471,340)	(4,055,726)	61%
Depreciation and Amortisation	(474,716)	(229,100)	207%
Earnings before finance expense and tax (EBIT)	(2,946,056)	(4,284,826)	69%
Finance Income/(Expense)	1,613	91,628	5,680%
Profit/(loss) Before Tax	(2,944,443)	(4,193,198)	70%
Tax Expense	-	-	
Profit/Loss after tax	(2,944,443)	(4,193,198)	70%

About Novita Healthcare

Novita Healthcare Limited (ASX: NHL) is a leading early childhood technology business targeting ATTENTION in children through its breakthrough Tali platform. Tali combines evidence based proprietary algorithms inside a game-based program to assess and strengthen core attention in early childhood (www.talihealth.com).

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2019

NOVITA HEALTHCARE LIMITED ABN 53 108 150 750

Statement of profit or loss and other comprehensive income For the year ended 30 June 2019	Note	Consolidated 2019	2018
		\$	\$
Revenue from continuing operations	2	761,091	440,741
Other income	2	152,776	50,000
Contract research and development expenses	3(a)	(174,852)	(323,096)
Personnel expenses excluding share-based payment expense		(1,848,454)	(826,388)
Share based payment expense	23	(170,021)	(356,915)
Depreciation and amortisation expenses	3(b)	(474,716)	(229,100)
Occupancy expenses		(83,157)	(45,801)
Professional and consulting expenses		(407,791)	(382,522)
Travel and accommodation expenses		(201,198)	(49,082)
Insurance expenses		(67,902)	(62,946)
Corporate administration expenses		(54,999)	(47,305)
Intellectual property expenses		(74,212)	(56,661)
Advertising and Promotion	3(c)	(357,479)	(239,727)
Other expenses	3(c)	(244,922)	(82,702)
Impairment of goodwill and acquired database	11	-	(923,202)
Results from operating activities		(3,245,836)	(3,134,710)
Foreign exchange gains/losses		(4,614)	(14)
Net finance income / (expense)	33	1,613	91,628
Loss before income tax expense from continuing operations		(3,248,837)	(3,043,096)
Income tax expense	5	-	-
Loss after income tax expense from continuing operations		(3,248,837)	(3,043,096)
Profit / (loss) after income tax from discontinued operations	31	304,394	(1,150,106)
Loss attributable to owners of the Company		(2,944,443)	(4,193,198)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net Change in fair value of Investments	9	(200,000)	-
Total comprehensive (loss)/income for the period attributed to owners of the Company		(3,144,443)	(4,193,198)
Basic earnings per share from continuing operations		(.75)	(.98)
Diluted earnings per share from continuing operations		(.75)	(.98)
Basic earnings per share from discontinued operations		.07	(.37)
Diluted earnings per share from discontinued operations		.07	(.37)
Basic earnings per share (cents per share)	20	(.67)	(1.35)
Diluted earnings per share (cents per share)	20	(.67)	(1.35)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2019

NOVITA HEALTHCARE LIMITED ABN 53 108 150 750

Statement of financial position

as at 30 June 2019	Note	Consolidated	
		2019	2018
		\$	\$
Current assets			
Cash and cash equivalents	7	341,434	1,161,458
Trade and other receivables	8	970,800	814,886
Investments	9	1,350	24,576
Prepayments	10	5,554	14,174
Total current assets		1,319,138	2,015,094
Non-current assets			
Investments	9	800,000	-
Intangible assets	11	2,575,900	1,839,065
Property, plant and equipment	12	479,078	65,654
Total non-current assets		3,854,978	1,904,719
Total assets		5,174,116	3,919,813
Current liabilities			
Trade and other payables	13	587,600	604,597
Net liabilities held for sale		-	56,029
Borrowings	14	429,968	-
Lease Liabilities	15	74,806	-
Deferred income	33	187,659	72,789
Employee benefits	25	156,605	104,585
Total current liabilities		1,436,638	838,000
Non-current liabilities			
Employee benefits	25	9,527	2,353
Lease Liabilities	15	250,196	-
Deferred Income	32	1,210,663	418,534
Total non-current liabilities		1,470,386	420,887
Total liabilities		2,907,022	1,258,887
Net assets		2,267,094	2,660,926
Equity			
Share capital	16	194,976,507	192,495,917
Share based payment reserve	23	638,126	368,105
Revaluation reserve		(200,000)	-
Accumulated losses	17	(193,147,539)	(190,203,096)
Total equity		2,267,094	2,660,926

The statement of financial position is to be read in conjunction with the notes to the financial statements

NOVITA HEALTHCARE LIMITED ABN 53 108 150 750

Statement of changes in equity

For the year ended 30 June 2019

Note

		Issued capital	Accumulated losses	Share based payments reserve	Change in Fair value reserve	Total Equity
		\$	\$	\$	\$	\$
Opening balance as at 1 July 2019		192,495,917	(190,203,096)	368,105	-	2,660,926
Comprehensive (loss)/income for the period						
Loss	17	-	(2,944,443)	-	-	(2,944,443)
Total other comprehensive income			-	-	(200,000)	(200,000)
Total comprehensive income/(loss) for the period		-	(2,944,443)	-	(200,000)	(3,144,443)
Transactions with owners, recorded directly in equity.						
Contributions by owners						
Issue of ordinary shares pursuant to private placement		2,785,692	-	-	-	2,785,692
Transaction costs relating to issue of ordinary shares		(305,102)	-	-	-	(305,102)
Share-based payment transactions to employees		-	-	170,021	-	170,021
Share-based payments (to vendors)		-	-	100,000	-	100,000
Total transactions with owners		2,480,590	-	270,021	-	2,750,611
Closing balance as at 30 June 2019	16,17	194,976,507	(193,147,539)	638,126	(200,000)	2,267,094

