A.C.N. 104 113 760

PULSE HEALTH LIMITED

2007 FINANCIAL REPORT

for the year ended 30 June 2007

CORPORATE DIRECTORY

DIRECTORS	Dr John Hewson - Chairman Dr Barry Landa - Deputy Chairman Mr Peter Mangles - Managing Director Mr Trevor Beazley - Non Executive Director Mr Andrew Gregory - Non Executive Director
COMPANY SECRETARY	Mr David Franks
REGISTERED OFFICE	Suite 10.06 Milsons Landing 6A Glen Street Milsons Point NSW 2061
PRINCIPAL PLACE OF BUSINESS	Suite 10.06 Milsons Landing 6A Glen Street Milsons Point NSW 2061
SOLICITORS TO THE COMPANY	Access Business Lawyers Level 4 310 Crown Street Wollongong NSW 2500 S. Moran and Co Suite 10.05 Milsons Landing 6A Glen Street Milsons Point NSW 2061 Steinepreis Paganin Lawyers & Consultants Level 4, Next Building 16 Milligan Street PERTH WA 6000
AUDITOR	PKF Level 10 1 Margaret Street SYDNEY NSW 2000
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 2 Reserve Bank Building 45 St George's Terrace PERTH WA 6000
INTERNET WEBSITE	www.pulsehealth.net.au

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The directors present their report together with the financial report of Pulse Health Limited (formerly Biometrics Limited) (the "Company") for the year ended 30 June 2007and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the year are:

Dr John Hewson
Chairman – appointed 8 May 2007

Dr John Hewson is a leading economic and financial expert with experience in academia, business, government, media and the financial system. He has worked as an economist for Australian Treasury (Census and Statistics), the Reserve Bank, and the International Monetary Fund. He was also an advisor to two successive Federal Treasurers and the Prime Minister. Prior to entering politics in 1987, Dr. Hewson was Professor of Economics and headed the School of Economic at the University of NSW, and was a company director and business consultant and included roles as Foundation Executive Director, Macquarie Bank Limited and as a Trustee of the IBM Superannuation Fund.

Dr. Hewson's political career, apart from his time as a ministerial advisor, was a further eight years as the Member of Wentworth in the Federal Parliament. He was Shadow Finance Minister, Shadow Treasurer and Shadow Minister for Industry and Commerce and Leader of the Liberal Party and Federal Coalition in Opposition for four years.

Since leaving politics in 1995, Dr. Hewson has run his own investment banking business and was until December 2004, Member Advisory Council of ABN AMRO, having previously been its Chairman.

Dr. Hewson is the current Chairman of Elderslie Finance Corporation Limited, Natural Fuel Limited, KidsXpress Limited and Chairmain to the Arthritis Research Taskforce and Osteoporosis Australia

Dr. Hewson is also a director of Wingecarribee Community Foundation, Capital Trading & Holding Corporation Limited, Moore Business Systems Australia Limited.

Dr. Hewson is also a director of a number of Private Companies.

Dr. Barry Landa
Deputy Chairman

Dr. Landa graduated 1973 MBBS BSc UNSW and practiced anesthetics for 35 years, in the public sector, private sector and internationally. He purchased his first private surgical hospital in 1974 and over the next three years purchased an additional two hospitals, three accommodation hotels in Sydney, and some shopping centres. In the late 1980s he was appointed to the Board of Markalinga Pty Ltd, the first publicly listed private hospital and Pathology Company in Australia, which were the beginnings of the Mayne Health Group. Dr. Landa has, and is, involved in the design and building of acute health care facilities including primary health care centres, operating theatres, hospitals, day care and rehabilitation facilities. Dr. Landa was part of the original working group that established the Private Hospital Association. He has investments in surgical hospitals, accommodation hotels and shopping centres.

Dr. Landa not been a director of another public company in the past three years.

Mr. Peter Mangles
Managing Director and Chief Executive Officer– appointed 9 October 2006

Mr. Mangles has an extensive background in Health Administration and clinical practice and has worked at a senior level as Chief Executive Officer and Group General Manager for a number of hospitals and groups in Australia. Mr. Mangles is a registered nurse, paramedic with a strong administration and management background.

Mr. Mangles' diverse healthcare experience has seen him operate at a national and international capacity. Mr. Mangles has managed healthcare assets in Indonesia, Irian Jaya and Papua New Guinea for mining and oil companies which include Freeport McMoran, British Petroleum and Chevron Oil.

Mr. Mangles was previously General Manager of the Macquarie Health Corporation and held a number of senior executive positions with Mayne and HCoA as the Director of Nursing and Chief Executive Officer for Kareena, Macarthur and Prince of Wales Private Hospitals. He has also worked in the not-for-profit sector as Chief Executive Officer and a rescue crewman for the Westpac Rescue Helicopter Service.

Mr. Mangles has not been a director of another public company in the past three years.

Mr Trevor Beazley
Non- Executive Director

Mr. Beazley has a Bachelor of Business Degree major in Accounting with over 10 years' capital markets experience as a client advisor with a national stockbroking firm. He is currently a Managing Director of Maiden Capital Pty Ltd, a boutique corporate advisory firm and Australian Financial Services Licence holder providing corporate and advisory services to public companies, including capital raising, ASX listings and corporate strategy. Mr. Beazley is in charge of investor relations and capital market management for the Company.

Mr. Beazley is also a director of Vmoto Limited (appointed 29 October 2006).

Mr Andrew Gregory
Non- Executive Director

Mr. Gregory is an experienced company manager with 35 years' experience in a variety of industries. He has significant experience with ASX listed equities investments and extensive knowledge in both fundamental and financial analysis principles. Mr. Gregory operates his own successful company as well as having experience as a corporate treasurer and is a qualified CPA and a qualified company secretary. He has been active over a 20 year period in providing strategic planning input and seed capital investment to support start-up enterprises. Based in Melbourne, Mr. Gregory will represent the Company in the investment and capital markets in Victoria, Australia.

In the past three years Mr Gregory has held directorships in the listed Coretrack Limited (appointed 4 November 2005 and retired on 29 December 2006) and the unlisted Black Earth Resources Limited (appointed 6 January 2006 and resigned 12 February 2007).

Mr Stevan Vujovic
Non Executive Director - resigned 3 July 2006.

Mr Vujovic has not been a director of another public company in the past three years.

Company Secretary

Mr David Franks
Company Secretary - appointed 13 February 2007.

David Franks BEc, CA, F Fin, CFP, JP, is the principal of Franks and Associates Pty Ltd (Chartered Accountants). He is currently company secretary of the following public companies: Amerod Resources Limited, Australian Power and Gas Company Limited, Food & Beverage Company Limited, Pulse Health Limited, Redman Mining Limited, Solar Sailor Holdings Limited, Van Eyk Research Limited and White Energy Company Limited.

Mr Andrew Gregory
Company Secretary - appointed 21 October 2006 – resigned 13 February 2007.

Mr John Hensley
Company Secretary - appointed 20 June 2006 – resigned 21 October 2006.

Directors' Meetings

The number of directors' meetings held and the number of meetings attended by each of the directors of the Company during the year are:

	Board Meetings	
Director	**Held while Director**	**Attended**
Dr John Hewson	7	5
Dr Barry Landa	13	13
Mr Trevor Beazley	13	12
Mr Andrew Gregory	13	13
Mr Peter Mangles	12	12
Mr S Vujovic	0	0

During the year ended 30 June 2007, there was no Finance & Audit Committee, Risk Management Committee or Remuneration & Nomination Committee as all issues related to these committees are addressed by the full Board.

Subsequent to year end, a Finance & Audit Committee and Remuneration & Nomination Committee have been formed. Further details are provided in the Corporate Governance Statement.

