

RESONANCE HEALTH LIMITED

ABN 96 006 762 492

Appendix 4D

Half year report for the half year ended 31 December 2015

(previous corresponding period to 31 December 2014)

Results for announcement to the market

	Change	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Revenues from ordinary activities	Up 1%	1,300	1,288
(Loss)/Profit from ordinary activities after tax attributable to members	Down 105%	(22)	448
(Loss)/Profit for the period attributable to members	Down 105%	(22)	448
		31 Dec 2015	31 Dec 2014
Net tangible assets per security (cents)		0.68	0.70

Comments

The Company is pleased to report:

- Sales revenue increased by 17% compared to the corresponding previous half-year
- Analysis volumes increased by 6% compared to the corresponding previous half-year
- Eleven new FerriScan[®] sites were established in the July-December 2015 period
- Together with the clinical community Resonance Health celebrated the delivery of 30,000 patient FerriScans worldwide to date
- St Mary's Hospital in London achieved the fantastic milestone of providing over 1,000 FerriScans to their patients
- Four new team members were employed in new roles in the half-year; in line with the Company's commitment to continued growth
- Marketing efforts involved profiling our products at numerous high-profile global conferences
- Cash on hand - \$2.4million 31st December 2015 (approximately \$2.6million 25th September 2016)

FerriScan[®]

FerriScan is currently established in over in over 30 countries and is globally recognised as the gold standard method for the measurement of liver iron concentration (LIC) with over 30,000 FerriScans having been delivered to patients worldwide to date. As a result of ongoing efforts to achieve this gold-standard status the source of the FerriScan business has shifted towards routine clinical use. In particular, our key markets in the USA and UK saw significant growth in routine clinical use. Our collaborative programs with patient advocacy organisations and pharmaceutical companies continue to drive further demand for this test. To support further activities aimed at driving revenue, the Company is identifying new markets and will resource these opportunities as appropriate. The current focus is on the USA which represents a significant

opportunity for FerriScan and we anticipate appointing an additional resource local to this market in the current quarter. Resonance Health is a sustainable Company and the additional revenue will support the development of new products.

From an R&D perspective the Company continues to explore new areas where its technologies can be applied to assess iron in organs other than the liver. One such example is our collaboration in a pharmaceutical sponsored study for the provision of iron assessments in bone marrow, which is relevant in patients with MDS and will potentially lead to further opportunities.

HepaFat-Scan®

HepaFat-Scan marketing has continued to focus on the development of strategic opportunities. These opportunities are centred on building awareness of the HepaFat-Scan test with Key-Opinion-Leaders (KOLs), profiling HepaFat-Scan by attending international conferences and the prestigious Liver Forum and engaging with pharmaceutical companies.

Resonance Health is a member of the internationally based Liver Forum. The purpose of the forum is to provide an arena for clinicians, pharmaceutical companies, medical device companies and the FDA to hold open discussions on clinical trials and drug development. By participating in the Liver Forum, Resonance Health is able to create further awareness of HepaFat-Scan and our prototype technology to measure liver fibrosis, develop important relationships with KOLs and connections with pharmaceutical companies, and participate in guideline discussions amongst the members.

In the next six months the Company will undertake and aim direct marketing at the liver surgeon community to encourage uptake of HepaFat-Scan as a tool to aid in liver resection planning. Liver surgeons have expressed initial interest in the test as the presence of liver fat has detrimental consequences for patient outcomes in the setting of liver resection for colorectal metastases.

The primary focus of the Company's HepaFat-Scan strategy is currently to participate in high profile clinical studies which will enhance clinical acceptance and uptake of the test, with the following studies currently underway:

Paediatric Clinical Study - USA

The study is being conducted by Dr Miriam Vos, KOL in paediatric fatty liver disease. Its focus is on children with non-alcoholic fatty liver disease (NAFLD), the objective is to evaluate whether HepaFat-Scan precisely and reproducibly quantifies hepatic steatosis in children. The results of the study aim to establish HepaFat-Scan as a non-invasive replacement for biopsy that benefits children by reducing risk and improving diagnosis. The outcomes could help clinicians develop protocols for the routine clinical use of HepaFat-Scan in managing paediatric patients with NAFLD.

