ParagonCare

2015 | FINANCIAL REPORT

Paragon Care has emerged as a distinguished provider of equipment and consumables to the healthcare market.

Paragon Care is a Melbourne based, listed Company with the ASX (PGC), and has progressively acquired businesses in the healthcare sector.

ParagonCare

Paragon Care continues to build it's strong representation within the following healthcare markets:

- Acute Care
- Aged Care
- Community Care
- Primary Care
- Materials handling
- Specialised Manufacturing
- Aesthetic

axishealth

Patient Stretchers
Mobile Surgical Units
Medical and Medication Carts
Screen Systems
IV Systems

iona

Bedding Products
Mattresses
Furniture
Lifting Systems
Chair Systems

rapini

Shelving Systems
Service Carts
Refrigeration Systems
Mortuary Systems

VÖLKER Australia

World class acute care and aged care beds and furniture
The dignified care concept

gmmedical

Stainless steel equipment for acute and aged care markets

LRINSTRUMENTS

RICHARDSMEDICAL

Medical Cases and Bags
Nebulisers, Spares and Accessories
General Medical Products
Fashion Medical Scrubs
Blood Pressure, Sphygmomanometry
Stethoscopes
Resuscitation, Respiratory
CSSD Products
Surgical Instruments
Specialist Medical, Ophthamology
Specialist Medical, Orthodontic

SCANMEDICS

Aesthetics
Neonatal
Temperature Management
Ultrasound

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Corporate Directory

Directors

Shane F Tanner [Non-Executive Chairman]
Mark A Simari [Managing Director]
Michael C Newton [Non-Executive Director]
Brett A Cheong [Executive Director]
Michael G Rice [Alternate Director to Mr Simari]

Company Secretary

John Osborne

Share Registry

Link Market Services Limited
Level 1, 333 Collins St
Melbourne, VIC, 3000

Locked Bag A14
Sydney South, NSW, 1235

Telephone:1300 554 474
Facsimile: (02) 9287 303
Website: www.linkmarketservices.com.au

Stock Exchange Listing

Australian Stock Exchange
Trading Code:
PGC – Ordinary Shares

Auditor

RSM Bird Cameron Partners
Level 21, 55 Collins Street
Melbourne, Victoria 3000
Website: www.rsmi.com.au

Bankers

Westpac Banking Corporation

Solicitors

SOHO Lawyers
Suite 804 /365 Little Collins Street
Melbourne, Victoria, 3000

Paragon Care Limited

ABN 76 064 551 426

Registered Office
Unit 1, 56 Norcal Road
Nunawading, VIC 3131
Telephone: 1300 369 559
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Facsimile: +61 3 8833 7890

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www.paragoncare.com.au

Chairman's Report

For the year ended 30 June 2015

Introduction

On behalf of the Board of Directors of Paragon Care Limited, I am pleased to present to you our 2015 Annual Report.

The Period in Review

The financial year ended 30 June 2015 proved to be a rewarding one for the Paragon business and for our shareholders. It was characterised by a strong operating performance from our core businesses which continue to benefit from the favourable macroeconomic backdrop underpinning growth in the healthcare industry.

Our organic and inorganic growth was particularly strong, on the acquisition front, in October we successfully entered complimentary lines of business through the acquisition of Scanmedics. Based in New South Wales, Scanmedics is a leading provider of healthcare solutions with expert interest in specialist ultrasound, newborn care, aesthetics and cosmetic medicine in Australia and New Zealand. The acquisition of Scanmedics offers Paragon exposure to these fast growing specialist healthcare markets and further diversifies the company's revenue streams across the healthcare spectrum, both with new products and new geographies to do business in.

Financial highlights for the year ended 30 June 2015 included:

- Revenue up 66% to $32.2m
- EBITDA of $3.74m, up 110% over the prior period and in line with market guidance.
- Net profit after tax of $2.1m, up 90% over the prior year.
- Earnings per share of 3.2 cents, up 60% after allowing for additional shares issued as part of the consideration for Scanmedics.
- The company's balance sheet remains sound with Net Debt to EBITDA ratio around 2.3 times.
- Paragon's share price more than doubled over the course of the financial year as investors continued to embrace our story.
- Fully franked dividends for the year of 1.4 cents, up 12% from the 1.25 cents in the prior year. Paragon's growing fully franked dividend income stream is another attractive feature for investors.

To help facilitate our strong growth, from the end of calendar 2015 Paragon is consolidating most of its office and warehouse facilities to a larger premises in Scoresby in suburban Melbourne. Our physical space and human capital requirements continue to grow as the Group successfully expands. I would also like to welcome Stephen Munday as our new Chief Financial Officer who commenced with the company in May. Stephen brings a wealth of experience having been in financial roles with various listed companies prior to joining Paragon and has already made a very solid contribution.

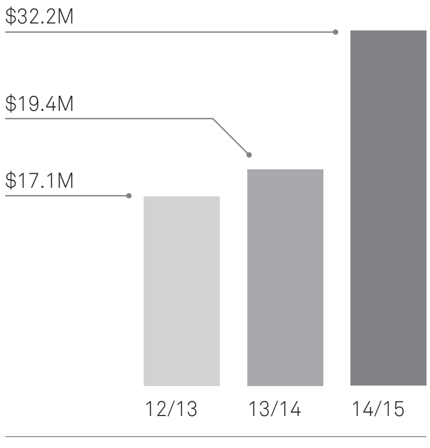
Going forward I anticipate the favourable ongoing conditions underpinning the healthcare sector to persist as the population continues to age. Our existing business portfolio should be able to continue generating organic growth. The highly fragmented nature of the industry should provide ongoing value accretive acquisition opportunities, which will further strengthen the growth outlook for Paragon.

Our strategy revolves around building critical mass and leveraging the integrated manufacturing and distribution platform the company has created. Although still a relatively young company, I believe Paragon is building a strong track record of year on year revenue and earnings growth that would be the envy of many other smaller companies listed on the ASX.

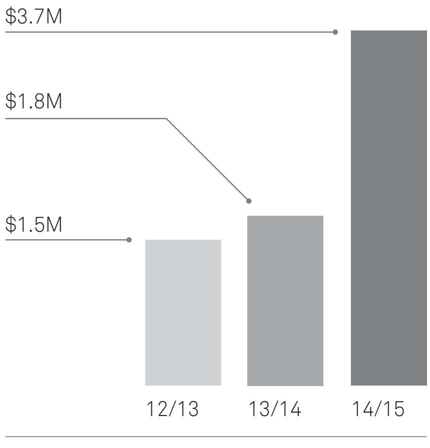
On behalf of the Board I would like to thank the employees, customers, suppliers and shareholders of Paragon Care for their continued support. We have a first class management team led by Managing Director, Mark Simari, and I remain very confident in the company's ability to continue to generate value for all key stakeholder groups moving forward.

Shane Tanner
Chairman
18 August 2015

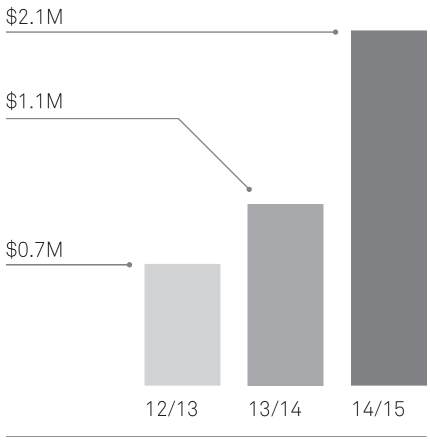
Revenue



EBITDA



Net Profit



Directors' Report

For the year ended 30 June 2015

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Paragon Care Limited ("Company") and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were Directors of Paragon Care Limited during the whole of the financial year and up to the date of this report unless otherwise stated.

Mr Shane Tanner
Mr Mark Simari
Mr Michael Newton
Mr Brett Cheong
Mr Michael Rice (Alternate Director for Mr Mark Simari)

Principal Activities

The principal continuing activity of the Group is supply of durable medical equipment, medical devices and consumable medical product to the health and aged care markets throughout Australia and New Zealand.

There were no significant changes in the nature of the activities of the Group that occurred during the year:

Operating Results and Review of Operations for the Year

Key financial highlights include:

	2014/15	2013/14
Revenue	$32.2 M	$19.4 M
EBITDA	$3.74 M	$1.8 M
Net Profit	$2.10M	$1.08M
Debt	$12.25 M	$4.3 M

The Group's performance improved considerably in the 2014–15 financial year compared with 2013–14. Revenue increased by 66% to $32.2 million whilst net profit improved from profit of $1,084,891 in 2013–14 to $2,103,156 for 2014–15.

The 66% increase in revenue was due primarily to the recent addition of our medical devices products portfolio acquired in October 2014.

