Jayex Healthcare Limited

ABN 15 119 122 477

Annual Report - 31 December 2020

Jayex Healthcare Limited
Corporate directory
31 December 2020

Directors	Michael Boyd (appointed Executive Chair effective 25 July 2020) Brian Renwick Michael Chan Nicholas Harper (appointed as Non-Executive Director on 2 September 2020)
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205
Principal place of business	17B Cribb Street Milton QLD 4064
Share register	Automic Level 5, 126 Phillip Street Sydney NSW 2000 Phone: 1300 288 664 (in Australia); +61 2 9698 5414 (international)
Auditor	William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne VIC 3000
Solicitors	SWS Lawyers 41-45 Newcomen Street Newcastle NSW 2300
Stock exchange listing	Jayex Healthcare Limited shares are listed on the Australian Securities Exchange (ASX code: JHL)
Website	http://jayexhealthcare.com.au

Jayex Healthcare Limited
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the Group') consisting of Jayex Healthcare Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2020.

Directors
The following persons were directors of Jayex Healthcare Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Michael Boyd (Chairman) (appointed Executive Chair effective 25 July 2020)
Brian Renwick (Non-Executive Director)
Michael Chan (Non-Executive Director)
Nicholas Harper (appointed as Non-Executive Director on 2 September 2020)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of the development and provision of healthcare industry service technologies and the development of integrated dispensing automation systems for the pharmaceutical and healthcare sectors.

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $799,000 (31 December 2019: $960,000).

COVID-19
During 2020, the global economy was profoundly affected by COVID-19. The impacts of COVID-19 were felt particularly strongly in the United Kingdom which is Jayex's largest market. The necessary frontline COVID-19 related response in the UK has impacted demand for Jayex's products in the latter half of the year and as a result, trading has remained flat.

Jayex benefitted from government assistance in the UK to support the company during the initial phase of the COVID-19 outbreak. They attained a loan of £600,000 (A$1.06m) to support any possible future loss of revenue, as well as assist the company progress with its development and technological roadmap.

2020 update
The company's revenue fell from $7,185k in 2019 to $6,063k in 2020, representing a 15% decrease. This was profoundly down to the impact of the global pandemic. Progress was achieved in the following areas.

Key improvements include:
- Continued and successful rollout of SaaS Connect platform
- Successfully installed QMS in Australia with Jayex/Cerner partnership
- New module web-mobile check-in launched in the UK
- Exploration in RPM segment for opportunities
- Increasing efficiencies through upskilling employees and management re-organisation
- Entered new market segment – NHS Community
- Partnership with Medtech, strengthening growth opportunities in Australia and New Zealand
- Whakaora Hou Limited recruited strong leadership team, expects to be issued cultivation licence in March 2021

Existing product rollout
The first quarter of 2020 was characterized by the continued and successful rollout of the Connect Platform, with its installed base growing into the second quarter of the year. Sales were up and staff costs were down as a direct result of the implementation and market endorsement of the platform. Additionally, continued successful implementation of Enlighten was achieved in the Acute market prior to the COVID pandemic.

Jayex successfully installed its Queue Management System (QMS) for the North Sydney Local Health District. The project was completed in partnership with Cerner, the first project completed by the two entities. Additionally, Jayex UK delivered a QMS in a state-of-the art new build project located in the Alfred Barrow Health centre in Barrow-in-Furness, Cumbria, England.

Product rollout was stalled in the second half of the year in the UK, as frontline workers responded to COVID-19, impacting demand for Jayex's product. During this time, Jayex took advantage of the slowdown to examine and re-organise its operations. Staff were re-trained and up-skilled, focusing on speed to market for products.

New module
As part of the company's strategy to innovate new products, Jayex developed and launched a new module in the UK, web-mobile check-in which sits on the Connect platform. It enables easy and efficient check-in from a mobile device supporting social distancing behaviour, helping to reduce queues and avoiding congested waiting room areas which has been particularly useful in the COVID-19 environment.

RPM
Jayex continues to explore the remote patient monitoring segment for opportunities. Jayex has valued this "home care" and "RPM" market at $12 billion across the UK, Australia and New Zealand.

In line with its growth strategy and move to SaaS, Jayex has partnered with two leading digital health companies – Lifespot and MyFiziq to licence new products which will be integrated into the Jayex Connect platform and enhance the remote patient monitoring capabilities within the suite.

New market segment - NHS Community
During the second half of 2020, Jayex won its first contract in the NHS community market segment. This segment provides services such as dentistry and mental health. NHS Community spend around £10 billion annually from the NHS budget, making this a significant growth opportunity for Jayex.

Expanding in Australia and New Zealand
Jayex entered a partnership agreement with Medtech Global as it strengthens its position in Australia and New Zealand. Medtech provides practice management software in Australia and New Zealand and other markets. The two companies will work together to integrate the Jayex queue management and self-check in kiosks to provide seamless end-to-end solutions for healthcare practices. The partnership is expected to accelerate Jayex's growth in New Zealand, where Medtech is the leading provider of practice management software.

Jayex has also been awarded the tender for queue management solutions at the Dubbo Base Hospital redevelopment, which will kick off end of Q1 2021.

Whakaora Hou Limited (WHL) plans advance
WHL is making final preparations for the upcoming New Zealand Ministry of Health's Office of Drug Control inspection which is expected to be completed in February. The company expects its Commercial Cultivation Licence to be issued in March 2021.

WHL now has a strong leadership team in place with the appointments of Mr David Watson to its advisory board, Mr Robert C. Clarke as Director of Research and Mr Mojave Richmond as Director of Breeding and Cultivation during the year. The company is well positioned to capitalise on the expanding medicinal cannabis sector through a superior plant breeding program and whole plant therapeutics adhering to international Quality Standards.

Corporate
In July Nick Fernando resigned as Chief Executive Officer and Managing Director of Jayex and Michael Boyd took over as Executive Chair, working closely with senior management. The company appointed Nick Harper to the board in September as Non-Executive Director. Nick's experience in software development has enhanced the leadership capability of the company.

Jayex raised $700,000 in a placement with institutional and sophisticated investors which was finalised in September. This provided funding to enable Jayex to continue to pursue its two-pronged growth strategy of product expansion and growth through acquisition.

Also in September, Jayex shareholders approved the issue of a convertible note to major shareholder Covenant Holdings (WA) Pty Ltd (Covenant). Covenant is controlled by Executive Chairman, Mr Michael Boyd. Covenant loaned money to Jayex for working capital purposes and pursuant to the Convertible Note Deed, Jayex and Covenant agreed to convert the debt to Convertible Notes. Accordingly, the company issued 3,000,000 Convertible Notes with a face value of $1.00 per Convertible Note. This reduced the interest cost on funds used by the Company.

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 December 2020 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.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations are as follows:

Our ultimate goal remains unchanged. Jayex seeks to create superior healthcare solutions that are user-friendly for patients, reliable and easy to maintain for healthcare professionals, offer good value for purchasers and provide long-term returns for our investors, while creating a Company culture that employees feel valued in and proud of.

We will do this by accelerating our development, as well as look to partners, collaborators and M&A opportunities to create a comprehensive end-to-end capability healthcare platform. This platform will support patients and healthcare professionals in the Primary, Secondary, Tertiary and ‘Green’ care markets, ranging from but not limited to audiology, cancer management, community, dental, general practices, outpatients, phlebotomy, and x-ray.

We will incorporate artificial intelligence algorithms, internet of things, and data analysis that will vastly improve healthcare outcomes for patients, whilst providing such services at very competitive rates to service healthcare providers.

Jayex currently touches 50 million patients annually across these care markets. We will capitalise and utilise our installed base to deliver further and enhanced capability to these care markets through our comprehensive and growing end-to-end cloud-based platform. Our platform will provide everything from Appointment booking, Patient calling, Patient check-in, through to health messaging, self-care monitoring, script management, remote terminal dispensing of pharmaceutical and/or medical cannabis products and telehealth solutions.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Michael Boyd
Title:	Executive Chairman
Qualifications:	B.Comm (UWA) Grad. Dip App Fin
Experience and expertise:	Michael Boyd is the Chairman of the Company and has been involved since its inception in 2004. Based in Melbourne, he has led the corporate structuring of the Company and the development of the Group’s strategic vision. On a practical level he has initiated contacts with all stakeholder groups including professional bodies, regulatory boards, wholesale distributors and pharmacy groups and individuals. Mr. Boyd has been involved in the creation of new enterprises, both in the private and public sectors, for over 27 years. Mr. Boyd has been successful in developing and growing new projects in diverse areas including healthcare, telecommunications and finance. Trained as a Chartered Accountant, he was a founding Director and Chairman of Sonic Healthcare Ltd, now an ASX listed top 50 company. After leaving Sonic he started Foundation Healthcare, growing it to over 800 healthcare professionals before it was acquired by Sonic. He was also a founding partner of Iridium Satellite bringing it out from bankruptcy to now a NASDAQ listed company.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	80,912,910 fully paid ordinary shares