Principal Activity

The principal activity of the Company during the period centred on reviewing possible investments opportunities in the Health Care arena and upon approval by Shareholders at the 15 June 2007 Extraordinary General Meeting, commencement of the change of the activities of the company to enter the private health care and hospital market with a commitment to the provision of improved patient care and stakeholder involvement.

The change in activities process during the year also involved finalising matters associated with the past biometrics field.

Operating Results

The Company incurred a loss of $1,295,743 (2006: $631,886) after income tax for the year.

Review of Operations

The change of the activities of the company to enter the private health care and hospital market with a commitment to the provision of improved patient care and stakeholder involvement commenced with the purchase of 100% of the share capital of Care Call Pty Ltd on 29 June 2007. This process, including finalising the purchase of the business assets of Bega Hospital continued during the financial year.

The company commenced an initial recapitalisation process, which involved the following raisings during the year:

(a) issue of 4,000,000 shares at 13 cents per share, raising $520,000 on 24 July 2006;
(b) issue of 7,500,000 shares at 20 cents per share, raising $1,500,000 on 27 June 2007, including a one for two free attaching option, exercisable at 20 cents and expiring on 31 October 2008; and
(c) implementation of a convertible note placement to sophisticated investors of $2,000,000, of which 6,062,500 convertible notes had been issued at 20 cents per note, raising $1,212,500 at 30 June 2007. The convertible notes have a face value of 20 cents and a coupon rate of 9% payable quarterly and have a first ranking charge over the assets of Care Call Pty Ltd and Bega Valley Hospital and a charge over the remaining assets of the Company, the latter of which must be subordinated behind any future senior banking debt.

In addition, as approved by shareholders on 15 June 2007, the Company issued on 27 June 2007 2,000,000 options (75% vesting immediately and 25% vesting on 31 October 2007) to Mr Peter Mangles under his Executive Employment Agreement, exercisable at 20 cents and expiring 31 March 2009.

Litigation

The Board has now resolved all outstanding litigation matters in relation to the prior biometrics field of activities.

It was noted in the half year financial statements that the Company is involved in legal proceedings with William Buck (NSW) Pty Limited relating to unpaid invoices for work allegedly undertaken by William Buck (NSW) Pty Ltd. The Company was served with a statement of claim in the amount of $22,013 on 9 January 2007. The Company has filed a defence disputing the claim, with the matter scheduled for an arbitration hearing on 6 August 2007. Further details in relation to this litigation are outlined in the Subsequent Events section.

On 16 August 2007, the Company settled the outstanding litigation with William Buck (NSW) Pty Limited.

Biometrics sector

The Board have been reviewing the company's involvement in the Fused Biometric Access Control System ("FBACS") project, examining options available in this arena and working on capitalising on the FBACS technology. To date, this has not resulted in any potential positive outcome, and with the change of activities, the Company is not intending to spend any further resources in this prior activity.

Dividends

No dividend has been declared or paid by the Company to the date of this report and no dividend is recommended in respect of the year ended 30 June 2007.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Company during the year were:

Care Call Pty Ltd: The Company purchased 100% interest in Care Call Pty Ltd on 29 June 2007 for $1,500,000 in cash consideration.

Bega Valley Hospital: The Company signed an agreement to acquire the business assets of Bega Valley Hospital on 6 June 2007 for $1,000,000 in cash consideration and $500,000 in shares in the Company to be issued at 20 cents. This agreement is in the process of being settled subject to the transfer of licenses by the Department of Health.

Capital Raising Programs: The commencement of the recapitalisation process has been outlined in the Review of Operations section.

Appointment of Mr Peter Mangles: The Company appointed Mr Peter Mangles as its Chief Executive Officer on 5 August 2006 and as Managing Director on 9 October 2006.

Appointment of Dr John Hewson: The Company appointed Dr John Hewson as its chairman on 8 May 2007, with Dr Barry Landa being appointed Deputy Chairman.

After Balance Date Events

The Company is in the process of settling the Bega Valley Hospital acquisition, including obtaining approval from the Department of Health in relation to the transfer of the required licenses.

The Company signed an agreement to purchase the business assets of Northside Nursing Agency, a Sydney based nursing agency, on 30 July 2007 for $170,000. This purchase was settled on 10 August 2007.

Since 30 June 2007 the Company has issued:

(a) the balance of the convertible note placement to sophisticated investors, totalling $2,000,000, of which a further 3,937,500 convertible notes were issued between 2 July 2007 and 13 July 2007 at 20 cents per note, raising $787,500. The convertible notes have a face value of 20 cents and a coupon rate of 9% payable quarterly and have a first ranking charge over the assets of Care Call Pty Ltd and Bega Valley Hospital and a charge over the remaining assets of the Company, the latter of which must be subordinated behind any future senior banking debt; and
(b) 1,000,000 options exercisable at 20 cents expiring 31 October 2008 for supplier payments.
(c) 2,500,000 shares at 20 cents each as part of the Bega Valley Hospital acquisition.

On 16 August 2007, the Company settled the outstanding litigation with William Buck (NSW) Pty Limited.

Environmental Issues

The Company's operations are subject to standard environmental regulation under the law of the Commonwealth and State applicable to businesses located in Australia and New South Wales, including regulations.

The directors are not aware of any breaches by the Company in relation to environmental regulations.

Likely Developments

The Board is currently reviewing a number of potential transactions in the healthcare industry. Disclosure of further information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Options

At 30 June 2007, unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price	Number of Options
31 December 2007	20 cents	28,750,000
31 October 2008	20 cents	4,750,000
31 March 2009	20 cents	7,000,000 *

* 500,000 of which are yet to vest which occurs on 31 October 2007

These options do not entitle the holder to participate in any share issue of the Company or any other entity but must be dealt with in accordance with their terms and conditions and listing rules.

No options were exercised during the year and all remain outstanding at 30 June 2007 and at the date of this report.

Convertible Notes

At 30 June 2007, convertible notes on issue and therefore potential unissued ordinary shares of the Company from convertible notes are:

Expiry Date	Exercise Price	Number of Options
30 June 2009	20 cents	6,062,500

Subsequent to year end, a further 3,937,500 of these convertible notes were issued between 2 July 2007 and 13 July 2007. No convertible notes were converted during the year and all remain outstanding at 30 June 2007and at the date of this report.

Remuneration Report

The remuneration report section of the director's report outlines the remuneration arrangements in place for directors and executives of Pulse Health Limited (the Company).

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. Pulse Health Limited is a company whose main business is providing services in the private health care and hospital market with a commitment to the provision of improved patient care and stakeholder involvement. To prosper the company must attract, motivate and retain highly skilled directors and executives.

Directors' and Senior Executives' Remuneration

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Board members and senior executives of the Company. Broadly, the Company's remuneration policy is to ensure that any remuneration package properly reflects the person's duties and responsibilities and that it is competitive in attracting, retaining and motivating people of the highest quality.

Non - Executive Director Remuneration

To achieve these competing objectives the non-executive board were remunerated at a shareholder ratified amount of $250,000 per annum pro rata between the directors on a monthly basis.

The current Director fee rates are outlined below:

	To 31 July 2006	From 1 August 2006
Chairman	$40,000pa + 9% superannuation	$50,000pa + 9% superannuation *
Deputy Chairman	N/A	$40,000pa + 9% superannuation
Non-executive Director	$30,000pa + 9% superannuation	$40,000pa + 9% superannuation

* Further to the appointment of Dr John Hewson as Chairman in May 2007, the Board is currently assessing and negotiating the remuneration package related to his appointment. Furthermore, with the appointment of the Remuneration & Nomination Committee, the Committee will be undertaking a complete review of director and executive remuneration subsequent to year end.

Executive Director Remuneration

As the company at various times during the year did not have the necessary staff to perform all the required duties, the directors were paid consultancy fees to perform the necessary tasks required of them on top of their duties as directors.

Peter Mangles

The role of Managing Director was subsequently fulfilled by Mr Peter Mangles from 5 August 2006. During the period to 30 June 2007, he was paid at a rate of $14,083 per month plus superannuation at a rate of 9%.