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements

NOVITA HEALTHCARE LIMITED ABN 53 108 150 750

Statement of changes in equity

For the year ended 30 June 2018	Note	Consolidated				Total Equity
		Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	
		\$	\$	\$	\$	\$
Opening balance as at 1 July 2017		188,263,259	(186,547,094)	11,190	537,196	2,264,551
Comprehensive (loss)/income for the period						
Loss	17	-	(4,193,198)	-	-	(4,193,198)
Total comprehensive income/(loss) for the period		-	(4,193,198)	-	-	(4,193,198)
Foreign currency translation reserve (*)		-	537,196	-	(537,196)	-
Transactions with owners, recorded directly in equity.						
Contributions by owners.						
Issue of ordinary shares upon a business acquisition #		920,673	-	-	-	920,673
Issue of ordinary shares pursuant to private placement		2,500,000	-	-	-	2,500,000
Issue of ordinary shares pursuant to shortfall		396,265	-	-	-	396,265
Issue of ordinary shares pursuant to rights issue		621,233	-	-	-	621,233
Issue of shares to Grey Innovation in accordance with 18 August 2017 EGM		170,000	-	-	-	170,000
Transaction costs relating to issue of ordinary shares		(375,513)	-	-	-	(375,513)
Equity settled share-based payment transactions (to employees)		-	-	356,915	-	356,915
Total transactions with owners		4,238,658	(537,196)	356,915	(537,196)	4,589,573
Closing balance as at 30 June 2018	16,17	192,495,917	(190,203,096)	368,105	-	2,660,926

Amounts disclosed in the statement of changes in equity are stated net of tax.

(*) Foreign Currency Translation Reserve was transferred to Accumulated Losses as in no longer relevant.

(#) An upfront purchase consideration of \$920,673 (being agreed purchase price less settlement adjustments) in fully paid ordinary shares in Novita at an issue price of \$0.03.

The statement of changes in equity is to be read in conjunction with the notes to the financial statements

NOVITA HEALTHCARE LIMITED ABN 53 108 150 750

Statement of cash flows

For the year ended 30 June 2019	Note	Consolidated	
		2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers from continuing operations		372,134	69,499
Cash payments to suppliers and employees		(4,367,397)	(2,554,870)
R&D incentive		734,216	504,348
Grants Received		672,800	186,920
Interest received		32,324	31,999
Net cash used in operating activities	19	(2,555,923)	(1,762,104)
Cash flows from investing purchases			
Payments for intangible assets		(772,533)	(1,177,494)
Payments for investments		(400,000)	-
Payments for plant and equipment		(153,379)	(44,237)
Proceeds from disposal of listed equity instruments		22,756	99,736
Net cash used in investing activities		(1,303,156)	(1,121,995)
Cash flows from financing activities			
Proceeds from issue of shares pursuant to private placement		2,785,692	2,500,000
Proceeds from issue of shares pursuant to share purchase plan		-	1,017,498
Share issue costs		(205,102)	(372,518)
Proceeds from Borrowings		418,025	-
Net cash used in financing activities		2,998,615	3,144,980
Net (decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		1,201,898	941,017
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year	7	341,434	1,201,898

The statement of cash flows is to be read in conjunction with the notes to the financial statements

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1 General information

The preliminary financial statements cover Novita Healthcare Limited ('Company' or 'parent entity') and its controlled entities (also referred to as "the Group") as the end of, or during, the year. The financial statements are presented in Australian dollars, which is Group's functional and presentation currency.

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3 and the disclosure requirements of ASX Appendix 4E. This preliminary final report does not include all of the notes included within the annual financial report.

2. Revenue from continuing activities

	Consolidated	
	2019	2018
	\$	\$
R&D tax incentive	354,156	231,086
Grant Revenue	319,193	186,920
Sales Revenue	87,742	22,735
Total revenue from operating activities	761,091	440,741
Other revenue	152,776	50,000
Total other revenue	152,776	50,000

3. Profit before related income tax expense

	Consolidated	
	2019	2018
	\$	\$
a) Items included in profit before related income tax expense:		
Contract research and development expenditure	174,852	323,096
Direct research and development expenditure	471,969	562,149
Research and Development	646,821	958,291
b) Profit before related income tax expense has been arrived at after charging the following items:		
Depreciation of plant and equipment	144,421	24,302
Amortisation of intangible assets	330,295	204,798
Amounts recognised in provisions for employee entitlements	138,050	59,028
Superannuation payments to defined contribution plans	137,356	108,793
c) Other expenses		
Advertising and promotion	357,479	239,727
Workplace administration	127,240	57,793
Asset management	8,820	4,286
Other expenses	108,862	20,623
Total other expenses	602,401	322,429

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4. Auditors' remuneration

	2019	2018
	\$	\$
Audit services:		
Auditors of the Company - RSM	55,680	44,000
Total audit services	55,680	44,000
Other services:		
Tax compliance and advisory services -RSM	7,620	8,500
Total other services	7,620	8,500

5. Income Tax

	2019	2018
Current tax expense (benefit) – current year	-	-
Deferred tax expense – continuing operations	-	-
Total Income tax expense (benefit) in income statement attributable to continuing operations	-	-
Numerical reconciliation between tax expense and pre-tax net loss:		
Loss before tax – continuing operations	(2,944,443)	(4,193,198)
Income tax using domestic tax rate of 30% (2018: 30%)	(883,333)	(1,257,959)
Change in unrecognised temporary differences	373,916	232,249
Increase in income tax expense due to:		
Non-deductible expenses	21,935	284,862
Use of tax losses not recognised	362,580	387,849
Research and development allowance	300,293	286,245
Decrease in income tax expense due to:		
Items deductible for tax purposes	(175,391)	66,754
Income tax expense on pre-tax net loss	-	-

The deductible temporary differences and any tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available from which the Company can utilise the benefits. There was no deferred tax recognised directly in equity.