Name:	Brian Renwick
Title:	Non-Executive Director
Qualifications:	MBA, FCA, B.Bus (Accounting) Monash
Experience and expertise:	Mr. Renwick is very broadly experienced across the pharmaceutical and healthcare sector in Australia. His involvement with sector commenced in finance roles that led into commercial analysis, marketing and sales. From this broad commercial experience in the manufacturing end of the supply chain he moved into the wholesaling segment with various business development roles in retail and hospital pharmacy. Mr Renwick’s roles broadened into commercial and business development including as general manager for a corporate pharmacy business. He has completed two Business Development roles within the CSL Limited group. With his detailed commercial knowledge and broad experience across the healthcare segment, Brian has provided consulting advice to Jayex since 2006 and is an important member of the team.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of Audit and Risk Committee, Member of Remuneration and Nomination Committee
Interests in shares:	1,245,653 fully paid ordinary shares

Name:	Michael Chan
Title:	Non-Executive Director
Qualifications:	Diploma of Financial Services
Experience and expertise:	Mr Chan has extensive experience in broad based financial services for the past 30 years with hands on knowledge in both consumer and commercial segments. Michael is the founder and Managing Director at AMG Corporate Pty Ltd, a holder of an Australian Credit Licence which is primarily a debt advisory business. Prior to establishing AMG, Michael worked in key roles involved with strategic business development and marketing at several companies, both in the private and public sectors. Michael has had a past affiliation with Make a Wish Foundation and more recently is the founder and chairman of The Mate Foundation – a men’s health initiative with its principal purpose to help raise awareness of men’s health diseases, which is due to launch shortly. He has over the years also undertaken philanthropic work for various other charities and causes in his community.
Special responsibilities:	Chairman of Remuneration and Nomination Committee, Member of Audit and Risk Committee
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,853,635 fully paid ordinary shares

Name:	Nicholas Harper
Title:	Non-Executive Director (appointed on 2 September 2020)
Qualifications:	MSc Computing Science
Experience and expertise:	Nick has over thirty years’ experience working in software development. During that time, he has worked in the public sector (local government), investment banking and the aviation sector in a wide variety of roles and with varied responsibilities. Nick has worked on implementing and maintaining many different types of software systems from batch valuation systems to real-time data processing. Based in the UK, Nick also has extensive experience of project management and software team building.
Special responsibilities:	None
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Ms Melanie Leydin was appointed Company Secretary on 19 August 2015. Ms Leydin graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. Ms Leydin has over 25 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations and is a director and company secretary for a number of entities listed on the Australian Securities Exchange.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	Full Board		Audit & Risk Committee	Audit & Risk Committee	Remuneration & Nomination Committee	Remuneration & Nomination Committee
	Attended	Held	Attended	Held	Attended	Held
Michael Boyd	17	17			-	-
Brian Renwick	17	17	4	4	3	3
Michael Chan	17	17	4	4	3	3
Nicholas Harper	2	2	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In past consultation with external remuneration consultants, the Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. No such consultants were used during the year. Non-executive directors do not receive share options or other incentives.

Directors may also be reimbursed for travel and other expenses reasonably incurred in attending to the Company’s affairs.

Non-executive directors may be paid such additional or special remuneration as the directors decide is appropriate where a director performs extra work or services which are not in the capacity as Director of the Company or a subsidiary.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive. The Executive chairman's fees are determined based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Consolidated entity performance and link to remuneration
The remuneration of the Non-Executive Directors is not linked to the performance, share price or earnings of the consolidated entity. For the year ended 31 December 2020, the remuneration of Executive Chairman and other executives were not linked to the performance, share price or earnings of the consolidated entity.
Remuneration for certain executives is expected to be directly linked to the performance of the consolidated entity. As noted above the Company is currently reviewing proposals for the STI and LTI programs, which may be linked to the performance, share price or earnings of the consolidated entity.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. Unless otherwise noted, the named persons were key management personnel for the whole of the year ended 31 December 2020.

The key management personnel of the consolidated entity consisted of the following directors of Jayex Healthcare Limited:
- Michael Boyd (Executive Chairman)
- Brian Renwick (Non-Executive Director)
- Michael Chan (Non-Executive Director)
- Nicholas Harper (Non-Executive Director appointed on 2 September 2020)

And the following persons:
- Nick Fernando (Chief Executive Officer until resignation on 25 July 2020)
- Nathan Woodard (Chief Financial Officer)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2020	Cash salary and fees $	Cash bonus $	Cash allowance $	Super-annuation $	Long service leave $	Shares issued $	Termination benefit $	Total $
Non-Executive Directors:								
Mr M Boyd (Chair)	75,833	-	-	-	-	-	-	75,833
Mr B Renwick	67,708	-	-	-	-	-	-	67,708
Mr M Chan	67,708	-	-	-	-	-	-	67,708
Mr N Harper*	17,677	-	-	-	-	-	-	17,677
Executive Directors:								
Mr M Boyd (Executive Chair)**	32,084	-	-	-	-	-	-	32,084
Other Key Management Personnel:								
Mr N Fernando**	157,370	-	-	-	-	-	-	157,370
Mr N Woodard	158,049	-	-	-	-	-	-	158,049
	576,429	-	-	-	-	-	-	576,429

* Mr N Harper was appointed as the Non-Executive Director on 2 September 2020.
** Mr N Fernando resigned as the Chief Executive Officer effective 25 July 2020. Following this Mr M Boyd was appointed as the Executive Chairman.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2019	Cash salary and fees $	Cash bonus $	Cash allowance $	Super-annuation $	Long service leave $	Shares issued $	Termination benefit $	Total $
Non-Executive Directors:								
Mr M Boyd (Chair)	60,000	-	-	-	-	-	-	60,000
Mr B Renwick	37,930	-	-	-	-	-	-	37,930
Mr M Chan	30,000	-	-	-	-	-	-	30,000
Mr A Jain*	50,580	-	-	-	-	-	-	50,580
Other Key Management Personnel:								
Mr N Fernando**	247,843	18,359	-	-	-	170,000	-	436,202
Mr. N Woodard	146,870	-	-	-	-	-	-	146,870
	573,223	18,359	-	-	-	170,000	-	761,582

* Mr A Jain resigned as the Non-Executive Director on 6 December 2019.

** (i) The bonus of 18,359 was paid the Chief Executive Officer, Mr. N Fernando, in cash and was determined in accordance with the Board's assessment of achievement of relevant performance criteria in relation to the recipient, including: Group revenue, market share, technical developments, business development, internal collaboration and integration, customer satisfaction.

(ii) Shares issued of $170,000 represents 5,000,000 fully paid ordinary shares issued by the company for no consideration to the Chief Executive Officer, Mr N Fernando, as remuneration. An amount of $170,000 was recognised as an expense during the year for the shares issued.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2020	2019	2020	2019	2020	2019
Non-Executive Directors:						
Mr M Boyd	100%	100%	-	-	-	-
Mr B Renwick	100%	100%	-	-	-	-
Mr M Chan	100%	100%	-	-	-	-
Mr A Jain	-	100%	-	-	-	-
Executive Directors:						
Mr M Boyd	100%	-	-	-	-	-
Other Key Management Personnel:						
Mr N Fernando	100%	57%	-	43%	-	-
Mr. N Woodard	100%	100%	-	-	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Michael Boyd
Title:	Executive Chairman
Agreement commenced:	25 July 2020
Term of agreement:	No fixed term. Each party may terminate the agreement by giving one months' notice. The Company may make payment in lieu of part of all of the notice period.
Details:	Base salary $175,000 per annum.

Name:	Nathan Woodard
Title:	Chief Financial Officer
Agreement commenced:	28 August 2018
Term of agreement:	No fixed term. Each party may terminate the agreement by giving one months' notice. The Company may make payment in lieu of part of all of the notice period.
Details:	Base salary £80,000 per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
During the year no ordinary shares were issued to directors and other key management personnel as part of compensation.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2020.

Additional information
The earnings of the consolidated entity for the five years to 31 December 2020 are summarised below:

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Sales revenue	5,971	7,185	6,749	7,503	8,747
EBITDA	268	121	(342)	(1,919)	(4,555)
EBIT	(586)	(663)	(885)	(2,437)	(5,346)
Loss after income tax	(824)	(960)	(1,125)	(2,496)	(5,063)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end (cents)	3.9	3.0	1.9	1.6	0.0

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Shares acquired	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr M Boyd	79,412,910	-	1,500,000	-	80,912,910
Mr B Renwick	1,245,653	-	-	-	1,245,653
Mr M Chan	1,705,025	-	148,610	-	1,853,635
Mr N Fernando*	5,000,000	-	-	(5,000,000)	-
	87,363,588	-	1,648,610	(5,000,000)	84,012,198

* The disposal represents shares held by Mr N Fernando as at the date of resignation as Group CEO and Managing Director on 25 July 2020.