Highlights for the year included:

- Revenues in excess of $32m and an EBITDA of $3.74m, a substantial increase from previous years and validation that the strategy of creating a healthcare platform for a vast range of products and servicing is successfully being implemented into the health care sector.
- Successful integration of the Scanmedics acquisition. The introduction of Medical devices to the Paragon Care platform has been extremely successful with numerous opportunities being created by the merged businesses.
- Establishment of a New South Wales (Sydney) operations and presence to facilitate the expansion into the region for the entire Paragon Care suite of products.
- The GM Medical and Rapini product ranges both achieved record years from a sales perspective on the back of increased penetration into the sector and new product development.

During the year Paragon Care has continued to grow and achieve its vision of offering its customers a broad platform of products and services designed to assist health professionals easily access high quality medical products, devices and consumables to deliver better and more affordable medical outcomes to their patients.

The continued expansion of hospital, aged care and allied health and medical facilities in Australia and the underlying strength of the health care sector provide strong growth markets in which Paragon Care's products and services are sold.

Significant changes in the state of affairs

Contributed equity increased by $802,298 (from $22,808,822 to $23,611,121) as the result of shares issued pursuant to the company's dividend re-investment plan and shares issued in consideration for the acquisition of Scanmedics. Details of the changes in contributed equity are disclosed in note 17 to the financial statements.

The net cash received from the increase in contributed equity was used principally towards the acquisition of Scanmedics and to fund working capital.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

(a) The group's operations in future financial years, or

(b) The results of those operations in future financial years, or

(c) The group's state of affairs in future financial years.

(d) Paragon Care has entered into conditional term sheets to acquire Western Biomedical Pty Ltd, Designs For Vision Pty Ltd and Meditron Pty Ltd for an upfront consideration of $66.1m. *Please refer to note 25 of the Notes to and forming part of the Financial Statements for further information.*

Likely developments and expected results of operations

The Company's focus for the coming year will be to continue to implement its strategy to become one of Australia's leading providers of medical equipment and consumable products to the health and aged care sector throughout Australia and New Zealand. Leveraging the diverse product portfolio, Paragon Care will continue to penetrate high growth markets driven by the ageing of the population and continuously rising consumer expectations and increasing government spending.

The Company will continue to seek and attempt to secure suitable investments or businesses that are complimentary to its existing operations and further enhance its product and service offering to the health and aged care markets.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this Annual Financial Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental Regulations

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends Paid

In keeping with the Directors' confidence in Paragon Care, the Directors have recommended the payment of a fully franked final dividend of 0.80 cents per fully paid ordinary share ($574,247) to be paid on 18 September 2015 in respect of the financial year ended 30 June 2015. The dividend will be paid to all shareholders on the register of members as at the Record Date of 31 August 2015. This dividend has not been included as a liability in these financial statements.

In March 2015, a fully franked interim dividend of 0.6 cents per fully paid ordinary share ($404,539) was paid. The record date was 10 March 2015 with the payment date of 31 March 2015.

Paragon Care paid a fully franked dividend of 1.25 cent per share with the value of $813,565 for the year ended 30 June 2014 on 31 March 2014 (0.5 cents per share) and 31 October 2014 (0.75 cents per share).

The dividends attributable to June 30 2014 and the interim divided have been included in these financial statements.

Combined with the interim dividend of 0.60c per fully paid ordinary share paid in March 2015 in respect of the half year ended 31 December 2014, the full year dividend for 2015 will be 1.40c per fully paid ordinary share, a 12% increase on the full year dividend of 1.25c per fully paid ordinary share for the 2014 financial year.

Dividend Reinvestment Plan

Paragon Care operates a dividend reinvestment plan (DRP) that enables shareholders to elect to reinvest all, or up to a portion of, their dividends into additional shares in Paragon. The DRP has been available since the interim dividend payable on 31 March 2014. Shares were issued at a discount of 5.0% to the volume weighted average market price of shares sold on the ASX over the 5 trading days immediately following the record date.

Information on Directors

The names of Directors in office at any time during or since the end of the financial year are:

Mr Shane Tanner
Mr Mark Simari
Mr Michael Newton
Mr Brett Cheong
Mr Michael Rice (Alternate Director to Mr Simari and appointed 11 June 2015)

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

Directors' Qualifications, Experience, and Responsibilities

Mr Shane F Tanner

Non-Executive Chairman, Age 62

Qualifications	FCPA, AGIA
Experience	Currently Chairman of Vision Eye Institute Limited, Chairman of Funtastic Limited and Chairman of BGD Limited. *Appointed as a Director on 21 December 2005*
Responsibilities	Chairman of the Board Chairman of the Nominations Remuneration Committee Member of the Audit Risk Management Committee

Mr Mark A Simari

Managing Director, Age 46

Qualifications	B.Acc, Dip FS
Experience	Former Director of DKN Financial Group Limited, former Director of Sage Capital Group Pty Ltd Director of Garmak Enterprises Pty Ltd *Appointed as a Director on 13 February 2007 and Managing Director on 15 April 2007*
Responsibilities	Managing Director

Mr Michael C Newton

Non-Executive Director, Age 61

Qualifications	B.App Sci., Grad Dip Bus Adm.
Experience	Managing Director of Symex Limited from 1999 to 2007 and Chairman of The Power House Youth Leadership Foundation. *Appointed as a Director on 22 June 2007*
Responsibilities	Chairman of the Audit and Risk Management

Mr Brett A Cheong

Executive Director, Age 56

Experience	Founder and Managing Director of Axishealth May 2002–June 2009 and with over 30 years experience in the durable medical equipment industry. *Appointed as a Director on 2 July 2009*
Responsibilities	Marketing Manager

Mr Michael G Rice

Alternate Director, Age 39

Experience	Founder and Managing Director of GM Medical—April 2002–June 2011, Over 20 years experience in the healthcare sector. *Appointed as an Alternate Director to Mr Simari on 11 June 2015*
Responsibilities	Chief Operating Officer

Company Secretary

Mr John Osborne

Company Secretary, Age 66

Qualifications	BSc, FRMIT (Management), Grad Dip Corp Gov.,AGIA
Experience	Over 30 years of senior financial, administrative, commercial and company secretarial experience with ASX listed companies. *Appointed as Company Secretary on 13 March 2015* *Prior Company Secretaries were: Mr Parker (2 December 2014–13 March 2015) and Mr Simari (2 February 2014–2 December 2014)*

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each Director were:

	Directors' Meetings		Audit Risk Management Committee		Nominations Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr S F Tanner	12	12	1	1	2	2
Mr M A Simari	12	12	-	-	-	-
Mr M C Newton	12	12	1	1	2	2
Mr B A Cheong	12	12	-	-	-	-
Mr M.G. Rice (Alternate Director)	1	1	-	-	-	-

Director Shareholdings

Directors	Total 30 June 2014	Total 30 June 2015
S F Tanner	502,867	502,867
M C Newton	198,128	205,148
M A Simari	1,416,914	1,674,204
B A Cheong	2,833,207	2,633,208
M G Rice (Alternate to Mr Simari)	100,000	134,058

Remuneration Report

This remuneration report sets out remuneration information for Paragon Care's Non-Executive Directors, Executive Directors, and other key management personnel.

Directors and key management personnel disclosed in this report

Non-Executive and Executive Directors (see page 7)

B A Cheong

M C Newton

M A Simari

S F Tanner

Other key management personnel

M G Rice	Chief Operating Officer
M R Parker	Chief Financial Officer (until 13 March 2015)
S J Munday	Chief Financial Officer (1 June 2015 onwards)

Remuneration governance

The remuneration committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- The over-arching Executive remuneration framework
- Remuneration levels of Executive Directors and other key management personnel, and
- Non-Executive Directors fees

Their objective is to ensure that remuneration policies and structures are fair, competitive and aligned with the long term interests of the Company.

The Corporate Governance Statement provides further information on the role of this committee.

Principles used to determine the nature and amount of remuneration

Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Detail of the remuneration of each Non-Executive Director is shown below. The Chairman in consultation with independent advisors determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders in a General Meeting, and is currently $250,000 per annum. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Non-Executive Directors' remuneration reflects the additional responsibilities each Director may take on from time to time. There are no termination benefits for Non-Executive Directors.

Directors' Fees

The current Director's fees were last reviewed with effect from 1 July 2015. The following fees have applied:

Base Fees	From 1 July 2015	From 1 July 2014 to 30 June 2015
Chairman	$88,695	$77,124
Other Non-Executive Directors	$40,645	$35,344

Executive Pay

The objective of the Group's Executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns Executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market practice for delivery of reward. 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
- Capital management

The Group has structured an Executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

The remuneration committee is responsible for determining and reviewing compensation arrangements. The remuneration committee assess the appropriateness of the nature and amount of emoluments of company Executives on a periodic basis by reference to relevant employment market conditions and capacity to pay with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team. Remuneration packages are set at levels that attract and retain Executives capable of managing the Company's operations. Remuneration and other terms of employment for the Managing Director and Executives have been formalised in service agreements.
Agreements are structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the Executives' discretion.