Andrew Gregory

The role of Company Secretary was fulfilled by Mr Andrew Gregory for the period of 21 October 2006 to 13 February 2007. During this period, he was paid at a rate of $5,500 per month in Secretarial fees.

Employment and Consulting Contracts

During the year contracts have been entered into with Peter Mangles (Chief Executive Officer and Managing Director), John Hensley (Company Secretary) and David Franks (Company Secretary). The board has approved a remuneration package for each generally comprising:

(a) $169,000 per annum (plus superannuation at a rate of 9%) for Peter Mangles;
(b) During his engagement as Company Secretary, an hourly rate of $45 for 2 days per month on an "as required basis" for John Hensley; and
(c) an hourly rate of $150 (excluding GST) payable to Franks & Associates Pty Ltd (Chartered Accountants) for David Franks. During the year a total of $63,005 (excluding GST) was paid or payable to Franks & Associates Pty Ltd.

Share options may be offered pursuant to the Pulse Health Limited Employee Option Plan Terms and Conditions and exercised according to the plan.

Details of the nature and amount of each major element of the remuneration of each Director of the Company and the named officer of the Company are:

	Salary & fees $	Other fees $	Share Based Payments $	Super contributions $	Termination & Retirement benefits $	Total $
Directors						
Executive Directors						
Dr John Hewson *	7,454	-	-	671	-	8,125
Dr Barry Landa	47,755	-	104,000	4,298	-	156,053
Mr Andrew Gregory	-	22,666	78,000	46,098	-	146,764
Mr Trevor Beazley	41,250	-	78,000	3,713	-	122,963
Mr Stevan Vujovic	-	7,500	-	-	-	7,500
Managing Director						
Mr Peter Mangles	152,945	-	113,600	13,738	-	280,283
Executive Officers						
Mr Scott Bollington	11,000	-	-	-	-	11,000

* Refer comment on current review being undertaken under subsection *Non Executive Director Remuneration*

The following securities were issued to directors or executive officers of the Company during or since the end of the year as remuneration:

	Options	Exercise Price	Expiry	Share Based Payment $
Non Executive Directors				
Dr John Hewson *	-	-	-	-
Dr Barry Landa	2,000,000	20 cents	31 March 09	104,000
Mr Andrew Gregory	1,500,000	20 cents	31 March 09	78,000
Mr Trevor Beazley	1,500,000	20 cents	31 March 09	78,000
Managing Director				
Mr Peter Mangles	2,000,000	20 cents	31 March 09	113,600

Directors' Interests

The relevant interest of each director in the Company's shares and options at the date of this report is as follows:

Director	Shares	Options	Convertible Notes
Dr John Hewson*	-	-	-
Dr Barry Landa	2,250,000	2,000,000	-
Mr Trevor Beazley	700,000	2,075,000	-
Mr Andrew Gregory	1,350,000	1,500,000	2,500,000
Mr Peter Mangles	-	2,000,000	-

* Refer comment on current review being undertaken under subsection *Non Executive Director Remuneration*

Indemnification and Insurance of Officers

Indemnification

The Company has agreed to indemnify all current and former directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

The agreement stipulates that the Company will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

An Insurance policy was entered into on 1 July 2006 (and subsequently also on 1 July 2007) which indemnifies the company and its directors and officers from any liability arising out of performing their role as a director of Pulse Health Limited.

Auditor's Independence Declaration

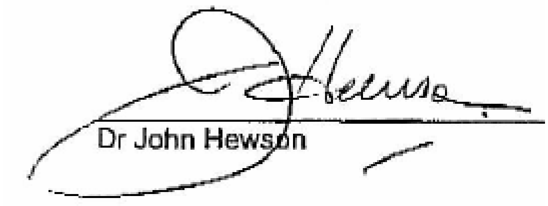
A copy of the auditor's independence declaration as required by Section 307C of the Corporations Act 2001 is set out on page 46.

Non Audit Services

The following non audit services were provided by the entity's auditor, PKF. The directors are satisfied that the provision of non audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non audit service provided means that auditor independence was not compromised. PKF received or are due to receive the following amounts for provision of non audit services.

Acquisition due diligence	$27,500
Independent Accountants Report for prospectus dated 6 June 2007	$18,700

Signed in accordance with a resolution of the directors:



Chairman

Sydney, New South Wales
19 September 2007

Pulse Health Limited has adopted systems of control and accountability as the basis for the administration of corporate governance. This statement summarises some of these policies and procedures.

ASX Best Practice Recommendations

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have complied with the ASX Best Practice Recommendations in the reporting period. The recommendations are not prescriptive and if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to adopt it. Where the Company considered it was not appropriate to presently comply with a particular recommendation the reasons are set out in the latter part of this statement.

ASX Guidelines on Corporate Governance

Pursuant to ASX Listing Rules the Company must provide a statement disclosing the extent to which the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("ASX Principles and Recommendations") have not been followed in the reporting period. During the reporting period the Company has complied with each of the ASX Principles and Recommendations, other than in relation to the matters specified below.

The essential corporate governance principles

1) Lay solid foundations for management and oversight
2) Structure the board to add value
3) Promote ethical and responsible decision making
4) Safeguard integrity in financial reporting.
5) Make timely and balanced disclosure
6) Respect the rights of shareholders
7) Recognise and manage risk
8) Remunerate fairly and responsibly

Recommendation Reference	Comments
Principle 1	**Lay solid foundations for management and oversight**
1.1, 1.2	***1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions*** ***1.2 Companies should disclose the process for evaluating the performance of senior executives*** The board has taken a proactive approach in this regard and a formal policy statement of board and management functions has been developed and has previously been adopted by the board.
Principle 2	**Structure the board to add value**
2.1	***2.1 A majority of the board should be independent directors.*** There are five directors, of which all directors (with the exception of the managing director) are independent. It is noted that during the year, one non-executive director, Mr Andrew Gregory, performed some ad hoc consulting services as Company Secretary, which were not material to either the company or the director.
2.2, 2.3	***2.2 The chairperson should be an independent director*** During the period to June 30, 2007 the chairman was in both cases an independent director. ***2.3 The roles of CEO and Chairperson should not be the same person*** During the period to June 30, 2007 the CEO and chairman were not the same person.
2.4, 2.5	***2.4 The board should establish a nomination committee*** ***2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors*** A separate Nomination Committee has not been formed. However the Company adopted the Nomination Committee Charter on 30 June 2004. The role of the Nomination Committee is carried out by the full Board in accordance with the Nomination Committee Charter. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee. On 5 July 2007, a Remuneration & Nomination Committee was formed, consisting of Mr Andrew Gregory (Chair), Dr Barry Landa and Mr Peter Mangles.

<table>
<tr><th>Recommendation Reference</th><th>Comments</th></tr>
<tr><td>Principle 3</td><td>Promote ethical and responsible decision making</td></tr>
<tr><td>3.1</td><td>3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:
The practices necessary to maintain confidences in the company's integrity
The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders
The responsibility and accountability of individuals for reporting and investigating reports of unethical practices
A Code of Conduct was formalised and adopted by the Company on 30 June 2004.</td></tr>
<tr><td>3.2</td><td>3.2 Companies should establish a policy concerning trading in the company securities by directors, senior executives and employees, and disclose the policy of a summary of that policy.

The Company adopted a written securities trading policy on 30 June 2004.</td></tr>
<tr><td>Principle 4</td><td>Safeguard integrity in financial reporting</td></tr>
<tr><td>4.1</td><td>4.1 The Board should establish an Audit committee.

A separate Audit Committee was formed in October 04 but due to changes in the structure of the board the Audit committee has not been reformed.

The Board does not consider that the Company will gain any benefit from a separate Audit Committee at this point. The full Board carries out the duties of the Audit Committee.