Other transactions with key management personnel and their related parties
During the financial year:

- loans were made by the company’s chairman to the consolidated entity; and
- payments of rental premises were made to a related entity of a director of the consolidated entity

Details of these transactions are disclosed below:

Transactions with related parties
The following transactions occurred with related parties. All transactions were carried out on arm's length terms on a basis which is no more or less favourable than if the transactions had occurred with non-related entities except for interest free loan to the consolidated entity of $743,517 (2019: $655,000) from Michael Boyd and his related entity Covenant Holdings (WA) Pty Ltd.

	Consolidated 2020 $	Consolidated 2019 $
Other transactions:		
Loan interest paid or payable to Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	254,544	349,808
Premises rent paid or payable by Jayex Technology Limited to Vector Capital Limited (an entity controlled by Agam Jain, a director of the consolidated entity until 6 December 2019)	-	87,286

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2020 $	Consolidated 2019 $
Current payables:		
Accrued loan interest payable to Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	15,072	140,384

The payables due to related parties were payable on demand and did not bear interest.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2020 $	Consolidated 2019 $
Non-current borrowings:		
Loans from Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	555,000	3,655,000
Loan from Michael Boyd, Executive Chair	188,517	-
Convertible Notes issued to Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	3,000,000	-

Terms and conditions
The terms of the loans made by Covenant Holdings (WA) Pty Ltd to companies within the consolidated entity are as follows:

Loan to Jayex Healthcare Limited: Balance at 31 December 2020: Nil (31 December 2019:$2,000,000; interest rate - 8% per annum)
Loan to Jayex Healthcare Limited: Balance at 31 December 2020:Nil (31 December 2019: $1,000,000; interest rate - 12% per annum)
Loan to P2U Pty Ltd: Balance at 31 December 2020 and 31 December 2019 - $55,000; loan is interest free, unsecured and is repayable on 1 April 2022.
Loan to Jayex Healthcare Limited: Balance at 31 December 2020:Nil (31 December 2019:$100,000; loan was interest free)
Loan to Whakaora Hou Limited: Balance at 31 December 2020: $500,000 (31 December 2019: 500,000); loan is interest free, unsecured and is repayable on 1 April 2022.

Loan from Michael Boyd, Executive Chair related to a payment made to Jayex Healthcare Limited on behalf of Whakaora Hou Limited. This is an interest free unsecured loan and is repayable on 1 April 2022.

Convertible Notes are unsecured and issued on 13 October 2020 at an interest rate of 6.5% per annum. These are repayable on 13 October 2022 for balance not converted into shares.

This concludes the remuneration report, which has been audited.

Shares under performance rights
There were no unissued ordinary shares of Jayex Healthcare Limited under performance rights at the date of this report

Shares under options

here were no unissued ordinary shares of Jayex Healthcare Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
The following ordinary shares of Jayex Healthcare Limited were issued during the year ended 31 December 2020 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
28 February 2020	$0.01	1,250,000
04 March 2020	$0.01	2,500,000
		3,750,000

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of William Buck Audit (Vic) Pty Ltd
There are no officers of the Company who are former partners of William Buck Audit (Vic) Pty Ltd.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 on page 15.

Auditor
William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Boyd
Executive Chairman

11 March 2021
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF JAYEX HEALTHCARE LIMITED

I declare that, to the best of my knowledge and belief during the year ended 31 December 2020 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Melbourne, 11 March 2021

ACCOUNTANTS & ADVISORS
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Melbourne VIC 3000
Telephone: +61 3 9824 8555
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Jayex Healthcare Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Revenue	5	6,063	7,185
Other income		545	8
Expenses			
Raw materials and consumables used		(1,169)	(1,699)
Employee benefits expense	6	(3,738)	(3,680)
Professional services expenses		(401)	(493)
Depreciation and amortisation expense	6	(854)	(784)
Consultancy expenses		(451)	(118)
Travel expenses		(48)	(158)
Marketing expenses		(90)	(130)
Fair value change in the derivative instrument		246	-
Net foreign exchange gains		106	12
Other expenses		(770)	(806)
Finance costs	6	(380)	(375)
Loss before income tax benefit		(941)	(1,038)
Income tax benefit	7	142	78
Loss after income tax benefit for the year attributable to the owners of Jayex Healthcare Limited		(799)	(960)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(659)	373
Other comprehensive income for the year, net of tax		(659)	373
Total comprehensive loss for the year attributable to the owners of Jayex Healthcare Limited		(1,458)	(587)
		Cents	**Cents**
Basic earnings per share	32	(0.4)	(0.6)
Diluted earnings per share	32	(0.4)	(0.6)

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

Jayex Healthcare Limited
Consolidated statement of financial position
As at 31 December 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Assets			
Current assets			
Cash and cash equivalents	8	1,182	281
Trade and other receivables	9	1,173	2,239
Inventories		341	347
Other		56	57
Total current assets		2,752	2,924
Non-current assets			
Receivables	10	53	54
Plant and equipment	11	185	229
Right-of-use assets	12	132	236
Intangibles	13	9,237	10,092
Total non-current assets		9,607	10,611
Total assets		12,359	13,535
Liabilities			
Current liabilities			
Trade and other payables	14	1,992	1,992
Borrowings	15	2,961	797
Lease liabilities	16	98	155
Employee benefits		54	72
Provisions	17	220	291
Contract liabilities	18	1,436	1,788
Total current liabilities		6,761	5,095
Non-current liabilities			
Borrowings	19	1,716	3,539
Lease liabilities	20	23	90
Deferred tax	21	461	636
Employee benefits		21	14
Total non-current liabilities		2,221	4,279
Total liabilities		8,982	9,374
Net assets		3,377	4,161
Equity			
Issued capital	22	26,861	26,166
Reserves	23	(2,128)	(1,448)
Accumulated losses		(21,356)	(20,557)
Total equity		3,377	4,161

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

Jayex Healthcare Limited
Consolidated statement of changes in equity
For the year ended 31 December 2020

Consolidated	**Issued capital $'000**	**Shared-based payment reserve $'000**	**Foreign exchange reserve $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 January 2019	25,996	118	(1,842)	(19,597)	4,675
Loss after income tax benefit for the year	-	-	-	(960)	(960)
Other comprehensive income for the year, net of tax	-	-	373	-	373
Total comprehensive income for the year	-	-	373	(960)	(587)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 22)	170	-	-	-	170
Share based payments	-	204	-	-	204
Performance rights lapsed	-	(301)	-	-	(301)
Balance at 31 December 2019	26,166	21	(1,469)	(20,557)	4,161

Consolidated	**Issued capital $'000**	**Shared-based payment reserve $'000**	**Foreign exchange reserve $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 January 2020	26,166	21	(1,469)	(20,557)	4,161
Loss after income tax benefit for the year	-	-	-	(799)	(799)
Other comprehensive income for the year, net of tax	-	-	(659)	-	(659)
Total comprehensive income for the year	-	-	(659)	(799)	(1,458)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 22)	674	-	-	-	674
Exercise of options	21	(21)	-	-	-
Balance at 31 December 2020	26,861	-	(2,128)	(21,356)	3,377

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

Jayex Healthcare Limited
Consolidated statement of cash flows
For the year ended 31 December 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		7,803	8,103
Payments to suppliers and employees (inclusive of GST and VAT)		(8,024)	(7,693)
		(221)	410
Other revenue		545	-
Interest and other finance costs paid		(507)	(235)
Net cash from/(used in) operating activities	31	(183)	175
Cash flows from investing activities			
Payments for plant and equipment	11	(1)	(216)
Payments for intangibles	13	(270)	(1,256)
Proceeds from disposal of plant and equipment		-	7
Net cash used in investing activities		(271)	(1,465)
Cash flows from financing activities			
Proceeds from issue of shares		700	-
Share issue transaction costs		(26)	-
Proceeds from borrowings		1,060	1,281
Repayment of borrowings		(200)	-
Repayment of lease liabilities		(187)	(118)
Net cash from financing activities		1,347	1,163
Net increase/(decrease) in cash and cash equivalents		893	(127)
Cash and cash equivalents at the beginning of the financial year		281	418
Effects of exchange rate changes on cash and cash equivalents		8	(10)
Cash and cash equivalents at the end of the financial year	8	1,182	281

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

Note 1. General information

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

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

Registered office	Principal place of business
Level 4 100 Albert Road South Melbourne VIC 3205	17B Cribb Street Milton QLD 4064

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 March 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

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

Other accounting pronouncements which have become effective from 1 January 2020 and have therefore been adopted have not had a significant impact on the Group's financial results or position.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the year ended 31 December 2020.

Going concern
The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 31 December 2020 of the consolidated entity, as disclosed in the statement of financial position, is an apparent excess of current liabilities over current assets of $4,009,000 (2019: $2,171,000). However, the current liabilities as at 31 December 2020 contain a number of liability accounts, including Contract liabilities, Convertible notes and Derivative financial liability, which represent the results of accounting adjustments and do not represent amounts currently payable, or expected to become payable, to third parties. Excluding these liability accounts from the calculation of working capital at 31 December 2020, results in adjusted working capital surplus of $300,000 (2019: working capital deficit of $383,000).