6 Dividend franking account

The Company has no franking credits at reporting date.

7 Cash and cash equivalents

	Consolidated	
	2019	2018
	\$	\$
Cash at bank and on hand	39,895	176,035
Cash classified as held for sale	-	40,441
Bank short term deposits	301,539	985,422
Total cash assets	341,434	1,201,898

Financing arrangements

A security bond of \$100,000 was provided on a Bank Guarantee on the Company's new premises. Interest on cash at bank is credited at prevailing market rates. The weighted average interest rate at reporting date was 1.3% (2018: 1.7%).

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8 Receivables

	2019	2018
Current	\$	\$
Trade and other receivables	225,232	80,670
R&D Incentives and other tax receivables	745,568	734,216
Total Current Receivables	970,800	814,886
Non-Current		
Loans to employees	-	10,000
Less impairment provision	-	(10,000)
Total Non-Current Receivables	-	-

Allowance for expected credit losses

The consolidated entry has recognised a loss of \$0 (2018: nil) in profit and loss in respect of the expected credit losses for the year ended 30 June 2019.

9 Investments

	Consolidated	
	2019	2018
	\$	\$
Current		
Financial assets classified at fair value through the Profit & Loss	1,350	24,576
Total	1,350	24,576

Investments in equity instruments are categorised as Level 1 within the fair value hierarchy and are valued using market observable rates, being quoted ASX stock prices.

	Ordinary Shares at fair value through OCI
Non-Current	
<i>Investments in equity instruments</i>	
Balance at 1 July 2018	-
Additions	1,000,000
Change in fair value recognised in other comprehensive income	(200,000)
Balance at 30 June 2019	800,000

Ordinary shares at fair value through OCI are categorised as Level 3 within the fair value hierarchy and are valued using a discounted cash flow model.

The level 3 assets are liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Ordinary shares at fair Value through other comprehensive income	Growth rate	70-80%	5% change would increase/decrease fair value by \$360,000
	Discount rate	20-23%	1.00% change would increase/decrease fair value by \$12,000

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9 Investments (Continued)

On 18 October 2018 Newly Pty Ltd, a fully owned subsidiary of Novita Healthcare, sold its entire business as a going concern. In consideration for the sale the consolidated entity received 600 fully paid shares (10%) in Healthcarelink Group Pty Ltd, plus the right to earn out shares. As part of the sale agreement 400 fully paid ordinary shares in the Company were purchased at an issue price of \$1,000 per share.

10 Other assets

	2019	2018
	\$	\$
Current		
Prepayments	5,554	14,174
	5,554	14,174

11 Intangible assets

	Acquired Licenses	Acquired Intellectual property	Internally developed assets	Goodwill	Acquired database	Total
Gross Carrying amount						
Carrying amount at 1 July 2018	375,000	721,074	1,171,310	-	-	2,267,384
Addition, internally developed	-	-	1,067,128	-	-	1,067,128
Acquisition through business acquisition	-	-	-	-	-	-
Balance at 30 June 2019	375,000	721,074	2,238,438	-	-	3,334,512
Amortisation and Impairment						
Carrying amount at 30 June 2018	(44,468)	(342,017)	(41,832)	-	-	(428,317)
Amortisation	(18,750)	(144,214)	(167,331)	-	-	(330,295)
Impairment losses	-	-	-	-	-	-
Balance at 30 June 2019	(63,218)	(486,232)	(209,163)	-	-	(758,612)
Carrying amount at 30 June 2019	311,782	234,842	2,029,275	-	-	2,575,900
	Acquired Licenses	Acquired Intellectual property	Internally developed assets	Goodwill	Acquired database	Total
Gross Carrying amount						
Carrying amount at 1 July 2017	375,000	721,074	-	-	-	1,096,074
Addition, internally developed	-	-	1,171,310	-	-	1,171,310
Acquisition through business acquisition	-	-	-	855,522	84,600	940,122
Balance at 30 June 2018	375,000	721,074	1,171,310	855,522	84,600	3,207,506
Amortisation and Impairment						
Carrying amount at 30 June 2017	(25,718)	(197,803)	-	-	-	(223,521)
Amortisation	(18,750)	(144,214)	(41,832)	-	(16,920)	(221,716)
Impairment losses	-	-	-	(855,521)	(67,680)	(923,202)
Balance at 30 June 2018	(44,468)	(342,017)	(41,832)	(855,521)	(84,600)	(1,368,438)
Carrying amount at 30 June 2018	330,533	379,057	1,128,478	-	-	1,839,065

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11 Intangible assets (continued)

(i) Licences and Technology

On the acquisition of TALI Health Pty Ltd announced on February 15th 2016, Novita Healthcare recognised intellectual property (including licenses) at a fair value of \$1,096,074. Intangibles are initially recognised at cost and amortised on a straight-line basis over the period of expected benefit, less any adjustments for impairment losses. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

(ii) Internally Developed Assets

Internally developed assets included the applied R&D activities conducted on the TALI Technology in respect of the development stage of the TALI Train, TALI Detect and TALI Maintain projects.

(iii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates, accounted for using the equity method. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to Cash Generating Units for the purpose of impairment testing.

As at 30 June 2018, following the annual goodwill impairment analysis, the value in the calculation showed that the goodwill and database related to the Newly acquisition should fully impaired. The impairment of \$923,202 was booked.