On 5 July 2007, a Finance & Audit Committee was formed, consisting of Mr Trevor Beazley (Chair), Dr Barry Landa and Mr Peter Mangles.</td></tr>
<tr><td>4.2</td><td>4.2 The audit committee should be structured so that it:
Consists only of non-executive directors
Consists of a majority of independent directors
Is chaired by an independent Chair, who is not the Chair of the Board
Has at least three members
During the year, the Board did not consider that the Company will gain any benefit from a separate Audit Committee at this point. The full Board carries out the duties of the Audit Committee.

From 5 July 2007, the Finance & Audit Committee has been formed, such that sub items 2 to 4 (inclusive) have been satisfied, Due to the size of the board, it has been necessary to place one executive director on the Committee.</td></tr>
</table>

Recommendation Reference	Comments
4.3	***4.3 The Audit committee should have a formal charter*** The Audit committee charter has been developed and has been adopted by the board
Principle 5	**Make timely and balanced disclosure**
5.1	***5.1 Companies should establish written policies and procedures designed to ensure compliance with the ASX Listing rule disclosure requirements and to ensure accountability at a senior management level for that compliance.*** A written document has been developed which aims to ensure that senior management are accountable for compliance. This document was previously adopted by the Board of directors.
Principle 6	**Respect the rights of shareholders**
6.1	***6.1 Companies should design and disclose a communication policy for promoting effective communication with shareholders and encouraging effective participation at general meetings.*** The Company's shareholder communication strategy was designed and disclosed in a formal way on 30 June 2004. The Company has a positive strategy to communicate with shareholders, identify the expectations of shareholders and actively promote shareholder involvement in the Company.
Principle 7	**Recognise and manage risk**
7.1, 7.2	***7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies*** ***7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks*** On 30 June 2004 the Company adopted formal policies and procedures to identify financial and operating risks and to effectively manage and communicate to the Board. The major risks facing the Company were identified and disclosed in the Company's Prospectus dated 6 June 2007. With the change of activities of the

Recommendation Reference	Comments
	Company recently announced, the Company will be completing further reviews and implementing additional proceeds arising from the change of activities. These task will be undertaken by the Managing Director and through the appointment of a Chief Financial Officer in the short term.
7.3	***7.3 The Board should disclose whether it has received assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.*** The company does not have a Chief Financial officer. The entire Board accepts the responsibility of ensuring the accuracy of its financial reports.
Principle 8	**Remunerate fairly and responsibly**
8.1, 8.2	***8.1 The board should establish a remuneration committee.*** ***8.2 Companies should clearly distinguish the structure of non-executive directors remuneration from that of executive directors and senior executives.*** The board is taking a proactive approach in this regard and a formal policy document is under development, within responsible capital management guidelines. On 5 July 2007, a Remuneration & Nomination Committee was formed, consisting of Mr Andrew Gregory (Chair), Dr Barry Landa and Mr Peter Mangles.

Board of Directors

The Board comprises five Directors. The names of each of the Directors in office at the date of this Report, the year they were appointed or resigned if this occurred during the year, and their status as non-executive, executive or independent Directors are set out in the Directors' Report.

Independence of non-executive directors

The Board considers an independent director to be a non-executive director who satisfies the test for independence as set out in box 2.1 of the ASX Best Practice Recommendations ("Independence Test"). The Board considers that Messrs John Hewson, Barry Landa, Trevor Beazley and Andrew Gregory meet these criteria. They each have no material business or contractual relationship with the Company, other than in their capacity as a director of the Company, and no conflicts of interest which could interfere with the exercise of independent judgment. Accordingly, they are considered to be independent.

Independent professional advice

The Board has adopted a formal policy on access to independent professional advice which provides that Directors are entitled to seek independent professional advice for the purposes of the proper performance of their duties. The Company will pay the reasonable expenses associated with obtaining such advice, subject to the prior approval of the Chairman.

Evaluation of Board performance

During the reporting period an evaluation of the Board and its members was carried out on an informal basis, pursuant to best practice recommendation 2.5. The evaluation process comprised of an ongoing assessment of each member of the Board and the Board as a whole at each meeting by the Chairman.

Due to the fact the Company is still going through a transitional phase it is too early to be able to put in place measurable milestones and performance criteria. As the activities of the Company develop, it will establish more formal evaluation procedures, including quantitative measures of performance.

On 5 July 2007, a Remuneration & Nomination Committee was formed, consisting of Mr Andrew Gregory (Chair), Dr Barry Landa and Mr Peter Mangles.

Remuneration policies

The full Board carries out the functions of a remuneration committee in accordance with the Company's Remuneration Committee Charter required under best practice recommendation 8.1. Executive Directors and key executives are remunerated by way of a salary or consultancy fees, commensurate with their required level of services. Non-executive Directors however receive a fixed monthly fee for their services, in accordance with the guidelines summarised by best practice recommendation 8.2. Non-executive Directors' fees are capped at $250,000 per annum.

On 5 July 2007, a Remuneration & Nomination Committee was formed, consisting of Mr Andrew Gregory (Chair), Dr Barry Landa and Mr Peter Mangles.

Retirement benefits for non-executive directors

The Company does not have any scheme relating to retirement benefits for non-executive Directors.

Board committees

The Company does not presently have a separate audit, nomination or remuneration committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing separate committees. The duties of such committees have been considered and formal charters outlining the role, rights, responsibilities and requirements have been adopted by the Board.

On 5 July 2007, a Finance & Audit Committee was formed, consisting of Mr Trevor Beazley (Chair), Dr Barry Landa and Mr Peter Mangles. Similarly on 5 July 2007, a Remuneration & Nomination Committee was formed, consisting of Mr Andrew Gregory (Chair), Dr Barry Landa and Mr Peter Mangles.

INCOME STATEMENT
for the year ended 30 June 2007

	Note	Consolidated 30 June 2007 $	Consolidated 30 June 2006 $	Parent 30 June 2007 $	Parent 30 June 2006 $
Revenue	2	19,196	29,844	19,196	29,844
Total revenue		**19,196**	**29,844**	**19,196**	**29,844**
Director and employee expenses		(776,655)	(262,408)	(776,655)	(262,408)
Consultants		(257,832)	(384,904)	(257,832)	(384,904)
Corporate compliance costs		(95,271)	(44,211)	(93,856)	(44,211)
Depreciation	3	(5,092)	(3,360)	(5,092)	(3,360)
Finance costs		(66,351)	-	(66,351)	-
Decrease/(Increase) in provision for diminution in investments	3	-	300,000	-	300,000
Legal fees		(3,113)	(252,515)	(3,113)	(252,515)
Decrease/(Increase) in provision for legal expenses	3	-	150,000	-	150,000
Other expenses		(110,625)	(164,332)	(110,508)	(164,332)
Total expenses		(1,314,939)	(661,730)	(1,313,407)	(661,730)
Loss before income tax		(1,295,743)	(631,886)	(1,294,211)	(631,886)
Income tax expense	5	-	-	-	-
Loss after income tax		(1,295,743)	(631,886)	(1,294,211)	(631,886)
Basic and diluted loss per share (cents per share)	21	(2.6)	(1.4)		

The income statement is to be read in conjunction with the accompanying notes.