The cash balance at 31 December 2020 was $1,182,000 (2019: $281,000).

The consolidated entity incurred a net loss after tax for the financial year ended 31 December 2020 of $799,000 (financial year ended 31 December 2019: $960,000) and had net cash outflows from operating activities of $183,000 (financial year ended 31 December 2019: net cash inflow $175,000).

Notwithstanding these results, the directors believe that the company will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the assumption that the company is a going concern for the following reasons:

Note 2. Significant accounting policies (continued)

- the consolidated entity's main product, the Enlighten system, remains viable and competitive, and is capable of further technical development and improvement and therefore remains an important source of profitable and cash-generating activity for the consolidated entity;
- the consolidated entity has undertaken, and is continuing to carry out, organisational restructuring with the objective of minimising costs without compromising revenue and cash-generating capacity. These measures have already generated cost savings, with further savings expected to be made in the forthcoming financial year;
- the ability of the consolidated entity to further scale back parts of its operations and reduce costs if required;
- the Board is of the opinion that the consolidated entity has, or shall have access to, sufficient funds to meet planned corporate activities and working capital requirements;
- the consolidated entity has continued financing support from related parties; and
- as the Company is an ASX-listed entity, the consolidated entity has the ability to raise additional funds if required.

This 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 necessary should the Company not continue as a going concern.

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

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jayex Healthcare Ltd ('Company' or 'parent entity') as at 31 December 2020 and the results of all subsidiaries for the year then ended. Jayex Healthcare Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'. Details of subsidiaries are included in note 29.

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

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

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

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

Note 2. Significant accounting policies (continued)

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

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

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

Revenue recognition
The consolidated entity predominantly derives revenue from the sale of goods and services. Significant contracts with customers depict various performance obligations, such as:

- Supply and delivery of equipment, along with the software license to run on such equipment. This also include installation services and web portal access;
- Additional services (if contracted and included to that standard services agreement);
- Annual, ongoing software license and support services;
- Software customisation (development) and related support services; and
- Annual and ongoing extended warranty services.

To determine whether to recognise revenue, the Consolidated entity follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Consolidated entity satisfies performance obligations by transferring the promised goods or services to its customers.

Rendering of services
All deals are done on an annual basis with the option to pay for additional year(s)' warranty and software support at the time of the sale in advance. Revenue is recognised on a straight-line basis over the term of the contract for such services. This method best depicts the transfer of services to the customer as the Consolidated entity’s historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract.

Under AASB 15, the Consolidated entity concluded that revenue from warranty and software support services will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the Consolidated entity.

The Consolidated entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Consolidated entity satisfies a performance obligation before it receives the consideration, the Consolidated entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Note 2. Significant accounting policies (continued)

Equipment (Kiosk) sale and installation
The supply, installation and commissioning of requested equipment by the consolidated entity to the customer in accordance with a contract. Revenue is recognized at the point in time when the equipment has been commissioned and commences operation in accordance with specifications, at which point the performance obligation is satisfied. The equipment can only be installed by the company, as such the customer cannot derive benefits from the equipment until after installation of the software to run it, consequently, the revenue is recognized at a point in time after installation.

Software licences
Provision, over a specified period, of licence permitting and enabling the customer to access and use the software product supplied by the consolidated entity. Revenue is recognized on a straight line basis over the specified period, i.e. over time.

Extended warranties
Provision, over a specified period, of an extended warranty in favour of the customer to repair or replace equipment previously supplied by the consolidated entity. Revenue is recognized on a straight line basis over the specified warranty period, i.e. over time.

Software support services
Provision by the consolidated entity, over a specified period, of telephone and online software support services to the customer, whereby client queries and problems are resolved by consolidated entity staff as required. Revenue is recognized on a straight line basis over the specified period, i.e. over time.

Software development services
The supply, installation and commissioning of specific specialised software enhancements as required by the customer, which are outside of, or in addition to, the standard software product offered by the consolidated entity. Revenue is recognized over time as and when the software development services are delivered and recognition ceases once the project has been commissioned and commences operation in accordance with customer specifications at which point the performance obligation is satisfied. At this point any further service provided in relation to such development would be covered by Software support services as described above.

Other income

Interest
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants
Government grants are recognised when there is reasonable assurance that the grant will be received and all grant conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is expected to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Motor vehicles	4 - 5 years
Computer equipment	3 years
Office equipment	3 - 5 years
Furniture and fittings	4 - 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 2. Significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition.

Intangible assets acquired separately are initially recognised at cost.

Intangible assets with indefinite useful lives are not amortised, but treated for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. Amortisation expense is included in depreciation and amortisation expense in the Statement of profit or loss and other comprehensive income.

The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date).

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7 years.

Patents and trademarks
All patent and trademark costs for the year are capitalised in the statement of financial position at cost. The patents and trademarks have not yet commenced to be amortised as the technology related to the relevant patents and trademarks is still under development and has not yet reached the stage where it is ready for use by the Company as intended by management.

Note 2. Significant accounting policies (continued)

Software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis generally over 5-7 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

When these assets are acquired as part of a business combination they are recognised separately from goodwill. The assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Customer relationships
When these assets are acquired as part of a business combination they are recognised separately from goodwill. The assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Amortisation is calculated on a straight-line basis generally over the assets' estimated useful lives of 10-20 years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Consolidated entity becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Note 2. Significant accounting policies (continued)

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through other comprehensive income (FVTOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The consolidated entity's trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Consolidated entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables and contract assets

The consolidated entity use an 'expected credit loss' ('ECL') model to recognise an allowance for expected credit losses. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Classification and measurement of financial liabilities

The Consolidated entity's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where and to the extent applicable, adjusted for transaction costs unless the Consolidated entity designate a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and if applicable charges in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Borrowings
The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Note 2. Significant accounting policies (continued)

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

The convertibles notes contain an embedded derivative representing the option to convert the convertible notes into equity shares. The embedded derivative is designated as at fair value through profit or loss on initial recognition. The component of subsequent change in the fair value at each reporting date is recognised through profit or loss.

The accounting policy on lease liabilities is as below:

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

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

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either: (i) the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions; or,

(ii) Barren option pricing model which takes into account largely the same factors as the above model, but also takes into account the relevant predetermined level (the barrier), with the fair value calculated using a trinomial lattice.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Note 2. Significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

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

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

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

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

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Jayex Healthcare Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for share splits or bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 15 for key input used in the valuation model for the fair valuation of derivative financial liability.

Estimation of useful lives of assets (note 11 and note 13)
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets (note 13)
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets (note 13)
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Warranty provision
In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Note 4. Operating segments

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

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

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

No changes to the policy above have occurred during the financial year.

Intersegment transactions
Intersegment transactions were made at market rates. The Australian operating segment charges a management fee to the United Kingdom operating segment. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

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

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2020	Australia $'000	United Kingdom $'000	Total $'000
Revenue			
Sales to external customers	850	5,213	6,063
Total revenue	850	5,213	6,063
Other revenue	268	277	545
Fair value change in the derivative instrument	246		246
Segment operating expenses	(1,755)	(4,806)	(6,561)
EBITDA	(391)	684	293
Interest expense			(380)
Depreciation & amortisation expense			(854)
Share based payment expense			-
Loss before income tax benefit			(941)
Current assets	561	2,191	2,752
Non-current assets	1,784	7,823	9,607
Total assets	2,345	10,014	12,359
Current liabilities	3,466	3,295	6,761
Non-current liabilities	769	1,452	2,221
Total liabilities	4,235	4,747	8,982

Consolidated - 2019	Australia $'000	United Kingdom $'000	Total $'000
Revenue			
Sales to external customers	865	6,320	7,185
Total revenue	865	6,320	7,185
Other revenue		8	8
Segment operating expenses	(1,579)	(5,420)	(6,999)
EBITDA	(714)	908	194
Interest expense			(375)
Depreciation & amortisation expense			(784)
Share based payment expense			(73)
Loss before income tax benefit			(1,038)
Current assets	956	1,968	2,924
Non-current assets	1,718	8,893	10,611
	2,674	10,861	13,535
Current liabilities	1,905	3,190	5,095
Non-current liabilities	3,587	692	4,279
	5,492	3,882	9,374

Note 5. Revenue

	Consolidated 2020 $'000	2019 $'000
Sales revenue	6,063	7,185

Sales revenue is revenue generated from the consolidated entity's healthcare industry service provision businesses.

For 2020, revenue includes $1,568,000 (2019: $1,312,000) included in the contract liability balance at the beginning of the year.