The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of remuneration and service agreements

Service Agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for Executive Directors and other senior executives and key management are also formalised in service agreements.

Company share performance shareholder wealth and Director Executive remuneration

In considering Non-Executive Director and executive remuneration the Directors take into consideration the Company's share performance and shareholder wealth creation. During the financial year the Company's share price traded between a low of 26.0¢ and a high of 59.0¢. As at 30 June 2015 the, Company's share price (ASX: PGC) was 59.0¢ per share.

PGC Share Performance

Year Ended	30 June 2010	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
Price High ¢	3.9	5.0	43.5	43.5	48.5	59.0
Price Low ¢	2.0	2.5	19.5	17.0	22.5	25.0
Price 30 June ¢	2.8	4.0	19.5	30.5	26.0	59.0
Earnings ¢ per share	0.1	0.3	(0.2)	1.7	2.0	3.2
Dividends ¢	Nil	Nil	Nil	Nil	1.0	1.35
Dividends ¢ (Interim)	Nil	Nil	Nil	Nil	0.5	0.6
Net Asset $ million	3.35	5.05	6.45	10.37	18.20	20.58

Major provisions of the agreements as at 30 June 2015 relating to remuneration are set out below:

Name	Term of Agreement	Base Salary Including Superannuation	Termination Benefit
Non-Executive Directors			
Mr S F Tanner, Non-Executive Chairman	No fixed term	$77,124	No termination benefit
Mr M C Newton, Non-Executive Director	No fixed term	$32,334	No termination benefit
Executive Directors			
Mr M A Simari, Executive Director / CEO	1 July 2014 to 30 June 2016*	$250,000** (consultancy package)	6 months consultancy fee
Mr B A Cheong, Executive Director / Marketing Manager	No fixed term	$124,000 (consultancy package)	No termination benefit
Other Key Management Personnel			
Mr Stephen Munday, Chief Financial Officer (Appointed June 2015)	No fixed term	$240,000	No termination benefit
Mr Michael Rice, Chief Operating Officer	No fixed term	$219,000	No termination benefit
Mr Matthew Parker, Chief Financial Officer (Resigned March 2015)	No fixed term	$180,000	No termination benefit

* Either party may terminate the agreement by giving six months' notice.

**Performance Bonus—The Consultancy Agreement provides for a bonus to be payable upon achieving performance criteria set in agreement with the Chairman. No performance criteria were set and no bonus paid in the year to 30 June 2015.

Emoluments of Directors, Executive officers and other Executives of the Company:

2015

	Short-Term Employee Benefits			Post Employment Benefits	Long-Term Benefits	Share-Based Payments	
Name	Cash Salary and Fees	Cash Bonus	Non-Monetary Benefits	Super-annuation	Long Service Leave	Options	Total
	$	$	$	$	$	$	$
Non-Executive Directors							
Mr S F Tanner	77,124	-	-	-	-	-	77,124
Mr M C Newton	2,690	-	-	29,644	-	-	32,334
Executive Directors							
Mr M A Simari	230,767	-	16,256	-	-	-	247,023
Mr B A Cheong	124,000	-	-	-	-	-	124,000
Other Key Management Personnel							
Mr S J Munday	-	-	-	20,000	-	-	20,000
Mr M G Rice	200,000	-	-	19,000	-	-	219,000
Mr M Parker	130,545	-	-	11,722	-	-	142,267
Total	765,126	-	16,256	80,366	-	-	861,748

2014

	Short-Term Employee Benefits			Post Employment Benefits	Long-Term Benefits	Share-Based Payments	
Name	Cash Salary and Fees	Cash Bonus	Non-Monetary Benefits	Super-annuation	Long Service Leave	Options	Total
	$	$	$	$	$	$	$
Non-Executive Directors							
Mr S F Tanner	70,125	-	-	-	-	-	70,125
Mr M C Newton	33,665	-	-	-	-	-	33,665
Executive Directors							
Mr M A Simari	190,921	-	29,079	-	-	-	220,000
Mr B A Cheong	144,000	-	-	-	-	-	144,000
Other Key Management Personnel							
Mr M Parker	41,190	-	-	3,810	-	-	45,000
Mr M G Rice	180,000	-	23,203	16,650	-	-	219,853
Mr D P Levin	145,496	-	12,568	21,106	-	-	179,171
Total	788,747	-	64,851	41,566	-	-	911,814

The elements of emoluments have been determined on the basis of the cost to the Company.

Except as detailed in the Remuneration Report or below, no Director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

Directors' Interest in Contracts with the Company

There are no material contracts involving Directors' interests at the end of the financial year nor have any been entered into since the end of the previous financial year not otherwise disclosed in this report.

The Paragon Healthcare business leases premises from Mr Brett Cheong and Mrs Lynn Cheong, Mr Cheong being a Director of the Company. The lease runs for 3 years from 1 January 2013 with an option for one further term of three years. The rent paid is on commercial terms and the directors consider Mr Cheong's association with the arrangement is on arm's-length terms and conditions. The total rent payable to Mr and Mrs Cheong by the Company for the year ended 30 June 2015 was $193,164.

Directors' Interests

As at the date of this report the interests of the Directors held either directly or through entities they control, in the securities of the Company are as follows:

	Fully paid ordinary shares (PGC)
Mr S F Tanner	502,867
Mr M A Simari	1,674,204
Mr M C Newton	205,148
Mr B A Cheong	2,633,208
Mr M G Rice	134,058

The Directors of the Company are encouraged to hold shares in the Company and are permitted to trade in the Company's securities consistent with the Company's securities trading policy (refer Corporate Governance Report). All Directors sign an agreement with the Company in which they undertake to advise the Company whenever they or a related party trades in the Company's securities.

It is the Company's policy that Directors and Executives of the Company are required to seek the prior written approval of the Board before entering into hedging arrangements in respect to their holdings of company equity instruments.

The Executive or Director must provide full details of any such hedging arrangements for consideration by the Board. The Board will consider each approach for approval on its merits, taking into account the size of the holding, the level of exposure, the repayment requirements and the impact any adverse market conditions may have on the capital structure of the Company.

Indemnification and Insurance of Directors and Officers

During the financial year the Company has paid premiums to insure all the Directors and Officers against liabilities for costs and expenses incurred by them in defending any claims arising out of their conduct while acting in the capacity of Director of the Company to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Directors and Officers Indemnity

The Company has entered into an Indemnity Deed with each of the Directors which will indemnify them against liability incurred to a third party (not being the Company or any related company) where the liability does not arise out of the conduct involving a lack of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a Director ceases to hold office. There is also a Directors' Access and Insurance Deed with each of the Directors pursuant to which a Director can request access to copies of documents provided to the Director whilst serving the Company for a period of 10 years after the Director ceases to hold office. There will be certain restrictions on the Directors' entitlement to access under the deed.

Proceedings on Behalf of Company

No person has applied for leave of the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or 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 any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court. The Company was not a party to any such proceedings during the year under section 237 of the *Corporations Act 2001*.

Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3, the Company's 2015 Corporate Governance Statement can be found on its website at www.paragoncare.com.au/statement-of-corporate-governance

Auditor

RSM Bird Cameron was appointed Company auditor on 27 November 2009 and will continue in office in accordance with section 327 of the *Corporations Act 2001.* Pursuant to section 324 DAB of the *Corporations Act 2001*, the Board of Paragon Care approved that Robert Miano, a partner of RSM Bird Cameron Partners may continue to play a significant role in the audit of the Company for a further 2 years until the financial year ended 30 June 2016.

Reasons for the extension include continuity of knowledge and experience that Robert has accumulated over the years, as well as, key relationships formed during this period is considered a material benefit to maintaining the quality of audit work for a further period covering the two financial years ending 30 June 2015 and 2016.

The Board is satisfied that the extension of the auditor rotation period is consistent with maintaining the quality of the audit and would not give rise to conflict of interest situation. RSM Bird Cameron Partners has agreed to the above extension.

Non-Audit Services

The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services listed below is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

During the year the following fees were paid or payable for services provided by RSM Bird Cameron, the auditor of the parent entity, its related practices and non-related audit firms:

	2015	2014
	$	$
Audit Services		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	69,000	52,250
Non Audit Services		
Taxation Services	18,000	7,000
Other Services	-	-

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 11.