BALANCE SHEET
as at 30 June 2007

	Note	Consolidated 30 June 2007 $	Consolidated 30 June 2006 $	Parent 30 June 2007 $	Parent 30 June 2006 $
CURRENT ASSETS					
Cash and cash equivalents	6	1,212,267	282,209	1,152,688	282,209
Trade and other receivables	7	616,556	9,756	39,433	9,756
Total Current Assets		1,828,823	291,965	1,192,121	291,965
NON CURRENT ASSETS					
Trade and other receivables	8	40,000	-	1,609,532	-
Property, plant and equipment	9	75,933	17,794	25,497	17,794
Investments	10	-	-	200	-
Intangible assets	11	1,390,683	-	78,556	-
Total Non Current Assets		1,506,616	17,794	1,713,785	17,794
TOTAL ASSETS		3,335,439	309,759	2,905,906	309,759
CURRENT LIABILITIES					
Trade and other payables	12	670,403	88,189	529,941	88,189
Provisions	13	22,670	-	-	-
Borrowings	14	265,167	-	-	-
Total Current Liabilities		958,240	88,189	529,941	88,189
NON CURRENT LIABILITIES					
Borrowings	15	1,215,266	-	1,212,500	-
Total Non Current Liabilities		1,215,266	-	1,212,500	-
TOTAL LIABILITIES		2,173,506	88,189	1,742,441	88,189
NET ASSETS		**1,161,933**	**221,570**	**1,163,465**	**221,570**
EQUITY					
Issued capital	16a	2,186,526	4,131,062	2,186,526	4,131,062
Share based reserve	16c	585,932	143,750	585,932	143,750
Accumulated losses		(1,610,525)	(4,053,242)	(1,608,993)	(4,053,242)
TOTAL EQUITY		**1,161,933**	**221,570**	**1,163,465**	**221,570**

The balance sheet is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2007

CONSOLIDATED	Issued capital $	Accumulated losses $	Share based reserve $	Total equity $
Balance at 1 July 2005	4,065,162	(3,421,356)	143,750	787,556
Shares issued in public offer	122,000	-	-	122,000
Cancelled allotment to Compliance Certification Systems as per settlement	(300,000)	-	-	(300,000)
Shares issued to Shapen Holdings Pty Ltd	250,000	-	-	250,000
Capital raising costs	(6,100)	-	-	(6,100)
Loss for the year	-	(631,886)	-	(631,886)
Balance at 30 June 2006	4,131,062	(4,053,242)	143,750	221,570
Balance at 30 June 2006	4,131,062	(4,053,242)	143,750	221,570
Capital reduction approved	(3,738,460)	3,738,460	-	-
Shares issued in public offer	2,020,000	-	-	2,020,000
Options issued to Directors	-	-	373,600	373,600
Options issued to suppliers	-	-	68,582	68,582
Capital raising costs	(226,076)	-	-	(226,076)
Loss for the year	-	(1,295,743)	-	(1,295,743)
Balance at 30 June 2007	**2,186,526**	**(1,610,525)**	**585,932**	**1,161,933**

The statement of changes in equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2007

PARENT	Issued capital	Accumulated losses	Share based reserve	Total equity
	$	$	$	$
Balance at 1 July 2005	4,065,162	(3,421,356)	143,750	787,556
Shares issued in public offer	122,000	-	-	122,000
Cancelled allotment to Compliance Certification Systems as per settlement	(300,000)	-	-	(300,000)
Shares issued to Shapen Holdings Pty Ltd	250,000	-	-	250,000
Capital raising costs	(6,100)	-	-	(6,100)
Loss for the year	-	(631,886)	-	(631,886)
Balance at 30 June 2006	4,131,062	(4,053,242)	143,750	221,570
Balance at 30 June 2006	4,131,062	(4,053,242)	143,750	221,570
Capital reduction approved	(3,738,460)	3,738,460	-	-
Shares issued in public offer	2,020,000	-	-	2,020,000
Options issued to Directors	-	-	373,600	373,600
Options issued to suppliers	-	-	68,582	68,582
Capital raising costs	(226,076)	-	-	(226,076)
Loss for the year	-	(1,294,211)	-	(1,294,211)
Balance at 30 June 2007	**2,186,526**	**(1,608,993)**	**585,932**	**1,163,465**

The statement of changes in equity is to be read in conjunction with the accompanying notes.

C A S H   F L O W   S T A T E M E N T

for the year ended 30 June 2007

	Note	Consolidated 30 June 2007 $	Consolidated 30 June 2006 $	Parent 30 June 2007 $	Parent 30 June 2006 $
Cash flows from operating activities					
Receipts from customers (incl GST)		-	-	-	-
Payment to suppliers and employees (incl GST)		(733,254)	(773,680)	(731,301)	(773,680)
Interest received		16,818	29,663	16,818	29,663
Net cash used in operating activities	25(b)	(716,436)	(744,017)	(714,483)	(744,017)
Cashflow from investing activities					
Proceeds from borrowings		1,212,500	-	1,212,500	-
Payments for purchase of subsidiary		(1,500,000)	-	-	-
Loans to related parties		-	-	(1,561,532)	
Payments for borrowing cost		(40,000)	-	(40,000)	-
Payments for plant and equipment		(12,795)	(4,439)	(12,795)	(4,439)
Net cash used in investing activities		(340,295)	(4,439)	(401,827)	(4,439)
Cash flows from financing activities					
Proceeds from the issue of shares		2,020,000	122,000	2,020,000	122,000
Share issue costs		(33,211)	(6,100)	(33,211)	(6,100)
Net cash provided by financing activities		1,986,789	115,900	1,986,789	115,900
Net increase/(decrease) in cash and cash equivalents		930,058	(632,556)	870,479	(632,556)
Cash and cash equivalents at the beginning of the financial year		282,209	914,765	282,209	914,765
Cash and cash equivalents at the end of the financial year	25(a)	**1,212,267**	**282,209**	**1,152,688**	**282,209**

The cash flow statement is to be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the consolidated group of Pulse Health Limited and controlled entities, and Pulse Health Limited as an individual parent entity. Pulse Health Limited is a listed public company, incorporates and domiciled in Australia.

The financial report of Pulse Health Limited and controlled entities and Pulse Health Limited as an individual parent entity comply with Australian Accounting Standards.

Basis of Preparation

Going Concern Basis

The Company has recorded a loss for the year after tax of $1,295,743 (2006: $631,886) and at 30 June 2007 has working capital of $870,583. The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The directors believe this basis to be appropriate as upon completion of the Bega Valley Hospital acquisition, and the announcements and capital raisings noted in the Subsequent Events note, the suite of acquisitions are expected to be profitable and cashflow positive from operations.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Policies

(a) **Principles of Consolidation**

A controlled entity is any entity Pulse Health Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealized profits and losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(b) **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax loss benefits can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation 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.

(c) **Acquisition of assets**

All assets acquired including plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued at consideration, their market price at the date of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) **Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

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 assets 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 economic entity 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity 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
Plant and equipment	5-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

(e) **Goodwill**

Goodwill and goodwill on consolidation are initially recoded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(f) **Patents and trademarks**

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life.

(g) **Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technically feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

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 project.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the economic entity 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.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(i) **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) **Financial Instruments (continued)**

Impairment

At each reporting date, the Company assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(j) **Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over it recoverable amount is expensed to the income statement.

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

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

(k) **Earnings per Share (EPS)**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

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

(l) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(m) **Share Based Payments**

Share-based compensation benefits are provided to the Pulse Health Limited Employee Option Plan.

The fair value of options granted under the Pulse Health Limited Employee Option Plan is recognised as an employee as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets), Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) **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 economic benefit will result and that outflow can be reliably measured.

(o) **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 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(p) **Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(q) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharges, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(r) **Borrowing costs**

Borrowing cost directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All borrowing costs are recognised in income in the period in which they are incurred.

(s) **Issued Capital**

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.

(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 Australian 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 balance sheet are shown inclusive of GST.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) **Comparative Figures**

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

(v) **Disclosure of New Accounting Standards**

Certain new accounting standards and interpretation have been published that are not mandatory for 30 June 2007 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB-I 10 Interim Financial Reporting and Impairment
AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The Group has not recognised an impairment loss in relation to goodwill, investments in equity instruments or financial assets carried at cost in an interim reporting period but subsequently reversed the impairment loss in the annual report. Application of the interpretation will therefore have no impact on the Group's or the parent entity's financial statements.