Recruitment is on track, with over 20 out of 50 patients recruited, with the study anticipated to be completed by June 2016. Preliminary results are expected December 2016.

Liver Surgery Study - Australia

The application of HepaFat-Scan is currently also being investigated in an Australian-based, multi-centre, randomised clinical study. The study will compare the clinical outcomes of patients with colorectal metastases in the liver who receive a HepaFat-Scan test before surgery with those who do not receive a HepaFat-Scan. The clinical outcomes for the two groups of patients will be followed for a period of 6 months after the surgery. The trial design hypothesises that knowledge about the fat content in the liver will help liver surgeons optimise their surgical plan resulting in better clinical outcomes for the patient.

Recruitment has commenced with the first study sites having been established in Western Australia. The recruitment phase will take 12 - 18 months with results expected a further 6 – 12 months thereafter.

London Marathon Study – United Kingdom

This is a high profile study where HepaFat-Scan will be used to measure the volume fraction of fat in the livers of 120 marathon runners. The study is a collaboration between Resonance Health and Barts Health, sponsored by St George's University of London. It will examine any relationship between intense exercise and liver fat fraction alongside cardiac function. The addition of HepaFat-Scan will provide valuable new information in this context.

Participants in the study will be scanned twice, with the first round of scans having been completed. Final scans will be performed after the London Marathon in April 2016. Results are expected 6 – 12 months thereafter.

Hyperferritinaemia Study – United Kingdom

Resonance Health and a respected UK hospital are collaborating to evaluate whether HepaFat-Scan in conjunction with FerriScan provides sufficient clinical information to determine the aetiology in patients presenting with unexplained hyperferritinaemia. An additional objective of the study is to determine whether HepaFat-Scan may assist in the subsequent clinical management of patients.

A number of additional study opportunities are also being investigated, including the application of HepaFat-Scan in a patient cohort with diabetes.

Pipeline products

Resonance Health continues its commitment to diversifying its product offerings and find opportunities to add value to existing products. The objective is to develop a broader suite of tools which will enhance market uptake.

Research and development has continued to focus on the non-invasive detection and measurement of liver fibrosis. The Company presented the results of our first prototype fibrosis measurement technology at the Annual Liver Meeting (AASLD) in November 2015. As a result of this we are now in active discussions with pharmaceutical companies interested in this technology. State-of-the-art computer algorithms are being applied to clinical magnetic resonance image data that were obtained in a variety of studies to develop the fibrosis technology. Additional data are being collected in ongoing studies to assist in testing and validation of newly developed algorithms. The Company will also continue its collaboration with CSIRO in fibrosis research and see potential to establish a long-term partnership with this highly respected research institute. To leverage recent advances in the field of image analysis algorithms the Company anticipates expanding on its R&D resources as we explore potential different applications of this technology. In addition to this, Resonance Health is exploring collaboration opportunities with other research institutes and pharmaceutical companies to further develop and commercialise other new products.

Resonance Health Limited

(ABN 96 006 762 492)

Half-Year Financial Report

31 December 2015

Corporate Directory

Directors

Dr Martin Blake
Chairman/Non-executive Director

Mr Simon Panton
Non-executive Director

Dr Jason Loveridge
Non-executive Director

Company secretary

Mr Adrian Bowers

Website and e-mail address

www.resonancehealth.com
Email: info@resonancehealth.com

Postal address

PO Box 1135
Nedlands WA 6909

Stock exchange listing

Resonance Health Limited
shares are listed on the
Australian Securities
Exchange.
ASX Code: RHT

Share registry

Advanced Share Registry Ltd
150 Stirling Highway
Nedlands WA 6009
Tel: +61 8 9389 8033
Fax: +61 8 9389 7871

Auditors

HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

Registered office and Principal place of business

278 Stirling Highway
Claremont WA 6010
Telephone: 61 8 9286 5300
Facsimile: 61 8 9286 1179

Bankers

National Australia Bank Limited

Solicitors

Steinepreis Paganin
Level 4
16 Milligan Street
Perth WA 6000

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DIRECTORS' REPORT

The directors submit the financial report of the Group for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Dr Martin Blake	Non-executive Director – Chairman (currently acting Executive Chairman)
Mr Simon Panton	Non-executive Director
Dr Jason Loveridge	Non-executive Director

Review of Operations

Resonance Health is a medical device company developing innovative imaging technology for the assessment of human disease. The Company's expertise is in providing quantitative measurements using MRI technology replacing the need for invasive procedures such as a biopsy.