Signed in accordance with a resolution of the Directors:

S F Tanner
Chairman
18 August 2015

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Paragon Care Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

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R B MIANO
Partner

Melbourne, Victoria
Dated: 18 August 2015

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Note	2015 $	2014 $
Revenue from continuing operations			
Revenue	3	32,223,351	19,416,931
Cost of sales		(16,712,124)	(10,369,847)
Gross profit		**15,511,227**	**9,047,084**
Other income	4	6,140	23,596
Operating costs		(2,950,084)	(1,665,378)
Corporate costs		(273,382)	(150,216)
Finance costs		(696,224)	(418,319)
Selling and distribution		(182,829)	(164,167)
Employee and consultants costs (incl. Directors fees and remuneration)		(8,718,271)	(5,558,191)
Profit/(loss) before tax		**2,696,577**	**1,114,409**
Income tax expense	7	(593,421)	(29,518)
Profit/(loss) from continuing operations		**2,103,156**	**1,084,891**
Other comprehensive income			
Items that may be reclassified to Profit or Loss			
Gain (Loss) on cash flow hedges		377,994	(256,736)
Other comprehensive income for the year, net of tax		**377,994**	**(256,736)**
Total comprehensive income for the year		**2,481,150**	**828,155**
Profit for the period attributable to:			
Owners of the parent		2,103,156	1,084,891
Total comprehensive income for the year attributable to:			
Owners of the parent		2,481,150	828,155
Earnings per share			
Basic (cents per share)	22	3.2	2.0
Diluted (cents per share)	22	3.2	2.0

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes which form an integral part of these financial statements

Consolidated Statement of Financial Position

For the year ended 30 June 2015

	Note	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	8	3,755,847	2,820,379
Inventories	9	8,413,501	5,070,913
Trade and other receivables	10	7,139,034	4,064,529
Other financial assets	11	264,056	-
Total current assets		19,572,438	11,955,821
Non-Current Assets			
Plant and equipment	12	1,193,537	618,494
Deferred Tax Assets	7	834,280	776,011
Intangibles	13	18,985,712	13,600,386
Total non-current assets		21,013,529	14,994,891
Total Assets		**40,585,967**	**26,950,713**
Liabilities			
Current liabilities			
Trade and other payables	14	6,278,612	3,605,759
Interest bearing liability	15	5,522,627	850,782
Other financial liabilities	11	-	113,938
Provision for Income Tax		568,217	170,837
Provisions	16	786,317	500,520
Total current liabilities		13,155,773	5,241,835
Non-current liabilities			
Other Payables	14	67,605	-
Interest bearing liability	15	6,730,236	3,454,238
Provisions	16	48,771	46,374
Total non-current liabilities		6,846,612	3,500,613
Total Liabilities		**20,002,385**	**8,742,448**
Net Assets		**20,583,582**	**18,208,265**
Equity			
Contributed equity	17	23,611,121	22,808,822
Reserves	18	264,056	(113,938)
Accumulated losses		(3,291,595)	(4,486,619)
Total Equity		**20,583,582**	**18,208,265**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes which form an integral part of these financial statements

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

	Share Capital	Income Tax Reserve	Currency Hedge Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 July 2013	**15,040,385**	**-**	**142,798**	**(4,813,707)**	**10,369,476**
Profit / (loss) for the year	-	-	-	1,084,891	1,084,891
Gain / (loss) on cash flow hedge	-	-	(256,736)	-	(256,736)
Total comprehensive income for the year	**-**	**-**	**(256,736)**	**1,084,891**	**828,155**
Issue of share capital	7,768,437	-	-	-	7,768,437
Dividend issued in the year	-	-	-	(757,803)	(757,803)
Balance at 30 June 2014	**22,808,822**	**-**	**(113,938)**	**(4,486,619)**	**18,208,265**
Balance at 1 July 2014	**22,808,822**	**-**	**(113,938)**	**(4,486,621)**	**18,208,263**
Profit / (loss) for the year	-	-	-	2,103,156	2,103,156
Gain / (loss) on cash flow hedge	-	-	377,994	-	377,994
Total comprehensive income for the year	**-**	**-**	**377,994**	**2,103,156**	**2,481,150**
Issue of share capital	802,299	-	-	-	802,299
Dividend issued in the year	-	-	-	(908,132)	(908,132)
Balance at 30 June 2015	**23,611,121**	**-**	**264,056**	**(3,291,595)**	**20,583,582**

The above Consolidated Statement of Changes of Equity should be read in conjunction with the accompanying notes which form an integral part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015	2014
		$	$
Cash flows from operating activities			
Receipts from customers		30,999,218	18,411,697
Payments to suppliers and employees		(29,269,701)	(20,134,857)
Interest and other items of similar nature paid		(696,224)	(420,457)
Interest received		30,891	61,799
Income taxes paid		(254,310)	(3,872)
Net cash provided by / (used in) operating activities	8(b)	809,874	(2,085,690)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(5,878,306)	(3,539,767)
Proceeds from sale of plant and equipment		82,588	93,527
Payment for plant and equipment		(886,319)	(191,569)
Payment for development of website and software		(389,103)	(35,923)
Net cash provided by / (used in) investing activities		(7,071,140)	(3,673,732)
Cash flows from financing activities			
Proceeds from borrowings		8,385,516	1,686,277
Repayment of borrowings		(437,671)	(1,351,161)
Proceeds from issues of securities		157,021	6,922,603
Dividends paid		(908,132)	(757,802)
Other—share issue costs		-	(431,593)
Net cash provided by / (used in) financing activities		7,196,734	6,068,324
Net increase / (decrease) in cash and cash equivalents		**935,468**	**308,902**
Cash and cash equivalents at the beginning of the financial year		2,820,379	2,511,477
Cash and cash equivalents at the end of the financial period	8(a)	3,755,847	2,820,379

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes which form an integral part of these financial statements

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Paragon Care Limited and its subsidiaries.

(a) 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 and the *Corporations Act 2001*. Paragon Care Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

These financial statements have been prepared under the historical costs convention modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. A controlled entity is any entity over which Company has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity.
In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The chief operating decision maker, who is responsible for allocating resources, and assessing performance of the operating segments has, been identified as the Board of Directors.

(d) Foreign Currency Translation

The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

(e) Revenue Recognition

Sale of goods

The group manufactures and sells a range of goods to the wholesale and end user market. Sales of goods are recognised when a group entity has delivered product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery does not occur until the products have been shipped to the customer, the risks of obsolescence and loss have been transferred, the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.
Amounts disclosed as revenue are net of returns, trade allowances, duties and tax paid.

No element of financing is deemed present as the sales are made with a credit term of between 30 and 60 days which is consistent with market practice.

Service

Revenue from service is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised under the percentage of completion method, based on the actual service provided as a percentage of the total services to be provided.
Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Dividend revenue from investments is recognised when the Group's right to receive payment has been established.

(f) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

(f) Income Tax (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Paragon Care Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2008. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(g) Leases

Leases of plant and equipment where the Group as lessee has substantially all the risks and benefits of ownership are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Assets acquired under finance leases are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the Statement of Profit or Loss and Other Comprehensive Income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable.

Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the Statement of Profit or Loss and Other Comprehensive Income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the Statement of Profit or Loss and Other Comprehensive Income.

(i) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use,

(i) Impairment of Assets (Continued)

to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(k) Trade Receivables

Trade receivables are recognised when the risks and rewards of ownership or provision of services of the underlying sales transactions have passed to customers. This event usually occurs on delivery of product or provision of services to customers. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement 30 days after the end of the month in which the invoice was raised. The collection of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance for doubtful debts is raised when the Directors consider it is probable that the debt is impaired and that it will not be collected.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are comprised of direct material and direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(m) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the group becomes a party to the contractual provisions of the instruments.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Those financial instruments entered into by the group are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement

(i) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Trade receivables, being generally on 30 day terms, are recognised and carried at original invoice amount less provision for any uncollectible debts. An estimate for impaired debtors is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(ii) *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Due to their short term nature trade and other payables are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Hedge accounting

The group designates certain derivatives as either:

(i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
(ii) Hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions is documented. Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) *Fair value hedge*
Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the Statement of Profit or Loss and Other Comprehensive Income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) *Cash flow hedge*
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income. Amounts accumulated in the hedge reserve in equity are transferred to the Statement of Profit or Loss and Other Comprehensive Income in the periods when the hedged item will affect profit or loss.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Unless otherwise disclosed in the notes to the financial statements, the carrying amount of the Group's financial instruments approximates their fair value.

(n) Property, Plant and Equipment

Each class of property, plant and equipment is stated at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the historical cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.
The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on either a straight-line or diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings Equipment	10–33%
Motor Vehicles	14–25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(o) Investments in Associates

Associate companies are companies in which the Group has significant influence through holding, directly or indirectly, between 20% and 50% of the voting power of the Company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the Associate Company. In addition the Group's share of the profit or loss of the Associate Company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the relation to the Group's investment in the associate.

When the reporting dates of the Group and the associate are different, the associate prepares, for the Group's use, financial statements as of the same date as the financial statements of the Group with adjustments being made for the effects of significant transactions or events that occur between that date and the date of the investor's financial statements.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition.

Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Software development

Software development costs are capitalised only when incurred.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the software, generally about three years. Initial TGA registration costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the product, generally 2–3 years.

(q) Trade and other Payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(s) Employee Benefits

Wages and salaries and annual leave

Liabilities in respect of wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' service up to that date.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national corporate bond rates with terms of maturity that match, as closely as possible, the estimated future cash outflows.

Superannuation

The Company contributed to multi-employer industry funds which provide retirement, disability and death benefits for employees. The Company is under no legal obligation to make up any shortfall in any of these funds.

Share Based Payments

Share-based compensation benefits may be provided directly by the issue of ordinary shares or options to employees. The fair value of options granted is recognised as an employee benefits expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The fair value of ASX listed ordinary shares or options is measured by the last sale price of the relevant ordinary shares or options on the ASX on or immediately prior to the date of issue. The fair value of unlisted options at grant date is determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, 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 arrangement. An expense is taken up over the period during which the employees become entitled to the option.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Contributed Equity

Ordinary shares are classified as equity.

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(v) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating profit after income tax attributable to the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the year.

(w) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(x) New Accounting Standards for Application in Future Periods

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective. Other than changes to disclosure formats, it is not expected that the initial application of these new standards in the future will have any material impact on the financial report.

Reference	Title	Summary	Application Date (Financial years beginning)
AASB 2015–3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015
AASB 2015–4	Amendments to Australian Accounting Standards—Financial Reporting Requirements for Australian Groups with a Foreign Parent	This Standard amends AASB 128 to require the ultimate Australian entity apply the equity method in accounting for an interest in an associate or joint venture, to be consistent with the AASB 10 requirement for the ultimate Australian parent to present consolidated financial statements when either the parent or the group is a reporting entity, or both the parent and the group are reporting entities.	1 July 2015
AASB 14	Regulatory Deferral Accounts	Specifies the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation.	1 January 2016
AASB 2014–1D	Amendments to Australian Accounting Standards	Part D of AASB 2014–1 makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14 Regulatory Deferral Accounts in June 2014.	1 January 2016
AASB 2014–3	Amendments to Australian Accounting Standards—Accounting for Acquisitions of Interests in Joint Operations	This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	1 January 2016
AASB 2014–4	Amendments to Australian Accounting Standards—Clarification of Acceptable Methods of Depreciation and Amortisation	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	1 January 2016
AASB 2014–9	Amendments to Australian Accounting Standards—Equity Method in Separate Financial Statements	This amending standard allows entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016
AASB 2014–10	Amendments to Australian Accounting Standards—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	This amending standard requires a full gain or loss to be recognised when a transaction involves a business (even if the business is not housed in a subsidiary), and a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business (even if those assets are housed in a subsidiary).	1 January 2016
AASB 2015–1	Amendments to Australian Accounting Standards—Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.	1 January 2016
AASB 2015–2	Amendments to Australian Accounting Standards—Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project.	1 January 2016
AASB 2015–5	Amendments to Australian Accounting Standards—Investment Entities: Applying the Consolidation Exception	This Standard makes amendments to AASB 10, AASB 12 and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.	1 January 2016
AASB 15	Revenue from Contracts with Customers	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	1 January 2017
AASB 2014–5	Amendments to Australian Accounting Standards arising from AASB 15	Consequential amendments arising from the issuance of AASB 15.	1 January 2017
AASB 9	Financial Instruments	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018
AASB 2014–7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	Consequential amendments arising from the issuance of AASB 9.	1 January 2018

Note 2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial years, are discussed below:

Impairment of Goodwill

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. With respect to cash flow projections for the Group's businesses based in Australia, revenue growth rates of between 5% and 12% have been factored into valuation models for the next five years. This is on the basis of management's expectation of increased government expenditure in both the acute and aged care market sectors, much of which has already been publicly announced, and their belief in the Group's continued ability to capture a significant share of this expenditure. The rates used incorporate allowance for inflation. Pre-tax discount rates of 16.3% have been used in all models. No impairment has been recognised in respect of goodwill at the end of the reporting period.

NOTE 3 Revenue	2015	2014
	$	$
Trading Revenue		
Sale of Goods	32,192,460	19,355,131
	32,192,460	19,355,131
Other income		
Interest	30,891	61,799
Total Other Income	30,891	61,799
Total Revenue	**32,223,351**	**19,416,931**

NOTE 4 Other Income	2015	2014
	$	$
Net gain on disposal of fixed assets	6,140	23,596
	6,140	**23,596**

NOTE 5 Expenses	2015	2014
	$	$
Profit before income tax expense includes the following specific expenses:		
Depreciation: Plant and equipment	308,474	242,602
Amortisation: Website development costs	8,771	7,332
Amortisation: TGA Costs	11,636	1,939
Amortisation: Software development costs	18,711	-
Employee Benefits expense	7,538,750	4,681,666
	7,886,342	**4,933,539**

NOTE 6 Auditors' Remuneration	2015	2014
	$	$
During the year the auditor of the Group earned the following remuneration:		
Audit and review of financial reports	69,000	52,250
Tax consulting services	18,000	7,000
Other consulting services	-	-
Total remuneration	**87,000**	**59,250**

NOTE 7 Income Tax	2015 $	2014 $
(a) Income tax expense / (benefit)		
Current tax	629,557	170,837
Deferred tax	(13,755)	(82,501)
Adjustments for current tax of prior periods	(22,381)	(58,818)
	593,421	**29,518**
(b) Deferred income tax (revenue) / expense included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets	(58,270)	(316,955)
(Decrease) / increase in deferred tax liability	-	-
	(58,270)	(316,955)
(c) The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows;		
Prima facie income tax payable on profit before income tax at 30%	808,973	334,323
Add tax effect of:		
- Entertainment expenses	3,458	-
Less tax effect of:		
- Non-assessable income	(36,629)	-
- Overprovision of income tax in prior year	(22,381)	(58,818)
- Recognition of tax losses not previously brought to account	(160,000)	(245,987)
Income tax expense / (benefit) attributable to profit	**593,421**	**29,518**
(d) Deferred tax assets		
The balance comprises:		
- Provisions / accruals	7,981	22,421
- Provision for employee entitlements	272,016	177,324
- Foreign exchange gains / losses	6,042	-
- Other assets	143,901	157,510
- Fixed Assets	(12,754)	3,265
- Carry forward tax losses	417,094	415,491
Balance after set off of deferred tax assets and (liabilities)	**834,280**	**776,011**
Deferred tax asset not recognised comprise:		
Unrecognised tax losses	632,805	792,808
Timing differences	-	-
	632,805	**792,808**

The amount of deferred tax assets which may be realised in the future is dependant on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTE 8 Statement of Cash Flows	2015	2014
	$	$
(a) Cash at bank and on hand	**3,755,847**	**2,820,379**

(b) Reconciliation of operating profit (loss) after income tax to net cash used in operating activities		
Operating profit after income tax	2,103,156	1,084,891
Non-cash items		
Depreciation amortisation	347,592	251,873
Movement in net present value of future trailing commissions	-	-
(Profit)/loss on disposal of assets	(6,140)	(23,596)
Change in operating assets and liabilities		
(Increase)/decrease in trade debtors	(1,237,920)	(823,524)
(Increase)/decrease in other debtors	-	(150,702)
(Increase)/decrease in inventory	(1,962,755)	(1,501,606)
Increase/(decrease) in provisions	196,196	(30,149)
Increase/(decrease) in accounts payable and other payables	1,030,634	(872,715)
Increase/(decrease) in current tax provision	339,111	296,794
Increase/(decrease) in deferred tax asset	-	(316,956)
Net cash outflows from operating activities	**809,874**	**(2,085,690)**

(c) Non-cash financing and investing activities

Other Non-cash share issues
In financial year ended 30 June 2015

There were no non cash issues of shares during the year ended 30 June 2015.

In financial year ended 30 June 2014
In January 2014, the Company issued 2,162,162 Paragon Care Ltd ordinary shares as part consideration for the acquisition of LR instruments and Richards Medical. The value of the shares issued as at the date of issue was $800,000.