(ii) AASB 101 Presentation of Financial Statements
AASB 101 is applicable to reporting periods commencing on or after 1 January 2007. The Group has not adopted the standard early. Application of the standard will not impact any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's and the parent entity's financial report.

(iii) AASB 8 Operating segment
AASB 8 "Operating Segments" requires the adoption of a management approach to the reporting on operating segments utilising measures the chief operating decision maker and key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. AASB 8 will apply for annual reporting periods beginning on or after 1 January 2009. Application of AASB 8 will not result in changes to the amounts recognised in the financial report, but will impact the type of information disclosed in relation to the Group's and parent entity's financial report.

(iv) AASB 2007-4 Amendments to Australian Accounting Standards arising from ED151 and Other Amendments
The Group does not intend to change any of its current accounting policies on adoption of AASB 2007-4 accordingly there will be no financial impact to these financial statements. However, in the Group's and the parent entity's financial statements for the year ended 30 June 2008, certain information may or may no longer be disclosed, or may be disclosed in an alternative manner, due to amendments made by AASB 2007-4 to the disclosure requirements of various Accounting Standards.

(w) **Financial Risk Management**

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries and leases.

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2007 all the group debt is fixed. It is the policy of the group to assess each circumstance when taking on debt.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) **Financial Risk Management (continued)**

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

(x) **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of goodwill for the year ended 30 June 2007.

2. REVENUE

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Interest income	19,196	29,844	19,196	29,844
Total revenue	19,196	29,844	19,196	29,844

3. LOSS BEFORE INCOME TAX EXPENSE

The loss before income tax has been determined after charging the following items:

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Depreciation of plant and equipment	5,092	3,360	5,092	3,360
Increase in provision for diminution in investments	-	300,000	-	300,000
Increase in provision for legal expenses	-	150,000	-	150,000
Rental expenses under operating lease	50,707	36,724	50,707	36,724

4. AUDITOR'S REMUNERATION

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Audit and review of the Financial Report	57,599	28,028	57,599	28,028
Other services	42,375	6,110	42,375	6,110
Total	99,974	34,138	99,974	34,138
Current auditor	88,000	-	88,000	-
Previous auditor	11,974	34,138	11,974	34,138
Total	99,974	34,138	99,974	34,138

5. INCOME TAX EXPENSE	**Consolidated 2007 $**	**Consolidated 2006 $**	**Parent 2007 $**	**Parent 2006 $**
(a) Recognised in the Income Statement				
Current Tax Benefit				
Current Year	(276,164)	(317,569)	(275,704)	(317,569)
Deferred Tax Benefit				
Tax loss not brought to account	276,164	317,569	275,704	317,569
Total income tax expense in income statement	-	-	-	-
(b) Reconciliation between Tax Expense and Pre-Tax Net Loss				
Loss from before tax	(1,295,743)	(631,886)	(1,294,211)	(631,886)
Income tax calculated at 30%	(388,723)	(189,566)	(388,263)	(189,566)
Tax effect of:				
Director option expense	112,080	-	112,080	-
Other non-deductible items	479	6,997	479	6,997
Other non taxable items	-	(135,000)	-	(135,000)
Tax loss not brought to account	276,164	317,569	275,704	317,569
Income tax attributable to loss	-	-	-	-

(c) Unrecognised deferred tax assets

The deferred tax assets not brought to account at 30% (2006: 30%) relating to income tax losses are as follows:

Deferred Tax Assets (at 30%)				
Temporary differences				
Provisions	9,383	86,250	31,315	86,250
Unused tax loss	365,742	1,017,224	366,202	1,017,224
Total	375,125	1,103,474	397,517	1,103,474

Deferred Tax Liabilities (at 30%)

NIL

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
6. CASH AND CASH EQUIVALENTS				
Cash at bank	1,212,267	12,793	1,152,688	12,793
Short –term deposits	-	269,416	-	269,416
Total cash and cash equivalents	1,212,267	282,209	1,152,688	282,209

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
7. TRADE AND OTHER RECEIVABLES CURRENT				
Trade debtors	371,450	-	-	-
Sundry debtors	17,901	-	16,451	-
Security deposit	8,555	8,555	8,555	8,555
Prepayments	206,001	-	14,427	-
GST recoverable	12,649	928	-	928
TFN Tax recoverable	-	273	-	273
Total current trade and other receivables	616,556	9,756	39,433	9,756

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
8. TRADE AND OTHER RECEIVABLES NON CURRENT				
Deposit	40,000	-	40,000	-
Loan – Pulse Health Hospitals Pty Ltd	-	-	1,085	-
Loan – Pulse Health Nursing Pty Ltd	-	-	1,568,447	-
Total non-current trade and other receivables	40,000	-	1,609,532	-

	Leasehold Improvement $	Leased Assets $	Plant and Equipment $	Total $
9. PROPERTY, PLANT AND EQUIPMENT CONSOLIDATED				
At 1 July 2005				
Cost	-	-	22,480	22,480
Accumulated depreciation	-	-	(4,662)	(4,662)
Net book amount	-	-	17,818	17,818
Year ended 30 June 2006				
Opening net book amount	-	-	17,818	17,818
Additions	-	-	1,650	1,650
Depreciation charge	-	-	(1,674)	(1,674)
Closing net book amount	-	-	17,794	17,794
At 30 June 2006				
Cost	-	-	24,130	24,130
Accumulated depreciation	-	-	(6,336)	(6,336)
Net book amount	-	-	17,794	17,794

	Leasehold Improvement $	Leased Assets $	Plant and Equipment $	Total $
9. PROPERTY, PLANT AND EQUIPMENT CONSOLIDATED (Continued)				
Year ended 30 June 2007				
Opening net book amount	-	-	17,794	17,794
Additions	-	-	12,795	12,795
Additions – on acquisition	16,958	16,724	38,572	72,254
Accum Depn – on acquisition	(13,318)	(17)	(8,483)	(21,818)
Depreciation charge	-	-	(5,092)	(5,092)
Closing net book amount	3,640	16,707	55,586	75,933
At 30 June 2007				
Cost	16,958	16,724	75,497	109,179
Accumulated depreciation	(13,318)	(17)	(19,911)	(33,246)
Net book amount	3,640	16,707	55,586	75,933
At 1 July 2005				
Cost	-	-	22,480	22,480
Accumulated depreciation	-	-	(4,662)	(4,662)
Net book amount	-	-	17,818	17,818
Year ended 30 June 2006				
Opening net book amount	-	-	17,818	17,818
Additions	-	-	1,650	1,650
Depreciation charge	-	-	(1,674)	(1,674)
Closing net book amount	-	-	17,794	17,794
At 30 June 2006				
Cost	-	-	24,130	24,130
Accumulated depreciation	-	-	(6,336)	(6,336)
Net book amount	-	-	17,794	17,794
Year ended 30 June 2007				
Opening net book amount	-	-	17,794	17,794
Additions	-	-	12,795	12,795
Depreciation charge	-	-	(5,092)	(5,092)
Closing net book amount			25,497	25,497
At 30 June 2007				
Cost	-	-	36,925	36,925
Accumulated depreciation	-	-	(11,428)	(11,428)
Net book amount	-	-	25,497	25,497

Non-current assets pledged as security

Refer to Note 15 for information on non-current assets pledged as security by the parent entity and its controlled entities.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
10. INVESTMENTS				
Investments in subsidiaries				
Pulse Health Hospitals Pty Ltd	-	-	100	-
Pulse Health Nursing Pty Ltd	-	-	100	-
Compliance Certification Systems Shares	-	300,000	-	300,000
Compliance Certification Systems Shares written off	-	(300,000)	-	(300,000)
Total investments	-	-	200	-

	Development Costs* $	Goodwill $	Patents, Trademarks and other rights $	Total $
11. INTANGIBLE ASSETS				
Consolidated				
At 30 June 2005				
Cost	-	50,000	287,500	337,500
Amounts written off	-	-	(133,000)	(133,000)
Provision for diminution in value	-	(50,000)	(154,500)	(204,500)
Accumulated amortisation	-	-	-	-
Net book amount	-	-	-	-
Year ended 30 June 2006				
Opening net book amount	-	-	-	-
Additions	-	-	-	-
Amortisation charge	-	-	-	-
Closing net book amount	-	-	-	-
At 30 June 2006				
Cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Net book amount	-	-	-	-
Year ended 30 June 2007				
Opening net book amount	-	-	-	-
Additions	78,556	-	-	78,556
Acquisition of subsidiary (refer Note 26a)	-	1,312,127	-	1,312,127
Amortisation charge	-	-	-	-
Closing net book amount	78,556	1,312,127	-	1,390,683

* Capitalised development costs are preliminary acquisition costs incurred.