12 Property, plant and equipment

	Consolidated	
	2019	2018
	\$	\$
Leasehold Improvements – at cost	164,383	38,886
Less: Accumulated depreciation	(55,834)	(19,277)
	108,549	19,609
Property, plant and equipment – at cost	170,495	138,247
Less: Accumulated depreciation	(111,158)	(92,205)
	59,337	46,042
Right of use asset	400,104	-
Less: Accumulated depreciation	(88,912)	-
	311,192	-

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

2019	Leasehold improvements	Plant and Equipment	Right of use asset	Total
	\$	\$	\$	
Balance as at 1 July 2018	19,609	46,045	-	65,654
Additions	125,497	32,244	400,104	553,483
Depreciation expense	(36,558)	(18,951)	(88,912)	(144,421)
Balance as at 30 June 2019	108,549	59,337	311,192	479,078

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12 Property, plant and equipment (Continued)

2018	Leasehold improvements \$	Plant and Equipment \$	Right of use asset \$	Total
Balance as at 1 July 2017	35,032	16,804	-	51,847
Additions	-	39,390	-	39,390
Depreciation expense	(15,423)	(10,160)	-	(25,583)
Balance as at 30 June 2019	19,609	46,045	-	65,654

13 Trade and other payables

Consolidated

	2019 \$	2018 \$
Trade creditors and accruals	587,600	604,597

The Group's exposure to currency and liquidity risk related to trade creditors and accruals is disclosed in Note 21.

14 Borrowings

	2019 \$	2018 \$
Loan - R&D Advance	429,968	-

The liabilities as at 30 June 2019 represent a loan facility and is an advance on 80% of the group's R&D Tax Incentive for the three quarters ending 31 March 2019. The interest payable for the loan facility is 15% per annum. 1.16% per month, compound interest payable by 31 October 2019 and is secured by the R&D tax Incentive for the 2018/2019 year. Total transaction costs were \$769 at the date of issue and the interest charged to 30 June 2019 was \$11,943. The amount borrowed was \$417,256.

15 Lease liabilities

Maturity analysis – contractual undiscounted cash flows	2019 \$	2018 \$
Less than one year	137,178	-
One to five years	191,217	-
More than five years	-	-
Total undiscounted lease liability at 30 June	328,395	-
Lease liabilities included in the statement of financial position at 30 June 2019	305,990	-
Current	74,806	-
Non-current	250,196	-
Amounts recognised in profit or loss	2019 \$	2018 \$
Interest on lease liabilities	(13,860)	-
Amounts recognised in the statement of cash flows	2019 \$	2018 \$
Total cash outflow for leases	(88,963)	-

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16 Issued capital**Terms and conditions of ordinary shares**

Holders of ordinary shares are entitled to one vote per share at shareholders' meetings and to receive any dividends as may be declared. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. Ordinary shares have no par value.

Shares

	2019		2018	
	\$	Number	\$	Number
449,305,165 (2018: 359,444,132) ordinary shares, fully paid	194,976,507	449,305,165	192,495,517	328,755,037
Movements in issued capital during the year were as follows:				
Balance at the beginning of the financial year	192,495,917	359,444,132	188,263,259	204,838,430
Issue of shares pursuant to private placement	2,785,692	89,861,033	2,500,000	83,333,334
Issue of shares Issued pursuant to Shortfall	-	-	396,265	13,208,848
Issue of shares pursuant to rights issue	-	-	621,233	20,707,758
Issue of shares and Expenses of Options	-	-	-	1,000,000
Issue of shares to Grey Innovation in accordance with 18 August 2017 EGM	-	-	170,000	5,666,667
Shares issued in escrow *	-	-	920,673	30,689,095
Transaction costs relating to Rights Issue and placements	(305,102)	-	(375,510)	-
Issued capital at the end of the financial year	194,976,507	449,305,165	192,495,917	359,444,132

*As at 30 June 2018 the 30,689,095 shares issued as consideration for the acquisition of Newly Pty Ltd are were held in escrow until August 2018.

17 Accumulated losses

	Consolidated	
	2019	2018
	\$	\$
Accumulated losses at the beginning of the financial year	(190,203,096)	(186,547,094)
Foreign Currency Translation Reserve Transfer	-	537,196
Net loss attributable to owners of the Company	(2,944,443)	(4,193,198)
Accumulated losses at the end of the financial year	(193,147,539)	(190,203,096)

18 Commitments**(a) Non-cancellable operating lease expense commitments**

Future operating lease commitments not provided for in the financial statements and payable:

- Within one year	21,325	36,217
- One year or later and no later than five years	-	24,562
- Greater than five years	-	-
	21,325	60,779
(b) Cancellable research and development commitments		
- Within one year	452,973	1,309,209
- One year or later and no later than five years	-	110,603
	452,973	1,419,812

Amounts reflected in the above table represent contracted commitments to undertake various research and development activities studies as part of the development of the Company's project portfolio. Each commitment is cancellable without penalty subject to notice periods of up to fourteen days.

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19 Notes to the statement of cash flows

	2019	2018
	\$	\$
Cash as at the end of the financial year in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank and on hand	39,895	176,035
Cash at bank held by disposal groups as held for sale	-	40,441
Bank short term deposits	301,539	985,422
Cash assets (Note 7)	341,434	1,201,898
Loss after income tax	(2,944,443)	(4,193,198)
Add non-cash & non-operating items:		
- Depreciation, amortisation and loss on disposal of plant and equipment	479,562	247,303
- Shared based payment expense	170,021	356,915
- Foreign exchange (gains)/losses	-	6,145
- Investment (gain)/loss on revaluation	2,137	45,279
- Accrued interest	11,492	35,204
- Impairment of goodwill and intangibles	-	923,202
- Gain on disposal of investment	(575,253)	-
Change in operating assets and other receivables		
- (Increase) / decrease in Receivables	(155,915)	(246,036)
- (Increase) / decrease in Other assets	(15,864)	(13,409)
- Increase / (decrease) in Employee benefits	54,544	44,603
- Increase / (decrease) in Deferred income	906,999	491,323
- Increase / (decrease) in Payables	(423,080)	540,565
- Increase / (decrease) in Other liabilities	(66,122)	-
Net cash used in operating activities	(2,555,923)	(1,762,104)

Non-cash financing and investing activities

There have been no non-cash financing and investing transactions during the 2019 financial year (2018: nil) which have had a material effect on assets and liabilities of the Group.