(d) Financing Facilities

Refer Note 19 (c)

NOTE 9 Inventories	2015	2014
	$	$
Current		
Raw materials	400,489	578,246
Work in progress	48,390	79,548
Finished goods	7,964,622	4,413,119
	8,413,501	**5,070,913**

Movements in the provision for inventory written down to net realisable value are as follows:		
At 1 July	-	261,205
Increase through business combinations	-	-
Amounts written off	-	(261,205)
As at 30 June	**-**	**-**

NOTE 10 Trade and Other Receivables	2015 $	2014 $
Current		
Trade and other receivables	6,313,030	3,669,645
GST receivable	160,752	171,647
Other receivables	665,252	223,238
	7,139,034	**4,064,529**
(a) Impaired trade receivables		
As at 30 June 2015 current trade receivables of the Group with a nominal value of $nil (2014: $nil) were impaired:		
The ageing of these receivables is as follows:		
Up to 3 months	-	-
4 to 6 months	-	-
Over 6 months	-	-
	-	**-**
Movements in the provision for impairment of receivables are as follows:		
At 1 July	-	-
Change for the year	-	-
Amounts written off as uncollectable	-	-
As at 30 June	**-**	**-**
(b) Past due but not impaired		
As at 30 June 2015, trade receivables of $2,463,141 (2014: $1,654,072) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:		
Up to 3 months	2,110,350	1,508,609
3 to 6 months	352,791	145,464
	2,463,141	**1,654,072**

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group.

(d) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

NOTE 11 Derivative Financial Instruments	2015	2014
	$	$
Current assets		
Foreign exchange forward contracts—Cash flow hedges	264,056	-
	264,056	**-**
Current liabilities		
Foreign exchange forward contracts—Cash flow hedges	-	113,938
	-	**113,938**

Foreign exchange forward contracts—Cash flow hedges

Companies within the group import materials from the United States, Europe and Asia. In order to protect against exchange rate movements, the group has entered into forward exchange contracts to purchase US dollars and Euro. These contracts are hedging highly probable forecasted purchases for the ensuing financial year. The contracts are timed to mature when payments for major shipments are scheduled to be made.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When the cash flows occur, the group adjusts the initial measurement of the component recognised in the balance sheet by removing the related amount from other comprehensive income.

NOTE 12 Plant and Equipment	2015	2014
	$	$
Non-Current Assets		
Furniture, Fittings and Equipment—at cost	1,730,957	1,107,177
Less accumulated depreciation	(911,674)	(720,959)
Motor Vehicles—at cost	691,670	590,523
Less accumulated depreciation	(317,418)	(358,246)
Total Plant and Equipment	**1,193,537**	**618,494**
Movement in carrying amount during the year:		
Beginning of year WDV	618,494	739,458
Additions at cost	886,319	104,024
Acquisition through business combinations	70,036	87,545
Disposals	(72,838)	(69,932)
Depreciation	(308,474)	(242,602)
End of year WDV	**1,193,537**	**618,494**
(a) Leased assets		
Non-current assets includes the following amounts where the group is a lessee under a finance lease:		
Leasehold equipment		
Cost	1,073,641	724,523
Less accumulated depreciation	(344,614)	(381,838)
Written down value	**729,026**	**343,140**

NOTE 13 Intangible Assets	2015	2014
	$	$
Website Development Costs	7,258	14,710
TGA Costs (with business acquisition)	9,697	21,333
R&D Projects (Under Construction)	60,587	-
Software development costs	308,486	-
Goodwill	18,599,684	13,564,343
	18,985,712	**13,600,386**

Website development costs		
Beginning of year	14,710	7,455
Additions at cost	1,319	35,923
Amortisation	(8,771)	(28,667)
End of year	**7,258**	**14,710**

The website development costs are amortised over two years.

TGA Costs (with business acquisition)		
Beginning of year	21,333	-
Additions—PM Medical	-	23,273
Amortisation	(11,636)	(1,939)
End of year	**9,697**	**21,333**

R&D Projects (Under Construction)		
Beginning of year	-	-
Additions at cost	60,587	-
Amortisation	-	-
End of year	**60,587**	**-**

Software development costs		
Beginning of year	-	-
Additions	327,197	-
Amortisation	(18,711)	-
End of year	**308,486**	**-**

Goodwill		
Beginning of year	13,564,343	8,370,595
Additions	5,035,341	5,239,553
Tax Adjustments	-	(45,805)
End of year	**18,599,684**	**13,564,343**

Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment. Goodwill is attributable to the profitability of the business acquired. Impairment testing is undertaken by assessing the cash generated from the businesses and estimating the value of the businesses using cash flow projections. Refer to note 2 for further details.

NOTE 14 Trade and Other Payables	2015	2014
	$	$
Current		
Trade creditors	4,888,752	2,198,172
Other creditors	993,743	1,218,977
Accrued expenses	396,117	188,609
	6,278,612	**3,605,758**
Non-Current		
Other Creditors	67,605	-
	67,605	**-**

NOTE 15 Borrowings	2015	2014
	$	$
Current		
Secured		
Trade Finance Facility	3,337,814	483,000
Bank Loans	805,050	180,000
Lease Liabilities	229,763	187,782
	4,372,627	850,782
Unsecured		
Loan	1,150,000	-
Total Current Borrowings	**5,522,627**	**850,782**
Non-Current		
Secured		
Bank Loans	5,204,950	1,020,000
Lease Liabilities	450,286	209,238
	5,655,236	1,229,238
Unsecured		
Loan	1,075,000	2,225,000
Total Non-Current Borrowings	**6,730,236**	**3,454,238**
(a) Secured liabilities and assets pledged as security		
The total secured liabilities (current and non-current) are as follows:		
Trade Finance Facility	3,337,814	483,000
Bank Loans	6,010,000	1,200,000
Lease Liabilities	680,049	397,020
	10,027,863	**2,080,020**

The bank has a first registered company charge over all assets and undertakings including uncalled capital of the consolidated entity. Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The company has entered into a trade finance facility agreement with Westpac Bank to facilitate the importation of goods into Australia from overseas. Individual import transactions are financed for a period not exceeding 180 days after the arrival of goods in Australia. This facility has been extended as part of the company's overall banking arrangements with Westpac and is therefore covered by the charge. Unlike the Bank loans this revolving trade finance facility does not have a reducing principal balance and is continuously utilised to provide a source of working capital more closely matching the inventory life cycle of imported products.

NOTE 15 Borrowings (Continued)

(b) Loan

The parent entity borrowed $2,225,000 from a private investor in June 2012. The loan is in two tranches. The first for $1,150,000 is due for repayment on 1 January 2016 and the second for $1,075,000 is due for repayment on 1 July 2016. Interest, at 9.5% per annum, is payable quarterly in arrears.

NOTE 16 Provisions	**2015**	2014
	$	$
Current		
Employee entitlements	786,317	500,520
	786,317	**500,520**
Non-Current		
Employee entitlements	48,771	46,374
	48,771	**46,374**

NOTE 17 Contributed Equity	**2015**	2014
	$	$
Fully paid ordinary shares	23,611,121	22,808,822

(a) Ordinary shares

The Company has unlimited authorised capital with no par value. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Movements in ordinary share capital in the Company over the past two years were as follows:

Date		Number of Shares	$
30 Jun 13	Balance	**43,308,511**	**15,040,385**
31 Oct 13	Issue of shares pursuant to the company's dividend re-investment plan price of $0.35 per share	277,358	97,075
20 Nov 13	Placement to sophisticated and professional investors at issue price of $0.37 per share.	10,890,000	4,029,300
23 Dec 13	Placement to sophisticated and professional investors at issue price of $0.37 per share.	7,360,000	2,723,200
30 Dec 13	Shares issued in consideration for the release of an obligation to repay borrowings at issues price of $0.37 per share	945,946	350,000
15 Jan 14	Placement to sophisticated and professional investors at issue price of $0.37 per share.	2,162,162	800,000
31 Mar 14	Issue of shares pursuant to the company's dividend re-investment plan price of $0.31 per share	235,566	73,028
30 Jun 14	Accumulated share issue cost incurred during 2014 Fin Year (net of tax)	-	(304,165)
30 Jun 14	Balance	**65,179,543**	**22,808,822**
1 Oct 14	Placement to sophisticated and professional investors at issue price of $0.3280 per share.	1,966,405	645,278
31 Oct 14	Issue of shares pursuant to the company's dividend re-investment plan price of $0.3266 per share	277,855	90,747
31 Mar 15	Issue of shares pursuant to the company's dividend re-investment plan price of $0.4923 per share	134,619	66,274
30 Jun 15	Closing Balance	**67,558,422**	**23,611,121**

NOTE 17 Contributed Equity (Continued)

(b) Capital Management

When managing capital, the Directors' objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders. The Directors also aim to maintain a capital structure that ensures the lowest cost of capital available to the Company. The Directors are constantly monitoring the Company's capital requirements and capital structure to take advantage of favourable opportunities for raising capital. The Directors have no current plans to issue further shares or options on the market unless they conclude a further business acquisition. The Directors monitor capital through the gearing ratio (net debt divided by total capital). The target for the Group's gearing ratio is below 50%.