Impairment Disclosures

Goodwill is allocated to cash-generating units which are based on the group's reporting segments.

	2007 $	2006 $
Staff agency segment	1,312,127	-
Total	1,312,127	-

11. INTANGIBLE ASSETS (Continued)

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a one-year period.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
12. TRADE AND OTHER PAYABLES				
Trade creditors and accruals	529,791	88,189	529,941	88,189
Payable to vendors	46,233	-	-	-
Other	94,379	-	-	-
Total current trade and other payables	670,403	88,189	529,941	88,189

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
13. PROVISIONS				
Employee entitlements	22,670	-	-	-
Total current provisions	22,670	-	-	-

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
14. BORROWINGS				
CURRENT				
Secured				
Finance leases (Note 20)	12,686	-	-	-
Total secured current borrowings	12,686	-	-	-
Unsecured				
Other loans	252,487	-	-	-
Total unsecured current borrowings	252,487	-	-	-
Total current borrowings	265,167	-	-	-

(a) Other loans

Other loans represent a commercial loan facility to fund the payment of general insurance and workers' compensation insurance premiums. It attracts a flat interest rate of 3.2519% and is payable in ten equal monthly instalments.

		Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
15.	**BORROWINGS**				
	NON CURRENT				
	Secured				
	Finance leases (Note 20)	2,766	-	-	-
	Convertible notes	1,212,500	-	1,212,500	-
	Total non-current borrowings	1,215,266	-	1,212,500	-

(a) Assets pledged as security

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 convertible notes rank ahead of all shares in Pulse Health Limited and the security trustee will hold a second ranking fixed charge over Bega Valley Private Hospital (when settled), a first ranking charge over the Care on Call business and a second ranking floating charge over all assets of Pulse Health Limited, but the convertible notes will be subordinated to and ranked behind senior bank borrowings.

(b) Convertible notes

The convertible notes have an issue price of $0.20 each. The notes will be convertible at any time exclusively at the option of the note holders or any subsequent holder into that number of shares of common stock of Pulse Health Limited at the conversion price of $0.20 each. The final conversion date is 30 June 2009.

The notes pay 9.0% interest per annum, payable quarterly in arrears on 1st July, October, January and April each year, subject to adjustment in the first quarterly period for date of funds receipt.

The conversion price will be subject to weighted average adjustment for dilutive issuances of ordinary shares or ordinary share equivalents and customary adjustments for stock dividends, stock splits, distributions to shareholders and other customary adjustment events.

Each share issued on conversion will rank equally from the date of receipt of conversion notice with all existing ordinary shares then on issue. The convertible notes have no early redemption rights unless mutually agreed upon.

Prior to conversion, note holders are not entitled to participate in rights issues, any return of capital, bonus issue or capital reconstruction. Note holders are not entitled to vote, unless provided for by the Corporations Act 2001 [or prior conversion into ordinary shares].

On the occurrence of an Event of Default, the trustee for the note holders can elect to exercise its charge (subject to the subordination agreement) over the Bega Valley Private Hospital (subject to completion of that acquisition), the Care on Call business and the assets generally of the Company.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
16. ISSUED CAPITAL AND SHARE BASED RESERVE				
(a) Issued and paid-up capital				
58,362,501 (2006: 46,862,501) fully paid ordinary shares	2,186,526	4,131,062	2,186,526	4,131,062
(b) Movement in ordinary share capital				
Balance at beginning of year	4,131,062	4,065,162	4,131,062	4,065,162
Capital reduction approved	(3,738,460)	-	(3,738,460)	-
6,100,000 shares issued at 2 cents to raise extra working capital	-	122,000	-	122,000
Cancelled allotment of 5,000,000 shares to Compliance Certification Systems as per settlement	-	(300,000)	-	(300,000)
5,000,000 shares issued to Shapen Holdings Pty Ltd	-	250,000	-	250,000
4,000,000 shares issued at 13 cents to raise extra working capital	520,000	-	520,000	-
7,500,000 shares issued at 20 cents for acquisitions	1,500,000	-	1,500,000	-
Capital raising costs	(226,076)	(6,100)	(226,076)	(6,100)
Balance at end of year	2,186,526	4,131,062	2,186,526	4,131,062

(c) Share based reserve

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Balance at beginning of year	143,750	143,750	143,750	143,750
Additions				
Issued to directors	373,600	-	373,600	-
Issued to suppliers	68,582	-	68,582	-
Balance at end of year	585,932	143,750	585,932	143,750

On 14 November 2003, pursuant to the Company's Prospectus dated 24 September 2003, a total of 28,750,000 options exercisable at $0.20 on or before 31 December 2007 were issued at $0.005 each.

On 27 June 2007, pursuant to the Company's Prospectus dated 6 June 2007, a total of 3,750,000 options exercisable at $0.20 on or before 31 October 2008 we issued.

The share based reserve records items recognised as expense on valuation of employee and supplier share options. On 24 July 2006 and 27 June 2007, pursuant to shareholder approval, a total of 7,000,000 options exercisable at $0.20 on or before 31 March 2009 were issued.

On 29 June 2007, pursuant to Listing Rule 7.1, a total of 1,000,000 options exercisable at $0.20 on or before 31 October 2008 were issued to suppliers.

16. ISSUED CAPITAL AND SHARE BASED RESERVE (Continued)

As at the date of this report, there were 40,500,000 unissued ordinary shares under options as follows:-

Expiry Date	Exercise Price	Number of Options
31 December 2007	20 cents	28,750,000
31 October 2008	20 cents	4,750,000
31 March 2009	20 cents	7,000,000

These options are exercisable at any time on or before the expiry date. No option holder has any right under the options to participate in any share issue of the Company.

Exercise of options

None of the options were exercised during the year and all remain outstanding at 30 June 2007.

(d) Share based payments

The following table summarises information about options issued to directors and vendors at and for the year ended 30 June 2007:

Number of options	Date issued	Expiry date	Weighted average fair value
5,000,000	24 Jul 2006	31 Mar 2009	5.20 cents*
2,000,000	27 Jun 2007	31 Mar 2009	5.68 cents*
1,000,000	29 Jun 2007	31 Oct 2008	6.86 cents*

* Fair value at grant date.

Fair value of options (equity)

The fair value of each option is estimated on the date of issuance using either the Black-Scholes or Binomial models, with the weighted average assumptions used for options issued on 24 July 2006, 27 June 2007 and 29 June 2007.

	Issued 24 Jul 2006	Issued 27 Jun 2007	Issued 29 Jun 2007
Method Used	Black-Scholes	Binomial	Black-Scholes
Dividend Yield*	N/A	N/A	N/A
Volatility factor	50%	70%	70%
Risk-free interest rate	5.75%	6.15%	6.15%
Discount factor	35%	25%	0%
Effective life of options	32 months	21 months	16 months

* The company has not paid a dividend. The life of the options is based on their exercise date and is not necessarily indicative of exercise patterns that may occur. The volatility reflects the assumption based on historical trends being indicative of future trends, which may also not necessarily be the actual outcome.