Resonance Health's lead product on market generating revenue is FerriScan[®], for the measurement of iron overload. FerriScan is provided to the market as an image analysis service where radiology facilities in over 30 countries upload data to a secure web facility for analysis and reporting by Resonance Health.

Resonance Health gained FDA clearance for its new product HepaFat-Scan[®] in December 2013, for the measurement of fatty liver to address the sizable fatty liver disease market. Resonance Health is embarking on commercialisation of the product.

Research and development work continues on developing an MRI based test to quantify liver fibrosis.

The principal activity of Resonance Health during the period was the delivery of FerriScan[®] image analysis services for the clinical management of patients with iron overload conditions. This also includes cardiac iron overload assessments in some countries. Our central image analysis facility provides a range of services to the pharmaceutical industry requiring imaging core lab services for their clinical trials.

Financial and Operational Summary:

- Net loss reported for the half-year was \$21,728 compared to a profit of \$448,031 in the previous corresponding half-year.
Sales revenue increased by 17% to \$1,300,403 from \$1,112,429 in the previous corresponding half-year due to the number of scans increasing by 6% and the effects of the lower Australian dollar, however other income was significantly reduced as there was no receipt of government grants compared to \$135,000 in the previous corresponding half-year.
Operating expenses (excluding foreign exchange) were up by 25% or \$290,500 higher compared to the previous corresponding half year. The increased expenses are due to increased marketing and travel activities and increased research and development spend on Fibrosis, FerriScan and HepaFat. All other expenses remain stable compared to the corresponding half-year.
Income tax benefit of \$98,325 is the R&D tax incentive benefit for eligible expenditure conducted by the company for the financial year ended 30 June 2015.
- Research and development expenditure for the half-year was \$238,617, of which \$132,708 was capitalised and \$105,909 was expensed. Research and development expenditure was primarily associated with the development of a liver fibrosis imaging test and liver fat imaging testing.
- Intangible assets, representing capitalised development expenditure, totalled \$1,666,736 at the end of the half-year, compared to \$1,601,442 at the end of the 30 June 2015 financial year.
- Resonance Health has no debt and \$2,405,387 in cash and equivalents at the end of the half-year, compared to \$2,797,203 at 30 June 2015.
- The reported cash used in operating activities was higher than in the previous year, due to increased spend on marketing and travel and research and development.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in cursive script that reads "M. P. Blake".

Dr Martin Blake
Chairman

Dated this 25th day of February 2016.



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Resonance Health Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

Perth, Western Australia
25 February 2016

L Di Giallonardo
Partner

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

		Consolidated	
	Notes	31 December 2015 \$	31 December 2014 \$
Sales revenue	2	1,300,403	1,112,429
Other income	2	26,624	175,159
Revenue		1,327,027	1,287,588
Employee benefits expense		(658,465)	(626,245)
Consulting and professional services		(3,198)	(27,300)
Research and development		(105,909)	(51,530)
Depreciation expense		(6,857)	(7,325)
Amortisation expense		(67,414)	(58,834)
Marketing and travel		(347,594)	(144,283)
Statutory and compliance		(64,741)	(59,194)
Foreign exchange gain/(loss)		(17,108)	155,599
Due diligence expense		-	(15,264)
Other expenses		(175,794)	(149,497)
(Loss)/profit before income tax		(120,053)	303,715
Income tax benefit	3	98,325	144,316
(Net loss)/profit for the half-year		(21,728)	448,031
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		-	(61,916)
Exchange differences arising on translation of foreign loan		-	(37,314)
Other comprehensive loss for the half-year, net of tax		-	(99,230)
Total comprehensive (loss)/income for the half-year		(21,728)	348,801
Basic (loss)/earnings per share from continuing operations (cents per share)		(0.01)	0.12