20 Earnings per share

	Consolidated	
	2019	2018
	\$	\$
Basic Earnings per share (cents per share)	(0.67)	(1.35)
Diluted Earnings per share (cents per share)	(0.67)	(1.35)
a) Earnings reconciliation		
Net loss:		
Basic earnings	(2,944,443)	(4,193,198)
Diluted earnings	(2,944,443)	(4,193,198)
b) Weighted average number of shares		
Number for basic earnings per share:	Number	Number
Ordinary shares	434,779,683	311,380,839
Number for diluted earnings per share:	Number	Number
Ordinary shares	434,779,683	311,380,839
Effect of share options on issue	-	-
Weighted average number of ordinary shares (diluted)	434,779,683	311,380,839

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21 Financial instruments disclosure and financial risk management

The Group has exposure to market, credit and liquidity risks from the use of financial instruments. This note presents information about the Group’s exposure to each of these risks, its objectives, policies and processes for measuring and managing risk. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group has adopted a Strategic Risk Management Framework through which it manages risks and aims to develop a disciplined and constructive control environment and action plans for risks that cannot be effectively managed through the use of controls. The Audit Committee oversees how management monitors compliance with the Company’s Strategic Risk Management Framework in relation to the changing risks faced by the Group.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group’s income or value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the financial return. No more than \$2.7m of the Group’s cash resources is permitted to be invested in securities or investments other than bank and term deposits without approval by the shareholders at an AGM. In respect of listed company investments, the holding is reviewed by the Audit Committee if the market price falls by more than 10% below the initial acquisition cost.

(i) Foreign Currency risk

The Company has contracts denominated in foreign currencies, predominantly in US dollars and Euros, and may enter into forward exchange contracts where appropriate in light of anticipated future purchases and sales, conditions in foreign markets, commitments from customers and past experience and in accordance with Board-approved limits. Note 3(e) sets out the accounting treatments for such contracts. There were no hedged amounts payable or receivable in foreign currencies at reporting date (2018: nil).

At reporting date, the Company had the following exposures to foreign currency, converted to AUD:

	2019				2018			
	GBP	USD	SGD	EURO	GBP	USD	SGD	EURO
Bank accounts	-	144	-	-	-	144	-	-
Receivables	-	-	-	-	-	-	-	-
Payables	(542)	(1,117)	-	(9,258)	-	-	(1,058)	-
Gross balance sheet exposure	(542)	(973)	-	(9,258)	-	144	(1,058)	-

Foreign currency sensitivity analysis

A 10 % strengthening or weakening of the Australian dollar applied against the Gross balance sheet exposure in the above table in respect of the above currencies at 30 June 2019 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. A sensitivity of 10% has been selected as this is considered reasonable taking in to account the current level of exchange rates and the volatility observed both on a historical basis and on market expectations for future movements. The analysis is performed on the same basis for 2018. There is no impact on equity.

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21 Financial instruments disclosure and financial risk management

Foreign currency sensitivity analysis (continued)

2019

Exposure	Equity		Profit and loss	
	Strengthening	Weakening	Strengthening	Weakening
Gross balance sheet exposure	682	(833)	974	(1,190)

2018

Exposure	Equity		Profit and loss	
	Strengthening	Weakening	Strengthening	Weakening
Gross balance sheet exposure	56	(57)	79	(82)

The following significant exchange rates applied during the financial year:

Currency	Average rate		Reporting date spot rate	
	2019	2018	2019	2018
GBP	0.55	0.57	0.55	0.56
USD	0.72	0.77	0.70	0.74
EURO	0.63	0.65	0.62	0.63

(ii) Interest rate risk

The effective weighted average interest rate used to discount the Long Service Leave provision is 2.6% (2018: 2.6%). Interest earned on cash at bank is determined in accordance with published bank interest rates. The Company's exposure to interest rate risk is confined to cash assets, the effective weighted average interest rate for which is set out below.

	Note Number	Effective interest rate %	Floating interest rate \$	3 months or less \$	Non-interest bearing \$	Total \$
Financial assets:						
Cash assets – at 30 June 2019	7	1.1	301,539	-	39,895	341,434
Cash assets – at 30 June 2018	7	1.8	335,422	750,000	176,035	1,161,458

An increase or decrease of 0.50% in interest rates applied for 12 months to the cash balances at reporting date would have increased or decreased profit or loss by \$1,707 (2018: \$5,807), assuming that all other variables, including foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

Financial liabilities:						
Borrowings – at 30 June 2019	14	15	429,968	-	-	429,968
Borrowings – at 30 June 2018	14		-	-	-	-

	2019 Profit and loss		2018 Profit and loss	
	Strengthening	Weakening	Strengthening	Weakening
Cash at bank – variable interest rate:				
\$AUD	1,707	(1,707)	5,807	(5,807)

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21 Financial instruments disclosure and financial risk management (continued).**(b) Credit risk**

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. For financial assets, the credit risk exposure of the Group is the carrying amount of the asset net of any provision for doubtful debts. For the Group, from interest and capital on deposits with financial institutions.