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

	Consolidated 2020 $'000	2019 $'000
Major product lines		
Supply and installation of Kiosks (at a point of time)	2,904	4,013
Software licences and support services (over time)	2,341	2,252
Extended warranty and software support (over time)	445	615
Software development customisation services (over time)	205	66
Software development supports services (over time)	168	239
	6,063	7,185

Note 6. Expenses

	Consolidated 2020 $'000	Consolidated 2019 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	40	35
Buildings right-of-use assets	172	127
Total depreciation	212	162
Amortisation		
Software	323	306
Customer relationships	319	316
Total amortisation	642	622
Total depreciation and amortisation	854	784
Finance costs		
Interest and finance charges paid/payable on borrowings	374	354
Interest and finance charges paid/payable on lease liabilities	6	21
Finance costs expensed	380	375
Leases		
Short-term lease payments	-	92
Superannuation expense		
Defined contribution superannuation expense	48	48
Employee benefits expense excluding superannuation and share based payments		
Employee benefits expense excluding superannuation and share based payments	3,413	3,680
Share-based payments expense		
Share-based payments expense	-	374
Lapse of performance rights	-	(301)
Total Share-based payments expense	-	73

Note 7. Income tax benefit

	Consolidated	
	2020	**2019**
	$'000	**$'000**
Income tax benefit		
Current tax	2	40
Deferred tax - origination and reversal of temporary differences	(144)	(118)
Aggregate income tax benefit	(142)	(78)
Deferred tax included in income tax benefit comprises:		
Decrease in deferred tax liabilities (note 21)	(144)	(118)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(941)	(1,038)
Tax at the statutory tax rate of 27.5%	(259)	(285)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	-	20
Fair value remeasurement of derivative instrument	(68)	-
Non-assessable R&D tax incentive receivable	(98)	(82)
Difference in overseas tax rates	(38)	(81)
Sundry items	20	30
	(443)	(398)
Current year tax losses not recognised	462	395
Prior period tax losses not recognised now recouped	(19)	(22)
Current period temporary differences not recognised	(142)	(53)
Income tax benefit	(142)	(78)

	Consolidated	
	2020	**2019**
	$'000	**$'000**
Amounts charged/(credited) directly to equity		
Deferred tax liabilities (note 21)	(31)	36
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	16,390	14,718
Potential tax benefit @ 27.5%	4,507	4,047

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

Note 8. Cash and cash equivalents

	Consolidated	
	2020	**2019**
	$'000	**$'000**
Cash at bank	1,182	281

Note 9. Trade and other receivables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Trade receivables	1,153	2,185
Less: Allowance for expected credit losses	-	(30)
	1,153	2,155
Other receivables	20	22
GST receivable	-	62
	1,173	2,239

Note 10. Receivables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Other receivables	53	54

Note 11. Plant and equipment

	Consolidated 2020 $'000	Consolidated 2019 $'000
Leasehold improvements - at cost	136	139
Plant and equipment - at cost	29	29
Motor vehicles - at cost	53	54
Less: Accumulated depreciation	(53)	(47)
	-	7
Office equipment - at cost	246	261
Less: Accumulated depreciation	(236)	(240)
	10	21
Furniture and fittings - at cost	89	94
Less: Accumulated depreciation	(79)	(61)
	10	33
	185	229

Note 11. Plant and equipment (continued)

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

Consolidated	Furniture & fittings $'000	Office equipment $'000	Motor vehicle $'000	Plant & equipment $'000	Leasehold improvement $'000	Total $'000
Balance at 1 January 2019	15	31	12	-	-	58
Additions	25	9	-	29	139	202
Exchange differences	-	3	1	-	-	4
Depreciation expense	(7)	(22)	(6)	-	-	(35)
Balance at 31 December 2019	33	21	7	29	139	229
Additions	-	1	-	-	-	1
Exchange differences	(1)	(1)	-	-	(3)	(5)
Depreciation expense	(22)	(11)	(7)	-	-	(40)
Balance at 31 December 2020	10	10	-	29	136	185

Leasehold improvement and plant and equipment related Whakaora Hou Limited, a subsidiary of Jayex Healthcare Limited. No depreciation is charged on these assets as these are not ready for use until medicinal licences are granted.

Note 12. Right-of-use assets

	Consolidated 2020 $'000	**Consolidated 2019 $'000**
Land and buildings - right-of-use	431	363
Less: Accumulated depreciation	(299)	(127)
	132	236

Movement in carrying amount of right-of-use assets:

Consolidated	Land and buildings - right-of-use $'000	Total $'000
Balance at 1 January 2020	236	236
Additions	68	68
Amortisation expense	(172)	(172)
Balance at 31 December 2020	132	132

Note 13. Intangibles

	Consolidated 2020 $'000	Consolidated 2019 $'000
Goodwill - at cost	9,805	10,145
Less: Impairment	(4,085)	(4,085)
	5,720	6,060
Product development - at cost	975	852
Patents and trademarks - at cost	586	586
Software platform - at cost	1,726	1,698
Less: Accumulated amortisation - Software	(1,273)	(1,018)
	453	680
Customer relationships - at cost	3,181	3,361
Less: Accumulated amortisation - Customer relationships	(1,678)	(1,447)
	1,503	1,914
	9,237	10,092

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

Consolidated	Goodwill $'000	Patents & trademarks $'000	Software platform $'000	Customer relationships $'000	Development cost $'000	Total $'000
Balance at 1 January 2019	5,859	586	570	2,161	-	9,176
Additions	-	-	404	-	852	1,256
Exchange differences	201	-	39	107	-	347
Amortisation expense	-	-	(333)	(354)	-	(687)
Balance at 31 December 2019	6,060	586	680	1,914	852	10,092
Additions	-	-	121	-	143	264
Exchange differences	(340)	-	(25)	(92)	(20)	(477)
Amortisation expense	-	-	(323)	(319)	-	(642)
Balance at 31 December 2020	5,720	586	453	1,503	975	9,237

In 2015 the consolidated entity acquired Jayex Technology Limited (JUK), which is based in the United Kingdom, and Appointuit Pty Ltd (Appointuit). Both of these companies operate technologies which are complementary to the technology which is the subject of the patents and therefore enhanced technology business relationships upon which to pursue discussions in key world markets. The majority of the consolidated entity's technologies were acquired through the acquisitions of JUK and Appointuit.

Patents & trademarks

The carrying value of patents & trademarks has been assessed on a fair value less costs to sell methodology. An independent valuation was obtained during the year ended 31 December 2019 which made several key assumptions about the potential sizes of the markets for the patents and trademarks, adoption rates and revenues and costs associated with transactions. The directors have re-considered the carrying value in reference to this report and believe that there have been no material changes to the assumption used that would result in impairment to the patents and trademarks.

Note 13. Intangibles (continued)

Goodwill

For the purpose of ongoing annual impairment testing goodwill is allocated to the following cash-generating units, which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises:

	Consolidated	
	2020	**2019**
	$'000	**$'000**
Jayex Technology Limited (United Kingdom)	5,720	6,060

Methodology

An impairment loss expense in the profit or loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The Company determined the recoverable amounts of Jayex Technology Limited CGU using a value in use approach.

The recoverable amounts of the CGU has been determined by valuation models that estimated the future cash flows relying on historical performance and growth, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

The discounted cash flow model used in the assessment of value in use is sensitive to a number of key assumptions, including revenue growth rates, discount rates, operating costs and foreign exchange rates. These assumptions can change over short periods of time and can have a significant impact on the carrying value of the assets.

Impairment testing for CGUs containing goodwill

Goodwill arose in the business combinations for the acquisition of Jayex Technology Limited in 2015. It represented the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired and contingent liabilities assumed at the date of acquisition. Goodwill is allocated to the Group's cash generating units (CGUs) identified according to the Group's operating segments for impairment testing purposes.

In assessing whether an impairment adjustment is required for the carrying value of an asset, its carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

Value in use and key assumptions

The Company estimates the value-in-use of Jayex Technology Limited CGU using discounted cash flows. For the 2020 reporting year, the recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated using the estimated growth rates and assumptions used in the value in use calculations are stated below:

- Discount rate - 14.75%
- Foreign exchange rate - £/$A 0.5657
- Period over which cash flows projected - 5 years
- Management has made numerous assumptions about the budgeted revenue to be achieved in 2021, and this has resulted in a revenue growth rate of 5.50% compared to the actual revenues in 2020, this contemplates successful launch of new products from existing assets which would increase the company's revenues and cash flows.
- Growth projections - revenue increase at average rates of 5.50% per annum, based on past trends
- Expenses increase at average rates of 3.2% per annum, based on past trends of reducing cost base compared to revenues
- Long term growth rate used to extrapolate cash flow projections beyond forecast period - 5.5% per annum

Apart from the considerations described in determining the value-in-use of the cash-generating units described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

Note 13. Intangibles (continued)

Impairment

The Consolidated entity has performed an impairment assessment based on its cash generating units (CGU), which were the Jayex Technology Limited CGU.