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	Consolidated	
		31 December 2015 \$	30 June 2015 \$
Assets			
Current Assets			
Cash and cash equivalents		2,405,387	2,797,203
Trade and other receivables		1,116,128	662,177
Other assets		102,170	42,304
Total Current Assets		3,623,685	3,501,684
Non-Current Assets			
Plant and equipment		33,087	27,216
Intangible assets	4	1,666,736	1,601,442
Other assets		62,106	62,106
Total Non-Current Assets		1,761,929	1,690,764
Total Assets		5,385,614	5,192,448
Liabilities			
Current Liabilities			
Trade and other payables		340,182	329,158
Provisions		34,853	44,070
Other liabilities		627,019	413,932
Total Current Liabilities		1,002,054	787,160
Total Liabilities		1,002,054	787,160
Net Assets		4,383,560	4,405,288
Equity			
Issued capital	5	69,406,199	69,406,199
Reserves		(204,296)	(204,296)
Accumulated losses		(64,818,343)	(64,796,615)
Total Equity		4,383,560	4,405,288

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated				
	Issued Capital	Foreign Currency Translation Reserve	Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2015	69,406,199	(270,580)	66,284	(64,796,615)	4,405,288
Net loss for the half-year	-	-	-	(21,728)	(21,728)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(21,728)	(21,728)
Balance at 31 December 2015	69,406,199	(270,580)	66,284	(64,818,343)	4,383,560
Balance at 1 July 2014	68,703,510	(171,350)	66,284	(65,259,849)	3,338,595
Net profit for the half-year	-	-	-	448,031	448,031
Other comprehensive loss for the half-year, net of tax	-	(99,230)	-	-	(99,230)
Total comprehensive income for the half-year	-	(99,230)	-	448,031	348,801
Shares issued during the period	690,689	-	-	-	690,689
Balance at 31 December 2014	69,394,199	(270,580)	66,284	(64,811,818)	4,378,085

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated	
	31 December 2015	31 December 2014
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	948,635	931,196
Payments to suppliers and employees	(1,413,760)	(1,195,490)
Grants and awards received	-	135,000
Interest received	25,948	37,672
R&D taxation credit	186,231	-
Net cash used in operating activities	<u>(252,946)</u>	<u>(91,622)</u>
Cash flows from investing activities		
Payments for plant and equipment	(12,728)	(4,059)
Payments for intangible assets	(132,708)	(76,084)
Net cash used in investing activities	<u>(145,436)</u>	<u>(80,143)</u>
Cash flows from financing activities		
Share issue	-	650,000
Share issue costs	-	(18,687)
Net cash provided by financing activities	<u>-</u>	<u>631,313</u>
Net (decrease)/increase in cash and cash equivalents	(398,382)	459,548
Foreign exchange differences on cash balances	6,566	27,071
Cash and cash equivalents at beginning of half-year	<u>2,797,203</u>	<u>2,097,607</u>
Cash and cash equivalents at end of half-year	<u><u>2,405,387</u></u>	<u><u>2,584,226</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Resonance Health Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of Preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

Furthermore, the Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	Six months to 31 December 2015 \$	Six months to 31 December 2014 \$
The following revenue items are relevant in explaining the financial performance for the half-year:		
(a) Sales revenue		
Sales to external customers	1,300,403	1,112,429
(b) Other income		
Interest received	26,624	34,328
Grants and awards received	-	135,000
Other revenue	-	5,831
	26,624	175,159

NOTE 3: INCOME TAX BENEFIT

The tax consolidated group has recognised a Research and Development Tax Incentive for the financial year ended June 2015 for the amount of \$98,325.