(i) Investments (including cash)

The Group's Cash Management and Treasury Policy limits the maximum proportion of Novita Healthcare's aggregate gross cash resources that can be placed with or invested in any one counterparty, having regard to the credit risk assigned to that counterparty unless the Board determines otherwise. No more than \$2.7 million of the Group's cash resources permitted to be invested in securities or investments other than bank and term deposits without approval by the shareholders at an AGM. In respect of listed company investments, the holding is reviewed by the Audit Committee if the market price falls by more than 10% below the initial acquisition cost.

(i) Receivables

The Group undertakes due diligence prior to entering into any collaboration, co-development or licensing agreement with a counterparty that exposes the Group to credit risk. The Group's exposure to credit risk from receivables is shown below. No amounts are past due and impaired at balance date.

	Note Number	3 months or less \$	Greater than 3 months \$	Greater than 1 year \$	Total \$
Financial assets:					
Receivables – at 30 June 2019	8	962,000	8,800	-	970,800
Receivables – at 30 June 2018	8	813,906	1,980	-	814,886

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity is to ensure that it will maintain sufficient liquidity to meet its liabilities when due having regard to forecast cash inflows and outflows, which in turn may be impacted by planned corporate transactions.

The Company has no lines of credit other than a Bank Guarantee of \$100,000. The Company manages its liquidity risk using existing cash reserves managed in accordance with a Cash Management and Treasury Policy. Under this policy, sufficient liquidity to meet day to day operating requirements is maintained in interest-bearing operating, "at-call" and term bank accounts. Cash balances are prepared daily and cash requirements monitored on weekly, month end reporting and annual budget/forecast cycles.

At reporting date, the Group had the following financial liability exposures.

	Note Number	3 months or less \$	Greater than 3 months \$	Total \$
Financial liabilities:				
Creditors and other accruals – at 30 June 2019	13	591,480	21,120	612,600
Creditors and other accruals – at 30 June 2018	13	370,492	34,105	604,597

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21 Financial instruments disclosure and financial risk management (continued)

	2019 Profit and loss		2018 Profit and loss	
	Strengthening	Weakening	Strengthening	Weakening
Financial liabilities	3,063	(3,063)	3,023	(3,023)

(d) Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities are determined by the Group on the following bases:

- (i) for monetary financial assets and financial liabilities not readily traded in an organised financial market, values are determined by valuing them at the value of contractual cash flow amounts due from customers and payable to suppliers discounted as appropriate for settlements beyond 12 months;
- (ii) the carrying amounts of bank balances and deposits, trade debtors and accounts payable expected to be payable within 12

At reporting date there were no material differences between carrying values and fair values.

(e) Capital management

The Board's policy is to maintain a sufficient capital base so as to sustain investor, creditor and market confidence and to facilitate the future development of the business.

22 Related parties

Directors and Key Management Personnel compensation

The Directors and Key Management Personnel compensation included in "employee expenses" are as follows:

Nature of compensation	2019	2018
	\$	\$
Short-term employee benefits	636,117	512,841
Performance benefits	113,468	-
Other short-term benefits	-	-
Post-employment benefits	45,694	37,829
Termination benefits	-	-
Share-based payments	170,021	356,915
Consulting fees	-	-
Total compensation	965,300	907,585

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22 Related parties (continued)

Key Management Personnel transactions

Directors of the Company control 7.34% of the voting shares of the Company. A company associated with a director has 7.7% share in the Company at balance date.

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

The aggregate value of transaction related to key management personnel and entities over which they have control or influence were as follows:

	Consolidated	
	2019	2018
	\$	\$
Product development and software engineering services	-	649,881

An independent review was conducted during the period and it was concluded that the contract terms were fair and reasonable in scope and were based on market rates for these types of services.

Other Key Management Personnel transactions with the Group

No Key Management Personnel member has entered into a material contract with the Group during either the 2019 or 2018 financial years and there were no material contracts with, amounts receivable from or payable to, interests involving directors or executives at period end. The value of transactions during the year with entities related to Directors included in the financial statements was \$nil (2018: \$649,881).

Outstanding balances with other related parties.

There are no are outstanding at the reporting date, after providing for impairment, in relation to transactions with related parties other than KMPs:

No provision for doubtful debts has been raised against amounts receivable from other related parties.

Loans and other transactions with Key Management Personnel

There were no loans made to Directors or Executives or other loan movements during the 2019 year.

Other related party transactions

Other than the transactions disclosed above, there were no transactions with other related parties during either the 2019 or 2018 financial years.

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23 Share Based payments

On 1 July 2017 3,000,000 performance rights were issued to key management personnel at an issue price of \$0.22 per share. Of the 3,000,000 issued in FY18, 1,000,000 were exercised in FY18. 2,000,000 performance rights were forfeited upon the resignation of the employee.

On 3 October 2017, 14,377,766 options were issued to the CEO at an issue price of \$0.03 per share and a total transactional value of \$167,525 which vest over 2 – 3 years.

On 30 October 2017 shareholder approval was given to the issue of 6,800,000 options to the Chairman at the time, Mr B Higgins, these were forfeited in FY2018, and 3,400,000 each to Mr J Harcourt and Mr M Simari. These options were issued with an exercise price of \$0.04, and a total transaction value of \$257,636 as identified the remuneration report in the Directors Report.

On 8 October 2018 6,800,000 options were issued to Chair Ms S MacLeman. The terms and conditions were the same as Those of the 2017 invitation to issue options set out in the notice of the annual general meeting.