The Company determined that the recoverable amount in relation the Jayex Technology Limited CGU exceeded its carrying value of assets as at 31 December 2020, therefore no adjustment to its carrying value was required.

Sensitivity
As disclosed in note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 17% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The growth rate would be required to decrease by more than 5% before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the goodwill.

Note 14. Trade and other payables

	Consolidated	
	2020	**2019**
	$'000	**$'000**
Trade payables	249	383
Accrued expenses	715	907
GST and VAT payable	518	170
Other payables	510	532
	1,992	1,992

Refer to note 24 for further information on financial instruments.

Note 15. Borrowings

	Consolidated	
	2020	**2019**
	$'000	**$'000**
Derivative liability	1,140	-
Borrowings - current	88	797
Convertible notes payable	1,733	-
	2,961	797

Note 15. Borrowings (continued)

On 13 October 2020, the Company issued 3,000,000 convertible notes each having a face value of $1.00 to Covenant Holding (WA) Pty Ltd towards the settlement of its $3m borrowings. Convertible notes are unsecured and bears an interest rate of 6.5% per annum. The Convertible Notes are convertible into Shares in whole or in part at the sole election of the Noteholder at the Conversion Price at any time on or before the redemption date. Conversion Price will be determined as the greater of $0.05 and a 20% discount to the volume weighted average price of Shares on the ASX calculated over the 30 days on which trades in Shares were recorded immediately prior to the conversion date. Convertible notes are repayable on 13 October 2022, being the redemption date, for the balance of convertible notes not converted into shares as at that date.

The convertibles notes contain an embedded derivative representing the option to convert the convertible notes into equity shares. At the inception date on 13 October 2020, this derivative liability was fair valued at 1,386,000. As of 31 December 2020, the derivative liability was fair valued at $1,140,000. The change in the fair value is recognised in the statement of profit and loss.

The derivative liability is classified as level 3 in fair value measurement hierarchy as detailed in note 3. The derivative liability is valued using Monte Carlo simulation method to determine the conversion price and the Black-Scholes option valuation model is used to assess value of the Rights at valuation date. Key input used in the valuation is as follows:

Assumptions	Conversion Right at 13 October 2020	Conversion Right at 31 December 2020
Valuation date	13 October 2020	31 December 2020
Spot price	$0.046	$0.042
Conversion price	$0.050	$0.050
Risk free rate	0.14%	0.08%
Expected future volatility	100%	100%
Expiry date	13 October 2022	13 October 2022
Fair value per Right	$0.0231	$0.0190
Fair value of derivative liability	$1,386,000	$1,140,000

As at 31 December 2020, with sensitivity towards conversion price, a 1% increase / decrease in the fair value per right would increase/ decrease fair value of derivative liability by approximately $11k.

Refer to note 19 for the information on borrowings.

Note 16. Lease liabilities

	Consolidated	
	2020 $'000	2019 $'000
Lease liability	98	155

Refer to note 24 for further information on financial instruments.

Note 17. Provisions

	Consolidated	
	2020 $'000	2019 $'000
Provision for warranties	195	266
Provision for credit notes	25	25
	220	291

Note 17. Provisions (continued)

Warranties
The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Credit notes
The provision represents the estimated credit notes which may be granted in future periods in respect of products sold prior to the reporting date. The provision is estimated based on historical credit note information, sales levels and any recent trends that may suggest future issues of credit notes could differ from historical amounts.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2020	Warranties $'000	Credit notes $'000
Carrying amount at the start of the year	266	25
Reduction in provision required	(71)	-
Carrying amount at the end of the year	195	25

Note 18. Contract liabilities

Other liabilities consist of the following:

	Consolidated	
	2020 $'000	**2019 $'000**
Contract liabilities - Deferred service income	1,436	1,788

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening balance	1,788	1,534
Payment in advance	1,819	1,788
Transfer to Revenue - included in the opening balance	(1,568)	(1,312)
Transfer to Revenue - other balance	(603)	(222)
Closing balance	1,436	1,788

Contract liabilities represents sales invoiced in advance for the provision of contracted services.

Unsatisfied performance obligations
The performance obligations that are unsatisfied at the end of the reporting period is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2020 $'000	**2019 $'000**
Within 12 months	933	1,568
12 to 24 months	359	179
24 to 36 months	144	41
Closing balance	1,436	1,788

Note 19. Borrowings

	Consolidated	
	2020 **$'000**	**2019** **$'000**
Borrowings - non-current	1,716	3,539

Refer to note 24 for further information on financial instruments.

The above loan comprises of:

(i) $744k loan that have been advanced to the consolidated entity by a related party; and
(ii) GBP 600k (equivalent to $1,060k) from National Westminster Bank, United Kingdom with an interest rate of 2.05% per annum. This loan is repayable by June 2026 with repayment starting from August 2021 with current portion of loan as at 31 December 2020 of $88k.

Note 20. Lease liabilities

	Consolidated	
	2020 **$'000**	**2019** **$'000**
Lease liability- non current	23	90

Refer to note 24 for further information on financial instruments.

Note 21. Deferred tax

	Consolidated	
	2020 **$'000**	**2019** **$'000**
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Intangible assets arising from business combinations	372	523
Property, plant and equipment	3	11
Development costs	86	102
Deferred tax liability	461	636
Movements:		
Opening balance	636	718
Credited to profit or loss (note 7)	(144)	(118)
Charged/(credited) to equity (note 7)	(31)	36
Closing balance	461	636

Note 22. Issued capital

	Consolidated			
	2020 **Shares**	**2019** **Shares**	**2020** **$'000**	**2019** **$'000**
Ordinary shares - fully paid	201,363,024	172,613,024	26,861	26,166

Note 22. Issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$'000
Balance	1 January 2019	167,613,024		25,996
Shares issued to Directors	03 June 2019	5,000,000	$0.03	170
Balance	31 December 2019	172,613,024		26,166
Share options exercised	28 February 2020	1,250,000	$0.01	7
Share options exercised	04 March 2020	2,500,000	$0.01	14
Share placement to professional and sophisticated investors	07 September 2020	25,000,000	$0.28	700
Capital raising costs		-	$0.00	(26)
Balance	31 December 2020	201,363,024		26,861

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

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

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

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. No external requirements have been imposed on the consolidated entity in regard to capital management.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

No changes to what is regarded as capital nor how it is managed have occurred during the financial year.

Note 23. Reserves

	Consolidated	
	2020 $'000	2019 $'000
Foreign currency reserve	(2,128)	(1,469)
Share-based payments reserve	-	21
	(2,128)	(1,448)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Note 23. Reserves (continued)

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

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 January 2019	(1,842)	118	(1,724)
Foreign currency translation	373	-	373
Performance rights issued	-	204	204
Performance rights lapsed	-	(301)	(301)
Balance at 31 December 2019	(1,469)	21	(1,448)
Foreign currency translation	(659)	-	(659)
Exercise of options	-	(21)	(21)
Balance at 31 December 2020	(2,128)	-	(2,128)

Note 24. Financial instruments

Financial risk management objectives
The entity's principal financial instruments comprise cash and cash equivalents and loans receivable and payable. The main purpose of these financial instruments is to finance the entity's operations. The entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is and has been throughout the entire year, the entity's policy that no trading in financial instruments shall be undertaken.

There are no major risks arising from the entity's financial instruments, as no term deposits/cash investments are maintained. Minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

Financial assets and liabilities

	Consolidated 2020 $'000	**Consolidated 2019 $'000**
Financial assets		
Cash at bank	1,182	281
Trade and other receivables - current	1,173	2,269
Receivables - non-current	53	54
	2,408	2,604
Financial liabilities		
Trade and other payables	1,992	1,992
Derivative liability- current	1,140	-
Lease liabilities- current	98	155
Borrowings - current	1,821	797
Borrowings - non-current	1,716	3,539
Lease liabilities- non-current	23	90
	6,790	6,573

Note 24. Financial instruments (continued)

Market risk

Foreign currency risk
Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity derives approximately 87% of its revenue and 73% its operating costs, and has 81% of its assets and 53% of its liabilities located in, or arising from activities carried out by, a subsidiary company, Jayex Technology Limited (JUK), incorporated in the United Kingdom. The activities, assets and liabilities of JUK are denominated in its functional currency, the Pound Sterling (GBP).

This exposure could have a material effect on the results of the consolidated entity in the long term, in particular the exchange differences arising from the translation of the consolidated entity's net investment in JUK, and its future revenue and expense streams.