NOTE 4: INTANGIBLE ASSETS

	Consolidated	
	Six months to 31 December 2015 \$	Year ended 30 June 2015 \$
Development expenditure		
At cost	1,979,205	1,846,497
Less: Accumulated amortisation	(312,469)	(245,055)
Total development expenditure	1,666,736	1,601,442
Reconciliation of the carrying amounts of development expenditure is set out below:		
Carrying amount at the beginning of the period	1,601,442	1,563,284
Additions	132,708	159,210
Amortisation expense	(67,414)	(121,052)
Carrying amount at the end of the period	1,666,736	1,601,442

Development expenditure relates to costs incurred in developing MRI tools for the diagnosis and clinical management of human disease.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

NOTE 4: INTANGIBLE ASSETS (continued)

During the half-year development continued to relate primarily to improvements to the FerriScan software technology, HepaFat tools and the development of liver fibrosis MRI diagnostic tool.

The recoupment of development expenditure is dependent on the successful development and commercialisation or sale of the technology developed. The directors are required to assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists an estimate is made of the asset's recoverable amount. Where the asset's carrying value exceeds the estimated recoverable amount a provision for impairment is recognised. The Directors do not consider that there has been any indication that the asset may be impaired as at balance date.

NOTE 5: ISSUED CAPITAL

	Consolidated	
	31 December 2015 \$	30 June 2015 \$
<i>Ordinary shares</i>		
Issued and fully paid	69,406,199	69,406,199

Movement in ordinary shares

	Six months to 31 December 2015		Year to June 2015	
	Number of shares	\$	Number of shares	\$
Balance at beginning of period	401,566,203	69,406,199	386,541,784	68,703,510
Placement 15 September 2014 at \$0.05 each	-	-	13,000,000	650,000
Equity raising fee settled by shares 30 September 2014 at \$0.05 each	-	-	1,660,783	83,039
Employee shares 31 March 2015 at \$0.033 each	-	-	363,636	12,000
Share capital issue costs	-	-	-	(42,350)
	<u>401,566,203</u>	<u>69,406,199</u>	<u>401,566,203</u>	<u>69,406,199</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 6: SEGMENT REPORTING

The table below represents the revenue and profit/(loss) information regarding the segment information provided to the Chief Operating Decision Maker, which is the Board of Directors, for the half-years ended 31 December 2015 and 31 December 2014.

Business segments

The following tables present revenue and profit/(loss) information and certain asset and liability information regarding business segments for the half-years ended 31 December 2015 and 31 December 2014.

The Group's reporting segments are determined by the products and services provided.

Internal reporting to the Board focuses on the following reporting segments:

- Services – commercialisation of FerriScan and HepaFat Scan technology
- Research and development – relating to MRI scanning and other technologies
- Corporate

	Services	Research and Development	Corporate	Total
	\$	\$	\$	\$
31 December 2015				
Sales revenue to external customers	1,300,403	-	-	1,300,403
Interest received	-	-	26,624	26,624
Segment revenue	<u>1,300,403</u>	<u>-</u>	<u>26,624</u>	<u>1,327,027</u>
Segment profit/(loss) before taxation	<u>200,295</u>	<u>(105,909)</u>	<u>(214,439)</u>	<u>(120,053)</u>
31 December 2014				
Sales revenue to external customers	1,112,429	-	-	1,112,429
Grants received	135,000	-	-	135,000
Other	-	-	5,831	5,831
Interest received	-	-	34,328	34,328
Segment revenue	<u>1,247,429</u>	<u>-</u>	<u>40,159</u>	<u>1,287,588</u>
Segment profit/(loss) before taxation	<u>417,172</u>	<u>(46,538)</u>	<u>(66,919)</u>	<u>303,715</u>

There are no changes in regards to the basis of reporting on segmentation or to the basis of reporting on segment profit/(loss) from the position at 30 June 2015.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Resonance Health Limited ("the company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Dr Martin Blake
Chairman

Dated this 25th day of February 2016



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Resonance Health Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Resonance Health Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Accountants | Business and Financial Advisers

Conclusion

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

- a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

**L Di Giallonardo
Partner**

**Perth, Western Australia
25 February 2016**