The gearing ratios for the years ending 30 June 2015 and 2014 were as follows:

	2015	2014
	$	$
Total Borrowings	12,252,863	4,305,020
Less Cash and Cash Equivalents	(3,755,847)	(2,820,379)
Net Debt	8,497,016	1,484,641
Total Equity	20,583,582	18,208,265
Total Capital	**29,080,598**	**19,692,906**
Gearing Ratio	29%	8%

The Group is not subject to any externally imposed capital requirements.

NOTE 18 Reserves	2015	2014
	$	$
Currency hedge reserve	264,056	(113,938)
	264,056	**(113,938)**

Movements in currency hedge reserve were as follows:

Beginning of year	(113,938)	142,798
Revaluation	377,994	(256,736)
End of year	**264,056**	**(113,938)**

NOTE 19 Financial Risk Management

The Group's activities expose it to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Derivative financial instruments are used by the Group to hedge exposure to exchange rate risk associated with foreign currency transactions. Derivatives are used exclusively for hedging purposes, ie not as trading or other speculative instruments.

(a) Market Risk

(i) Forward exchange risk

The Group enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated rates. The objective in entering into the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements for the purchases undertaken in foreign currencies.

The Group's risk management policy is to hedge between 40% and 100% of anticiptated cash flows (purchase of inventory) in Euro/US Dollars for the subsequent 12 months.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2015	2014
	$	$
Forward exchange contracts		
- Buy foreign currency (cash flow hedges)		
USD	4,624,517	1,997,841
Euro	5,046,323	1,164,005
	9,670,841	**3,161,846**

NOTE 19 Financial Risk Management (Continued)

(ii) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with the floating interest rate. The Company's policy is not to actively manage interest cost. At 30 June 2015 $3,337,815 (2014: $483,000) of the Company's debt is at a variable rate of interest.

The financial instruments exposed to interest rate risk are as follows:

	2015	2014
	$	$
Financial Assets		
Cash and cash equivalents (interest bearing)	3,755,847	2,380,661
Financial Liabilities		
Interest bearing liabilities — variable rate (current)	(3,337,814)	(483,000)
Interest bearing liabilities — fixed rate (current)	(2,184,812)	(367,782)
Interest bearing liabilities — variable rate (non-current)	-	-
Interest bearing liabilities — fixed rate (non-current)	(6,730,236)	(3,454,238)
	(12,252,864)	**(4,305,020)**

(b) Credit Risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. For customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

The Group has no significant exposure to any individual debtor of the Group and the credit risk is low for the majority of the balance. Receivables balances are monitored on an ongoing basis and given the low risk profile of customers the Group's exposure to bad debts is insignificant.
The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments.

(c) Liquidity Risk

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Forecasted cash flows are used to calculate the forecasted liquidity position and to maintain suitable liquidity levels.

Financing Arrangements
The Group had access to the following borrowing facilities at the end of the reporting period:

	2015	2014
	$	$
Floating Rate		
Expiring within one year		
Total Facility	4,000,000	600,000
Undrawn Amount	662,186	117,000
Expiring beyond one year		
Total Facility	-	-
Undrawn Amount	-	-
Fixed Rate		
Expiring within one year		
Total Facility	805,000	180,000
Undrawn Amount	-	-
Expiring beyond one year		
Total Facility	5,215,000	3,245,000
Undrawn Amount	10,000	-
Total		
Total Facility	**10,020,000**	**4,025,00**
Undrawn Amount	**672,186**	**117,000**

NOTE 19 Financial Risk Management (Continued)

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the undiscounted cashflows.

Contractual maturities of financial liabilities	Weighted average interest rate	Less than 6 Months	6 to 12 Months	Between 1 and 2 Years	Between 2 and 5 Years	Total contractual cash flows
	%	$	$	$	$	$
2015						
Non-derivatives						
Non-interest bearing	-	6,278,612	-	-	-	6,278,612
Variable rate	4.8	3,337,814	-	-	-	3,337,814
Fixed rate	6.5	413,231	1,771,581	2,318,163	4,412,073	8,915,048
Total	**6.0**	**10,029,657**	**1,771,581**	**2,318,163**	**4,412,073**	**18,531,476**
2014						
Non-derivatives						
Non-interest bearing	-	3,605,758	-	-	-	3,605,758
Variable rate	7.3	483,000	-	-	-	483,000
Fixed rate	8.2	185,109	182,672	327,443	3,126,795	3,822,020
Total	**8.1**	**4,273,867**	**182,672**	**327,443**	**3,126,795**	**7,910,778**

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table present the Group's assets and liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014.

At 30 June 2015	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets				
Forward foreign exchange contracts	-	264,056	-	264,056
Total assets	**-**	**264,056**	**-**	**264,056**
Liabilities				
Forward foreign exchange contracts	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**

At 30 June 2014	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets				
Forward foreign exchange contracts	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
Liabilities				
Forward foreign exchange contracts	-	(113,938)	-	(113,938)
Total liabilities	**-**	**(113,938)**	**-**	**(113,938)**

Note 20 Related Party Disclosure

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Subsidiaries	Ownership 30 June 2015	Ownership 30 June 2014
Parent Entity		
Paragon Care Limited		
Subsidiaries		
Paragon Healthcare Pty Ltd	100%	100%
GM Medical Pty Ltd	100%	100%
Scanmedics Pty Ltd *[1]	100%	100%
Axishealth Pty Ltd *[1]	100%	100%
Rapini Pty Ltd *[1]	100%	100%
Paragon Care Group Pty Ltd *[1]	100%	
Iona Medical Products Pty Ltd *[1]	100%	100%
Volker Australia Pty Ltd *[3]	100%	100%
Paragon Medical Pty Ltd	100%	100%
L.R. Instruments Pty Ltd *[2]	100%	100%
Richards Medical Pty Ltd *[2]	100%	100%
Unikits Pty Ltd *[2]	100%	100%
Paragon Medical Ltd [2]	100%	

All entities are incorporated in Australia except for Paragon Medical Ltd which is incorporated in New Zealand.

* Dormant company

[1] Subsidiary of Paragon Healthcare Pty Ltd

[2] Subsidiary of Paragon Medical Pty Ltd

[3] Subsidiary of Iona Medical Products Pty Ltd

(b) Ultimate Parent

Paragon Care Limited is a public company listed on ASX and details of major shareholders are shown in Shareholder Information.

(c) Transactions with related parties.

Employees and Contractors
Contributions to superannuation funds on behalf of employees are disclosed in the Remuneration Report in the Directors' Report.

(d) Loan to related parties.

The parent entity has provided intercompany loans to its subsidiaries for working capital purposes. The intercompany loans are repayable to the parent entity at call and no interest is payable. Details of the loans are shown below.

	2015 $	2014 $
Loans to / (from):		
Paragon Healthcare Pty Ltd	6,600,950	6,582,792
Paragon Medical Pty Ltd	4,978,664	4,957,266
	11,579,614	**11,540,058**

NOTE 21 Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Details of the Key Management Personnel remuneration and services agreements are provided in the Remuneration Report section of the Directors' Report.

The following table discloses the aggregate remuneration of the Key Management Personnel of the Group. Details by director and executive are shown in the Remuneration Report section of the Directors' Report.

	2015	2014
	$	$
Short term employee benefits	781,382	870,248
Post employment benefits	80,366	41,566
Others — long term benefits	-	-
Share-based payments	-	-
	861,748	**911,814**

(b) Equity Holdings of Key Management Personnel

Details of the Key Management Personnel holdings of ordinary shares in the Company is shown in the following table:

Directors	Balance 1 July 2014	Shares Acquired	Shares Disposed	Other Changes	Balance 30 June 2015
S F Tanner	502,867	-	-	-	502,867
M A Simari	1,416,914	257,290	-	-	1,674,204
M C Newton	198,128	7,020	-	-	205,148
B A Cheong	2,833,208	-	(200,000)	-	2,633,208
Other key management personnel					
M G Rice	100,000	34,058	-	-	134,058

Directors	Balance 1 July 2013	Shares Acquired	Shares Disposed	Other Changes	Balance 30 June 2014
S F Tanner	1,702,867	-	(1,200,000)	-	502,867
M A Simari	1,240,970	175,944	-	-	1,416,914
M C Newton	189,567	8,561	-	-	198,128
B A Cheong	2,833,208	-	-	-	2,833,208
Other key management personnel					
M G Rice	100,000	-	-	-	100,000

(c) Other Transactions with Key Management Personnel

The Paragon Healthcare business leases premises from Mr Brett Cheong and Mrs Lynn Cheong, Mr Cheong being a Director of the Company. The lease runs for 3 years from 1 January 2013 with an option for one further term of three years. The rent paid is on commercial terms and the directors consider Mr Cheong's association with the arrangement is on arm's-length terms and conditions. The total rent payable to Mr and Mrs Cheong by the Company for the year ended 30 June 2015 was $193,164.