On 8 October 2018 6,800,000 options were issued to Avenue Advisory Pty Ltd. In July 2018 Avenue Advisory Pty Ltd was engaged to provide corporate advisory services for investor relations and enhancement of the company's access to the capital markets. A retainer was paid to issue them with 6,800,000 options on the same terms as those issued to the directors at the October 2017 AGM.

A performance right and share option plan has been established by the consolidated entity and approved by shareholders at the 2017 Annual General Meeting, whereby the consolidated entity may, at the discretion of the Board, performance rights and grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The performance rights and or options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of Performance Rights and options granted under the plan:

2019

Grant Date	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired/forfeited other	At the end of the year
01/07/2017	\$0.022	2,000,000	-	-	(2,000,000)	-
03/10/2017	\$0.030	14,377,766	-	-	-	14,377,766
21/11/2017	\$0.030	6,800,000	-	-	-	6,800,000
08/10/2018	\$0.030	-	6,800,000	-	-	6,800,000
08/10/2018	\$0.030	-	6,800,000	-	-	6,800,000
		23,177,766	13,600,000	-	(2,000,000)	34,777,766
Weighted average exercise price		\$0.029	\$0.030	-	\$0.022	\$0.030

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23 Share Based payments (continued)**2018**

Grant Date	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired/forfeited other	At the end of the year
01/07/2017	\$0.022	3,000,000	-	1,000,000	-	2,000,000
03/10/2017	\$0.030	-	14,377,766	-	-	14,377,766
21/11/2017	\$0.030	-	13,600,000	-	(6,800,000)	6,800,000
		<u>3,000,000</u>	<u>27,977,766</u>	<u>1,000,000</u>	<u>(6,800,000)</u>	<u>23,177,766</u>
Weighted average exercise price		\$0.022	\$0.030	\$0.022	\$0.030	\$0.029

The weighted average remaining contractual life of performance rights and options outstanding at the end of the financial year was 3.25 years (2018: 2.5 years)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follow:

Grant Date	Expiry Date	Share price at grant date	Exercise price	Expected volatility
08/10/2018	21/11/2022	\$0.032	\$0.030	55%

Novita Healthcare Long Term Incentive Plan

The purpose of the Novita Healthcare Long Term Incentive Plan (LTI) is to provide long term rewards that are linked to shareholder returns. Under the LTIP, selected executives may be offered a number of performance rights (Right) and share options. Each Right provides the entitlement to acquire one Novita share at nil cost to the satisfaction of performance hurdles.

The fair value of performance rights granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured by an independent third party at grant date and recognised over the three-year vesting period during which the employees become unconditionally entitled to the performance rights.

24 Contingent liabilities

The Group is not aware of any contingent liabilities or contingent assets capable of having a material impact on the Group.

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25 Employee benefits

Aggregate liability for employee benefits, including on-costs:

	Consolidated	
	2019	2018
	\$	\$
Current – Employee benefits provision:		
Annual leave and long service leave entitlements	156,605	104,385
Non-current – Employee benefits provision:	9,527	2,353
Total employee benefits	166,132	106,938

At-risk incentive performance payments

Compensation for all employees other than non-executive directors includes an at-risk performance component. Provision has been made at reporting date for the amount payable in respect of performance for the financial year as measured against agreed criteria set on an employee by employee basis.

A reconciliation of movement for the year for all employee provisions is provided in the following table.

	Annual Leave	Long service leave	Performance incentive	Total
	\$	\$	\$	\$
Balance at the beginning of the year	79,875	27,063	-	106,938
Provision utilised	(78,859)	-	-	(78,859)
Charges raised	110,578	27,475	-	138,053
Balance at the end of the year	111,594	54,538	-	166,132

Employee entitlements not expected to be settled within twelve months of reporting date:

	2019	2018
Employee Entitlements	54,540	27,060

26 Events subsequent to balance date

On 7 August 2019, the Group announced a 5 for 11 pro-rata non-renounceable entitlement offer of fully paid ordinary shares to raise approximately \$2 million to fund the Groups' TALI Detect and TALI Train business model including associated capital expenditure, operating costs and working capital.

On 27 August 2019 the Company announced the take-up of Rights Issue entitlements lodged by eligible shareholders pursuant to the Entitlement Offer. On 28 August 2019 the Company received \$0.5 million and issued 48.6 million shares at \$0.01 per share.

On 30 August 2019 the Company announced it had received binding commitments from various professional and sophisticated investors in respect of 109 million shortfall shares to receive \$1.3 million at \$0.01 per share. The new shares under the Shortfall Placement are expected to be issued on or around 2 September 2019.

In the interval between the end of the financial year and the date of this report no other item, transaction or event of a material and unusual nature has arisen that is likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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27 Dividends

No dividends were paid or proposed in the current or prior financial years.

28 Segment reporting

Information about reportable segments

The Group comprises the following three distinct business segments:

- 1) Research and Development – the operation of conducting health and medical research and development for commercialisation.
- 2) Healthcare/Workforce Management – developing and providing recruitment solutions in aged and community care (Business discontinued).
- 3) Investments – investing of excess funds in approved instruments including Australian equities.