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rate 2020	Average exchange rates 2019	Reporting date exchange rate 2020	Acquisition date exchange rate 2019
Australian dollars				
Pound sterling (GBP)	0.5378	0.5447	0.5657	0.5340
New Zealand dollar (NZD)	1.0615	1.0552	1.0660	1.0412

As noted above, foreign currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**
Pound Sterling	10,014	10,861	4,747	3,882
New Zealand dollars	1,196	1,160	855	663
	11,210	12,021	5,602	4,545

The consolidated entity has exposure to fluctuations between the UK Pound Sterling, the New Zealand Dollars and Australian dollars. If the Australian dollar weakened /strengthened against the UK Pound Sterling, by 1% it would increase/decrease the net asset position of the consolidated entity by approximately $53,000/$52,000 respectively (31 December 2019: $70,000/$69,000 respectively). If the Australian dollar weakened /strengthened against the New Zealand dollar by 1% it would increase/decrease the net asset position of the consolidated entity by approximately $3,000/$3,000 respectively (31 December 2019: $5,000/$5,000 respectively).

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity is not exposed to any significant interest rate risk.

Note 24. Financial instruments (continued)

As at reporting date the consolidated entity has cash at bank of $1,182,000 and borrowings of $4,677,000. Cash at bank as at reporting date is held in a number of bank accounts, operated by the consolidated entity's parent entity and its subsidiaries and its head office function. Interest on bank accounts is insignificant. The interest rates on borrowings are at fixed rates of 6.5 percent per annum on the convertible notes of $3,000,000 and 2.05 percent per annum on a loan of $1,060,633 (equivalent to GBP600,000). Any feasible change in market rates is not expected to have a material impact on the financial results of the consolidated entity.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group’s policy is to deal only with creditworthy counterparties.

Other than trade receivables, the consolidated entity's main counterparties are major, reputable banks and government sales tax authorities. The consolidated entity is satisfied that the risk of default on the part of these counterparties is low.

The consolidated entity’s management considers that all of the financial assets referred to above that are not impaired or past due at the reporting date are of good credit quality.

Liquidity risk

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 24. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	249	-	-	-	249
Accruals	-	715	-	-	-	715
Borrowings - non-current	-	-	743	-	-	743
lease liabilities	-	98	23	-	-	121
Interest-bearing - variable						
Other loans	2.05%	88	212	637	124	1,061
Convertible notes	6.50%	-	3,000	-	-	3,000
Total non-derivatives		1,150	3,978	637	124	5,889

Consolidated - 2019	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payable	-	383	-	-	-	383
Accruals	-	907	-	-	-	907
Borrowings - current	-	797	-	-	-	797
Borrowings - non-current	-	-	539	-	-	539
lease liabilities	-	155	90	-	-	245
Interest-bearing - fixed rate						
Borrowings - non-current	8.00%	163	2,000	-	-	2,163
Borrowings - non-current	12.00%	103	1,000	-	-	1,103
Total non-derivatives		2,508	3,629	-	-	6,137

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 25. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020	2019
	$	$
Short-term employee benefits	576,429	761,582

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company, and its network firms:

	Consolidated	
	2020	2019
	$	$
Audit services -Audit or review of the financial statements		
William Buck Audit (Vic) Pty Ltd	97,000	-
Grant Thornton Audit Pty Ltd	-	120,800
Other services- Preparation of the tax return		
William Buck Audit (Vic) Pty Ltd	5,000	-
Grant Thornton Audit Pty Ltd	-	5,500
	102,000	126,300
Audit services - network firms		
Audit or review of the financial statements	53,031	70,680

Note 27. Related party transactions

Parent entity
Jayex Healthcare Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Note 27. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties. All transactions were carried out on arm's length terms on a basis which is no more or less favourable than if the transactions had occurred with non-related entities except for interest free loan to the consolidated entity of $743,517 (2019: $655,000) from Michael Boyd and his related entity Covenant Holdings (WA) Pty Ltd.

	Consolidated	
	2020 **$**	**2019** **$**
Other transactions:		
Loan interest paid or payable to Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	254,544	349,808
Premises rent paid or payable by Jayex Technology Limited to Vector Capital Limited (an entity controlled by Agam Jain, a director of the consolidated entity until 6 December 2019)	-	87,286

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2020 **$**	**2019** **$**
Current payables:		
Accrued loan interest payable to Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	15,072	140,384

The payables due to related parties were payable on demand and did not bear interest.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2020 **$**	**2019** **$**
Non-current borrowings:		
Loans from Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	555,000	3,655,000
Loan from Michael Boyd, Executive Chair	188,517	-
Convertible Notes issued to Covenant Holdings (WA) Pty Ltd (an entity related to Executive Chair Michael Boyd)	3,000,000	-

Note 27. Related party transactions (continued)

Terms and conditions
The terms of the loans made by Covenant Holdings (WA) Pty Ltd to companies within the consolidated entity are as follows:

Loan to Jayex Healthcare Limited: Balance at 31 December 2020: Nil (31 December 2019:$2,000,000; interest rate - 8% per annum)
Loan to Jayex Healthcare Limited: Balance at 31 December 2020:Nil (31 December 2019: $1,000,000; interest rate - 12% per annum)
Loan to P2U Pty Ltd: Balance at 31 December 2020 and 31 December 2019 - $55,000; loan is interest free, unsecured and is repayable on 1 April 2022.
Loan to Jayex Healthcare Limited: Balance at 31 December 2020:Nil (31 December 2019:$100,000; loan was interest free)
Loan to Whakaora Hou Limited: Balance at 31 December 2020 :$500,000 (31 December 2019: 500,000); loan is interest free, unsecured and is repayable on 1 April 2022.

Loan from Michael Boyd, Executive Chair related to a payment made to Jayex Healthcare Limited on behalf of Whakaora Hou Limited. This is an interest free unsecured loan and is repayable on 1 April 2022.

Convertible Notes are unsecured and issued on 13 October 2020 at an interest rate of 6.5% per annum. These are repayable on 13 October 2022 for balance of convertible notes not converted into shares as at the maturity date.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020 **$'000**	**2019** **$'000**
Loss after income tax	(800)	(953)
Total comprehensive income	(800)	(953)

Statement of financial position

	Parent	
	2020 **$'000**	**2019** **$'000**
Total current assets	813	432
Total assets	7,917	8,712
Total current liabilities	3,260	955
Total liabilities	3,260	3,955
Equity		
Issued capital	26,861	26,166
Share-based payments reserve	-	21
Accumulated losses	(22,204)	(21,430)
Total equity	4,657	4,757

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2020 or 31 December 2019.

Note 28. Parent entity information (continued)

Contingent liabilities
With the exception of any matter referred to note 34 Contingent liabilities, the parent entity had no contingent liabilities as at 31 December 2020 or 31 December 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2020 or 31 December 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- dividends received from subsidiaries are recognised as other income by the parent entity.

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2020 %**	**2019 %**
Bluepoint International Pty Ltd	Australia	100.00%	100.00%
P2U Pty Ltd	Australia	100.00%	100.00%
Jayex Australia Pty Ltd	Australia	100.00%	100.00%
Express RX Pty Ltd	Australia	100.00%	100.00%
Jayex Technology Limited	United Kingdom	100.00%	100.00%
Appointuit Pty Ltd	Australia	100.00%	100.00%
Jayex New Zealand Limited	New Zealand	100.00%	100.00%
Whakaora Hou Limited	New Zealand	100.00%	100.00%

Note 30. Events after the reporting year

No matter or circumstance has arisen since 31 December 2020 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 31. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Loss after income tax benefit for the year	(799)	(960)
Adjustments for:		
Depreciation and amortisation	854	784
Net loss on disposal of property, plant and equipment	-	13
Share-based payments	-	72
Non-cash interest expense	(136)	140
Fair value remeasurement of derivative financial instrument	(246)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	613	(705)
Decrease in inventories	6	41
Decrease in prepayments	-	1
(Increase)/Decrease in other receivables - non-current	-	(27)
Increase in trade and other payables	145	596
Decrease in deferred tax liabilities	(181)	(92)
Increase/(decrease) in employee benefits	(17)	6
Increase/(decrease) in other provisions	(71)	52
Increase/(decrease) in deferred revenue	(351)	254
Net cash from/(used in) operating activities	(183)	175

Note 32. Earnings per share

	Consolidated 2020 $'000	Consolidated 2019 $'000
Loss after income tax attributable to the owners of Jayex Healthcare Limited	(799)	(960)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	183,609,599	170,517,134
Weighted average number of ordinary shares used in calculating diluted earnings per share	183,609,599	170,517,134
	Cents	**Cents**
Basic earnings per share	(0.4)	(0.6)
Diluted earnings per share	(0.4)	(0.6)

Number of contingent shares not included in the diluted earnings per share calculation as they are anti-dilutive: nil (2019: 3,750,000).

Note 33. Share-based payments

(a) Share-based compensation

During the year no ordinary shares were issued to directors and employees as part of compensation.

(b) Employee options

A share option plan (Plan) has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the Company to certain employees of the consolidated entity. In accordance with the Plan options were issued in 2016 for nil consideration and were granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. As the instruments issued in 2016 have a nil exercise price, they represent performance rights; these are referred to as "options" in these financial statements and the accompanying directors' report.