Note 22 Earnings per share

	2015 Cents	2014 Cents
(a) Basic (loss) / Earnings per share (cents per share)	3.2	2.0
(b) Diluted (loss) / Earnings per share (cents per share)	3.2	2.0
(c) Reconciliation of earnings used in calculating earnings per share		
Profit / (Loss) used in calculating basic earnings per share	2,103,156	1,084,891
Profit / (Loss) used in calculating diluted earnings per share	**2,103,156**	**1,084,891**
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	66,754,955	55,440,725
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**66,754,955**	**55,440,725**

Note 23 Parent Entity Disclosures

	2015 Cents	2014 Cents
(a) Financial Information		
Profit for the Year	(1,120,204)	(599,008)
Total Comprehensive Income	(1,120,204)	(599,008)
Current Assets	12,773,047	13,958,646
Total Assets	13,417,524	14,538,409
Current Liabilties	106,557	153,684
Total Liabilties	2,502,529	2,378,684
Shareholders Equity		
Issued Capital	23,611,121	22,808,822
Reserves	-	-
Retained Earnings	(12,696,125)	(10,649,097)
Total Equity	10,914,995	12,159,725

b) Guarantees

The Company and its controlled entities as listed in note 20 have provided financial guarantees in respect of bank loans of subsidiaries amounting to $ nil (2014 — nil), secured by registered mortgages over all of the assets of the Company and its subsidiaries.

The parent entity has also given unsecured guarantees in respect of:
(i) Finance leases of subsidiaries amounting to $ nil (2014 — $100,818)

c) Other Commitments
The Company has no commitments to acquire property, plant and equipment.

d) Contingent Liabilities
The parent entity did not have any contingent liabilities as at 30 June 2015.

Note 24 Contingent Liabilities

Since the last annual reporting date, there have been no material changes of any contingent liabilities or contingent assets.
The Group has bank guarantees outstanding totalling $369,921 (2014 $39,875)

Note 25 Subsequent Events

No other matters or circumstances have arisen since the year ended 30 June 2015 that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

On 31 July 2015 the Directors recommended the payment of a fully franked final dividend of $574,247. This dividend has not been included as a liability in these financial statements. Further details are provided on page 4 in the Directors' Report.

On 18 August 2015, the company announced that it had entered into conditional term sheets to acquire Western Biomedical Pty Ltd, Designs For Vision Pty Ltd and Meditron Pty Ltd for an upfront consideration of $66.1m.

On a FY15 pro forma basis before synergies the acquisitions have the following impact: Revenue to more than triple from $32.2m to $106.0m; EBITDA to more than triple from $3.7m to $13.5m; EPS to increase 50% from 3.2c to 4.8c; and, Balance sheet strengthened with Net Debt to EBITDA falling from 2.3x to 1.7x. Funded by a combination of debt and a capital raising at $0.53 per share comprising: a $5.0m Placement to vendors; a $35.0m underwritten Placement to professional and sophisticated investors; a $7.2m underwritten Rights Issue to existing shareholders; and, a $19.0m new bank debt facility. Bell Potter Securities Limited is acting as sole Lead Manager and Underwriter to the Conditional Placement and Rights Issue. Further information can be found in the ASX announcement by the company dated 18 August 2015.

Note 26 Commitments

Lease Commitments

The Group leases various offices under non-cancellable operating leases expiring within two to five years. The leases have various terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated.

	2015	2014
	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	536,683	565,846
Later than one year but not later than five years	3,291,666	256,404
Later than five years	2,027,678	-
	5,856,027	**822,250**

Note 27 Segment Reporting

The consolidated entity operates within one operating segment only—Medical Equipment. The Medical Equipment segment supply durable medical equipment and consumable medical product to hospitals, medical centres and aged care facilities in Australia predominantly.
The consolidated entity does not have any other reportable segments.

Note 28 Business Combinations

Paragon Care Limited

Business combinations for the year ended 30 June 2015
Paragon Healthcare Pty Ltd

On 1 Oct 2014 the Company acquired the business of Scanmedics Pty Ltd. Scanmedics is a leading provider of solutions to the healthcare sector with expert interest in specialist ultrasound, newborn care, aesthetics and cosmetic medicine in Australia and New Zealand. The acquisition of Scanmedics offers Paragon Care exposure to fast growing specialist healthcare markets and further diversifies the company's product offerings across the healthcare spectrum.

	$
Purchase consideration	
Cash and cash equivalents	5,878,306
Ordinary shares in Paragon Care (1,966,405) at $0.328	645,278
	6,523,584
Fair value and carrying value of net assets acquired	
Net working capital	1,529,929
Plant and equipment	70,036
Employee entitlements	(159,602)
Deferred tax asset	47,881
Goodwill on consolidation	5,035,341
	6,523,585
Reconciliation to cashflow	
Consideration of purchase	6,523,585
Equity funding	(645,278)
Net outflow of cash	5,878,307

Impact of acquisition on the results of the Group

As the acquisition of Scanmedics Pty Ltd occurred on 1 October 2014 the revenue and profit of the Group for the year ended 30 June 2015 reflects trading for October 2014 to June 2015 of the acquired business.

On 30 June 2015 negotiations around funds retained in a solicitors trust for the vendors of Scanmedics were settled resulting in obsolete inventory being written down, goodwill has been adjusted to reflect this.

Directors' Declaration

For the year ended 30 June 2015

In the Directors' opinion:

a) The financial statements and notes set out on pages 12 to 39 are in accordance with the *Corporations Act 2001*, including;

(i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional requirements; and

(ii) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

b) There are reasonable grounds to believe that Paragon Care Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with the resolution of the Directors.

S F Tanner
Chairman
18 August 2015

Auditor’s Report

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

PARAGON CARE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Paragon Care Limited, which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Paragon Care Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Paragon Care Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial positions as at 30 June 2015 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion the Remuneration Report of Paragon Care Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Miano

R B MIANO
Partner

Melbourne, Victoria
Dated: 18 August 2015

Shareholder Information

Shareholder information

For the year ended 30 June 2015

The shareholders information set out below was applicable as at 13 August 2015.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Number of Units	PGC
1–1,000	551
1,001–5,000	395
5,001–10,000	243
10,000–100,000	519
100,001 and over	83
Total Holders	**1,791**

There are 456 holders of less than a marketable parcel of ordinary shares

(b) Equity Security Holders

Twenty largest quoted equity security holders:
Ordinary shares

Ordinary Shares

Name	Units	% of Issued Shares
JMT INVESTMENT GROUP VIC PTY LTD	4,502,470	6.66%
POSSE INVESTMENT HOLDINGS PTY LIMITED	3,073,003	4.55%
BRETT CHEONG AND LYNN CHEONG	2,633,207	3.90%
JMT INVESTMENT GROUP VIC PTY LTD	2,616,339	3.87%
MR DAVID IAN GIBSON & MRS MARYANNE TAYLOR-GIBSON	1,866,405	2.76%
DAK DRAFTING SERVICES PTY LTD	1,750,000	2.59%
LIONEL RICHARDS NO 2 PTY LTD	1,621,622	2.40%
BNP PARIBAS NOMS PTY LTD	1,500,046	2.22%
UNRANDOM PTY LTD	1,174,751	1.74%
ZERO NOMINEES PTY LTD	1,125,000	1.67%
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,105,496	1.64%
WHOTIF PTY LIMITED	1,036,828	1.53%
ROMAN LOHYN PTY LTD	1,010,000	1.50%
MR GREGORY STEPHEN VAWDREY & MRS CHERYL MARGARET VAWDREY	1,000,001	1.48%
GUERILLA NOMINEES PTY LTD	967,742	1.43%
MR PETER JOHN DIAMOND & MRS DIANNA ELIZABETH DIAMOND	900,00	1.33%
CHARKAROO PTY LTD	814,992	1.21%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	755,338	1.12%
MR KEITH STERRY ADDISON WOODRUFF	716,000	1.06%
JILLIBY PTY LTD	700,000	1.04%

Total Top 20 PGC Shareholders	30,869,240	45.70%
Balance of Register	**36,689,182**	**54.30%**
Grand Total	67,558,422	100.00%

(c) Voting Rights

The voting rights attaching to each class of equity securities are set out below:

i) 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

d) Substantial Holders

Name	Units	% of Issued Ordinary Shares
John Turner Group	7,118,809	10.92
Posse Investment Group	4,729,751	7.26
DAK Drafting Services Pty Ltd and associated entities	3,750,000	5.75
Total Substantial Shareholders	15,598,560	23.93
Total PGC Shares	**65,179,543**	

e) Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3, the Company's 2015 Corporate Governance Statement can be found on its website at www.paragoncare.com/statement-of-corporate-governance

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ParagonCare

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Paragon Care Group of Companies

axishealth iona rapini VÖLKER Australia gmmedical LRINSTRUMENTS RICHARDSMEDICAL SCANMEDICS