2019	Research & Development	Healthcare/Workforce Management	Investments	Total
	2019	2019	2019	2019
	\$	\$	\$	\$
External revenues	913,867	71,540	-	985,407
Interest revenue	27,928	-	-	27,928
Finance expense	-	-	-	-
Depreciation and amortisation and loss on disposal	474,716	4,846	-	479,562
Reportable segment profit / (loss) before tax	(3,246,412)	304,394	(2,425)	(2,944,443)
Reportable segment total assets	4,353,756	-	801,350	5,155,106
Reportable segment total liabilities	2,888,012	-	-	2,888,012

The aggregate of the assets, liabilities and profits for each segment in the Group Total

2018	Research & Development	Healthcare/Workforce Management	Investments	Total
	2018	2018	2018	2018
	\$	\$	\$	\$
External revenues	490,781	66,550	-	557,331
Interest revenue	34,530	3	-	34,533
Finance expense	-	-	-	-
Depreciation and amortisation and loss on disposal	229,101	18,202	-	247,303
Reportable segment profit / (loss) before tax	(4,177,772)	(72,951)	57,525	(4,193,198)
Reportable segment total assets	3,895,237	-	24,576	3,919,813
Reportable segment total liabilities	1,202,858	56,029	-	1,258,887

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28 Segment reporting (continued)

Reconciliations of information on reportable segments to IFRS measure

	2019	2018
	\$	\$
Revenues		
Total revenue for reportable segments	985,407	557,331
Revenue for other segments	-	-
Consolidated revenue	985,407	557,331
Profit before Tax		
Total profit before tax for reportable segments	(2,944,443)	(4,193,198)
Profit before tax for other segments	-	-
Consolidated profit before tax from continuing operations	(2,944,443)	(4,193,198)
Assets		
Total assets for reportable segments	5,155,107	3,919,813
Assets for other segments	-	-
Equity accounted investees	-	-
Other unallocated amounts	-	-
Consolidated total assets	5,155,107	3,919,813
Liabilities		
Total liabilities for reportable segments	2,888,012	1,258,887
Liabilities for other segments	-	-
Other unallocated amounts	-	-
Consolidated total liabilities	2,888,012	1,258,887

29 Group entities

Significant subsidiaries for the year ended:

	Country of Incorporation	Ownership interest %	
		2019	2018
AVI Capital Pty Ltd	Australia	100	100
TALI Health Pty Ltd	Australia	100	100
158 797 936 Pty Ltd	Australia	100	100

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30 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2019 the parent entity of the Group was Novita Healthcare Limited.

	2019 \$	2018 \$
Results of parent entity		
Profit/(Loss) for the period	(4,093,183)	(3,445,914)
Other comprehensive income	-	-
Total comprehensive income for the period	(4,093,183)	(3,445,914)
Financial position of parent entity at year end		
Current assets	2,093,603	3,427,992
Total assets	4,143,974	4,180,099
Current liabilities	1,461,637	517,832
Total liabilities	2,177,488	938,719
Total equity of the parent entity:		
Share capital	194,976,507	192,411,954
Retained earnings	(193,093,907)	(189,170,574)
Total equity	1,966,486	3,241,380

31 Discontinued Operations

On 21 July 2017, the group acquired 100% of the equity instruments of Newly Pty Ltd, an Australian company involved in development of healthcare technology. No cash consideration was paid.

The final consideration paid for Newly comprised:

- An upfront purchase consideration of \$920,673 (being agreed purchase prices less settlement adjustments) in fully paid ordinary shares in Novita at an issue price of \$0.03.

The related impairment loss of \$923,202 in 2018 was included within impairment of non-financial assets

On 18 October 2018 Newly Pty Ltd, (subsequently renamed ACN 158 797 936 Pty Ltd) a fully owned subsidiary of Novita Healthcare, sold its entire business as a going concern. In consideration for the sale the consolidated entity received 600 fully paid shares at \$1,000 per share amounting to \$600,000 in Healthcarelink Group Pty Ltd, plus the right to earn out shares.

Financial Performance Information

	30 June 2019 \$	30 June 2018 \$
Sales Revenue	71,540	66,550
Total Revenue	71,540	66,550
Personnel Expenses	(235,546)	(643,761)
Other Expenses	(106,853)	(572,895)
Total Expenses	(342,399)	(1,216,656)
Loss before income tax expense	(270,859)	(1,150,106)
Income tax expense	-	-
Loss after income tax expense	(270,859)	(1,150,106)
Gain on disposal after income tax expense	575,253	-
Profit/(loss) on disposal after Income tax from discontinued operations	304,394	(1,150,106)

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31

Newly Cash Flow 12 months ending 30 June 2019

	\$
Net Cash used in operating activities	(330,132)
Net cash flows used in discontinued operations	(330,132)

Newly net assets disposed of as at sale date

	\$
Database	-
Total net assets	-

Details of disposal as at sale date

	\$
Total sale consideration	600,000
Total value of net assets disposed	-
Less disposal costs	(24,747)
Gain on disposal before income tax	575,253
Income tax	-
Gain on disposal after income tax	575,253

32

Deferred Income

	2019	2018
	\$	\$
R&D Incentive		
Current	187,659	72,789
Non-Current	1,210,663	418,534
Total Deferred Income	1,398,322	491,323

Due to the deferral of the TALI Train, Detect and Maintain Development Cost Intangible Assets amortisation as indicated in Note 13, the related deferred R&D grant income and CRC-P grant revenue has been brought into account over the amortisation period. This has resulted in \$354,156 of R&D grant income and \$319,193 in CRC-P grant income being recognised in the Profit or Loss for the year ended 30 June 2019. \$882,735 (2018: \$491,323) of R&D grant income relating to future periods and \$515,578 (2018: nil) in Grant revenue has been classified as Deferred Income.

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Finance income and finance costs

	Consolidated	
	2019	2018
	\$	\$
Recognised in profit or loss		
Interest income on cash and cash equivalents	27,886	34,516
Net gain on disposal of available -for-sale financial assets transferred from equity	2,137	45,279
Finance income	30,023	79,795
Net change in fair value of financial assets at fair value through profit or loss:		
Available for sale	(2,607)	11,833
Unwinding on lease liability	(13,860)	-
Interest charge on loan	(11,943)	-
Finance income (costs)	(28,410)	11,833
Net finance income/(costs) recognised in profit or loss	1,613	91,628