On 30 April 2019, the Company issued 3,750,000 unlisted options convertible into 3,750,000 fully paid ordinary shares exercisable at $nil expiring on 30 April 2022. These unlisted options were issued to Directors of wholly-owned subsidiary, Whakaora Hou Limited, in accordance with their engagement terms.

During the year ended 31 December 2020, the Directors exercised the above options and 3,750,000 fully paid ordinary shares were issued to them. Refer to Note 22 for the details.

Note 34. Contingent liabilities

The group had no material contingent liabilities as at the date of this report (2019: nil).

Jayex Healthcare Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Boyd
Executive Chairman

11 March 2021
Melbourne

Jayex Healthcare Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Jayex Healthcare Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards 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 Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also 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.

Other Matter

The financial report Jayex Healthcare Limited for the year ended 31 December 2019 was audited by another auditor, who expressed an unmodified opinion to that report.

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
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Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $799,000 during the year ended 31 December 2020 and, as of that date, the Group's net cash outflows used in operations was $183,000. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of intangible assets	
Area of focus **Refer also to note 2, 3 and 13**	**How our audit addressed it**
As at 31 December 2020, the Group had goodwill and other intangible assets amounting to $9,237,000 relating to the Jayex Technology cash generating unit. In line with *AASB 136 Impairment,* the Group is required to consider indicators of impairment at each reporting date. The recoverable amount for each CGU has been calculated based on value-in-use models, which use discounted cash flow forecasts. The Directors make judgements over certain key inputs, for example, but not limited to revenue growth, gross margins, discount rates, long term growth rates and inflation rates. Due to the high level of judgement involved, and the significant carrying amounts involved, we have determined that this is a key judgmental area that our audit concentrated on.	Our audit procedures included: — giving consideration to and providing an assessment of management's determination of geographical segments and cash generating units. — a detailed evaluation of the Group's budgeting procedures upon which the forecasts are based and testing the principles and integrity of the discounted future cash flow models; — testing the accuracy of the calculation derived from each forecast model and assessing key inputs to the calculations such as revenue growth, gross margins, discount rates and working capital assumptions. — reviewing the historical accuracy of the forecasts by comparing actual results with the original forecasts from prior years. — performing sensitivity analysis of the calculations; and — determine the appropriateness of the impairment testing methodology to ensure accurate disclosure in the financial report.

Key Audit Matters *(Continued)*

<table>
<tr><th colspan="2">Convertible Notes</th></tr>
<tr><th>Area of focus
Refer also to note 27</th><th>How our audit addressed it</th></tr>
<tr><td>The Group issued convertible notes to major shareholder, Covenant Holdings (WA) Pty Ltd during the current financial year.

Accounting for this transaction is complex, as the Group's accounting policy requires the separation at initial recognition, where material, of an embedded derivative, representing the option to convert the note to a variable number of shares, from the underlying host (principal) contract. Both the embedded derivative and host contract are reflected in the value of the convertible note in the financial statements.

The accurate recording of the transactions associated with the convertible notes is dependent on the following:
— The share price as at the date of the issue of the convertible notes;
— Inputs associated with the features of the notes (interest rate, maturity, security); and
— Share price volatility priced into the embedded derivative.</td><td>Our audit procedures included;

— understanding the terms of the convertible note agreement, including an assessment of classification between current and non-current for the underlying host contract and a determination that the instrument meets the definition of a financial liability under accounting standards;
— verifying the assumptions applied to the value of the embedded derivative is appropriate;
— performed a cross check against our own findings in comparison to the independent valuation commissioned by management; and
— verifying that shares issued in respect of convertible notes converted prior to 31 December 2020 has been appropriately treated.
We have also assessed the adequacy of disclosures in relation to the convertible notes in the Notes to the financial report.</td></tr>
<tr><th colspan="2">Revenue Recognition</th></tr>
<tr><th>Area of focus
Refer also to notes 2, 4 and 5</th><th>How our audit addressed it</th></tr>
<tr><td>The Groups revenue is generated from its consolidated healthcare service provisions business and has arrangements with major customers in its healthcare segment support services which outline service periods along with supply and installation arrangements.

These arrangements have invoicing and payment milestones included within their terms, which may or may not be directly aligned with the performance obligations under the contract.

In order to accrue revenue appropriately in the correct accounting period, management have developed a model which identifies the period in which revenue is accrued, adjusted for invoicing milestones.</td><td>Our audit procedures included;

— assessing management's application of the requirements of AASB 15 Revenue from Contracts with Customers on the revenue recognition of the group:
— Examining and recalibrating management's revenue recognition model;
— Testing of customer invoicing under the arrangements; and
— Tracing through to new customer arrangements to understand material terms and conditions, including identification of performance obligations, any particular seller warranties or indemnities given and their potential impact upon the revenue recognition model.

We also assessed the adequacy of the Group's disclosures in the financial report</td></tr>
</table>

There is potential for subjectivity in determining which period to revenue should be attributed and recognised. In designing the model, management considers the following: — The time period over which the service revenue is generated, and the performance obligations are satisfied; — Indicators of levels of effort in generating that revenue, being that the accretion of costs to service that revenue or surveys of work performed; and — The potential for any post-contract servicing work to be performed at the conclusion of the arrangement.	

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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 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 ability of the Group 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 to cease operations, or has no realistic alternative but to do so.

William Buck

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 the 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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Jayex Healthcare Limited, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Melbourne, 11 March 2021

Jayex Healthcare Limited
Shareholder information
31 December 2020

The shareholder information set out below was applicable as at 10 March 2021.

Corporate governance

Refer to the Company's Corporate Governance statement at: http://jayexhealthcare.com.au/investor/corporate-governence/.

There is no current on-market buy-back.

Distribution of equity securities
Analysis of number of equity security holders by size of holding:

	Number of unquoted Share Options	Number of holders of ordinary shares
1 to 1,000	-	18
1,001 to 5,000	-	34
5,001 to 10,000	-	101
10,001 to 100,000	-	263
100,001 and over	-	163
	-	579
Holding less than a marketable parcel	-	158

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
COVENANT HOLDINGS(WA)PTY LTD <BOYD#4 A/C>	77,912,910	38.69%
VECTOR LONDON LTD	19,003,378	9.44%
MR JOHN CLIVE ALLINSON	6,120,000	3.04%
ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	5,092,000	2.53%
MR DEAN HENRY CLEARY <THE CLEARWAY INVESTMENT A/C>	4,140,000	2.06%
BODIE INVESTMENTS PTY LTD	3,074,304	1.53%
DONOVAN PRODUCTS PTY LTD <FAMILY ACCOUNT>	2,746,916	1.36%
MR MUN KEE CHANG	2,651,433	1.32%
MR BILAL AHMAD	2,000,000	0.99%
MS CHUNYAN NIU	2,000,000	0.99%
AMG CORPORATE PTY LTD <THE AMG SUPER FUND A/C>	1,853,635	0.92%
R & F MANTEL PTY LTD <R & F MANTEL SUPER FUND A/C>	1,700,000	0.84%
MR PETER HOWELLS	1,558,243	0.77%
COVENANT HOLDINGS(WA) PTY LTD <BOYD NUMBER 3 A/C>	1,500,000	0.74%
COVENANT HOLDINGS (WA) PTY LTD <THE BOYD NO 3 A/C>	1,500,000	0.74%
MS MANDY JEAN RUTHERFORD	1,408,000	0.70%
A & D HOLDINGS 2 PTY LTD <A & D HILL SUPERFUND A/C>	1,306,087	0.65%
MISS OLGA OSIPOVA	1,297,946	0.64%
DENNIS JOSEPH MCMAHON	1,250,000	0.62%
WAYNE EDWARD BEILBY	1,250,000	0.62%
MR BRIAN PATRICK RENWICK	1,227,840	0.61%
INTERNATIONAL BUSINESS NETWORK (SERVICES) PTY LTD	1,200,000	0.60%
	141,792,692	70.42%

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
COVENANT HOLDINGS(WA)PTY LTD <BOYD#4 A/C>	77,912,910	38.69%
VECTOR LONDON LTD	19,003,378	9.44%

The information set out above regarding the names and number of shares held by substantial holders is as disclosed in substantial holding notices given to the Company.

Voting rights
The voting rights attached to ordinary shares are set out below:

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

Options
Options do not have voting rights attached.

There are no other classes of equity securities.

Corporate Governance Statement

The Company's 2020 Corporate Governance Statement has been released to ASX on this day and is available on the Company's website at: https://www.jayex.com/en-au/investor/corporate-governance/

Annual General Meeting

Jayex Healthcare Limited advises that its Annual General Meeting will be held on or about Thursday, 27 May 2021. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to ASX immediately upon despatch.

The Closing date for receipt of nomination for the position of Director is Thursday, 15 April 2021. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on Thursday, 15 April 2021 at the Company's Registered Office.

The Company notes that the deadline for nominations for the position of Director is separate to voting on Director elections. Details of the Directors to be elected will be provided in the Company's Notice of Annual General Meeting in due course.