17. SEGMENT REPORTING

The company operates in one business segment, and its activities have been confined to Australia to date.

18. CONTROLLED ENTITIES

	Country of incorporation	% owned
Parent	Australia	-
Subsidiaries of Pulse Health Limited		
- Pulse Health Hospitals Pty Ltd	Australia	100%
- Pulse Health Nursing Pty Ltd	Australia	100%
- Care Call Pty Ltd	Australia	100%
- Bega Valley Private Hospital Pty Ltd	Australia	100%

19. FINANCIAL INSTRUMENTS DISCLOSURE

(i) Net fair values of financial assets and liabilities

The financial assets and liabilities included in current assets and liabilities in the balance sheet are carried at amounts that approximate net fair values.

(ii) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted.

The credit risk on financial assets and liabilities which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts.

(iii) Interest rate risk exposure

Cash includes funds held in cheque accounts during the year which earned interest at rates ranging between 0% and 5.75%, depending on account balances.

All other financial assets and liabilities are non-interest bearing.

The Company is not materially exposed to any individual overseas country or individual customer.

19. FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

CONSOLIDATED

2007	Floating interest Rate*	**Fixed interest rate Maturing in** 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	**Total**	**Average interest Rate** Floating	Fixed
		$	$	$	$	$		
Financial Assets								
Cash and cash equivalents	1,212,267	-	-	-	-	1,212,267	4.5%-5.75%	-
Trade and other receivables	-	-	-	-	656,556	656,556	-	-
	1,212,267	-	-	-	656,556	1,868,823		
Financial Liabilities								
Trade and other payables	-	-	-	-	670,403	670,403	-	-
Borrowings		252,481				252,481	-	3.2519 %
Finance leases		12,686	2,766			15,452	-	9.38% – 10.37%
Convertible notes			1,212,500			1,212,500		9.0%
	-	265,167	1,215,266	-	670,403	2,150,836		
Net Financial Assets	1,212,267	(265,167)	(1,215,266)	-	(13,847)	(282,013)		

CONSOLIDATED

2006	Floating interest Rate*	**Fixed interest rate Maturing in** 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	**Total**	**Average interest Rate** Floating	Fixed
		$	$	$	$	$		
Financial Assets								
Cash and cash equivalents	282,209	-	-	-	-	282,209	5.4%	-
Trade and other receivables	-	-	-	-	9,756	9,756	-	-
	282,209	-	-	-	9,756	291,965		
Financial Liabilities								
Trade and other payables	-	-	-	-	88,189	88,189	-	-
	-	-	-	-	88,189	88,189		
Net Financial Assets	282,209	-	-	-	(78,433)	203,776		

19. FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

PARENT

2007	Floating interest Rate*	**Fixed interest rate Maturing in** 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	**Total**	**Average interest Rate** Floating	Fixed
		$	$	$	$	$		
Financial Assets								
Cash and cash equivalents	1,152,688	-	-	-	-	1,152,688	4.5%-5.75%	-
Trade and other receivables	-	-	-	-	39,433	39,433	-	-
	1,152,688	-	-	-	39,433	1,192,121		
Financial Liabilities								
Trade and other payables	-	-	-	-	529,941	529,941	-	-
Convertible notes	-	-	1,212,500	-	-	1,212,500	-	9.0%
	-	-	-	-	529,941	529,941		
Net Financial Assets	1,152,688	-	-	-	(490,508)	662,180		

PARENT

2006	Floating interest Rate*	**Fixed interest rate Maturing in** 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	**Total**	**Average interest Rate** Floating	Fixed
	$	$	$	$	$	$		
Financial Assets								
Cash and cash equivalents	282,209	-	-	-	-	282,209	5.4%	-
Trade and other receivables	-	-	-	-	9,756	9,756	-	-
	282,209	-	-	-	9,756	291,965		
Financial Liabilities								
Trade and other payables	-	-	-	-	88,189	88,189	-	-
	-	-	-	-	88,189	88,189		
Net Financial Assets	282,209	-	-	-	(78,433)	203,776		

* Floating interest rates represent the most recently determined rate applicable to the assets at balance date.

20. COMMITMENTS

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Leasing commitments				
Non-cancellable leases contracted for but not capitalised in the financial statements				
Payable - minimum lease payments				
- not later than 12 months	102,143	32,109	57,246	32,109
- between 12 months and 5 years	9,541	-	9,541	-
	111,684	32,109	66,787	32,109

There are two property leases at 30 June 2007, being:

(a) a non-cancellable lease with 18 month term, with rent payable monthly in advance, ending 31 August 2008. No option for renewal exists on this lease; and
(b) a non-cancellable lease with three year term, with rent payable monthly in advance, ending 20 February 2008. No option for renewal exists on this lease.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Finance leases				
Commitments in relation to finance leases are payable as follows:				
- not later than 12 months	14,778	-	-	-
- between 12 months and 5 years	3,226	-	-	-
	18,004	-	-	-
Future finance charges	(2,552)	-	-	-
Recognised as a liability	15,452	-	-	-
Representing				
- Current (note 14)	12,686	-	-	-
- Non current (note 15)	2,766	-	-	-
	15,452	-	-	-

21. LOSS PER SHARE

	Consolidated 2007 $	Consolidated 2006 $
Earnings used to calculate basic and diluted earnings per share		
Loss from continuing operations	(1,295,743)	(631,886)
Weighted average number of shares used as the denominator	**Number**	**Number**
Number for basic and diluted loss per share Ordinary shares	50,692,638	44,985,578

22. EMPLOYEE BENEFITS

Number of employees	Consolidated 2007 Number	Consolidated 2006 Number	Parent 2007 Number	Parent 2006 Number
Number of employees at the end of the year	128	2	2	2

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were directors of Pulse Health Limited during the financial year:

(i) Chairman – non-executive

Dr. John Hewson (from 8 May 2007)

(ii) Deputy chairman – non-executive

Dr. Barry Landa

(iii) Executive directors

Mr. Peter Mangles, Managing Director (from 9 October 2006)

(iv) Non-executive directors

Mr. Trevor Beazley

Mr. Andrew Gregory

Mr. Stevan Vujovic (resigned 3 July 2006)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, during the financial year:

Name	*Position*	*Employer*
Mr. Peter Mangles	Chief Executive Officer*	Pulse Health Limited

*Mr. Mangles has held this position from 5 August 2006.

(c) Remuneration of key management personnel of the company

Executive Directors and key executives are remunerated by way of a salary or consultancy fees, commensurate with their required level of services. Non-executive Directors receive a fixed monthly fee for their services. Total remuneration for all non-executive directors, approved at the 2006 General Meeting, is not to exceed $250,000 per annum. During the year ended 30 June 2007 employment and consulting contracts have been entered into with Peter Mangles (Chief Executive Officer) and John Hensley (Company Secretary) and David Franks (Company Secretary). Details of the employment and consulting contracts are included in the directors' report.

The Board has not formally constituted a nomination committee or remuneration committee. The whole Board conducts the functions of a nomination committee and remuneration committee. On 5 July 2007 a Remuneration & Nomination Committee was formed.

The Company does not have any scheme relating to retirement benefits for non-executive Directors.

23. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

The following table provides the details of all directors of the Company and the executives with the greatest authority and the nature and amount of the elements of their remuneration for the year.

2007	Salary & fees $	Other fees $	Share Based Payments $	Super contributions $	Termination & Retirement benefits $	Total $
Directors						
Executive Directors						
Dr John Hewson	7,454	-	-	671	-	8,125
Dr Barry Landa	47,755	-	104,000	4,298	-	156,053
Mr Andrew Gregory	-	22,666	78,000	46,098	-	146,764
Mr Trevor Beazley	41,250	-	78,000	3,713	-	122,963
Mr Stevan Vujovic	-	7,500	-	-	-	7,500
Managing Director						
Mr Peter Mangles	152,945	-	113,600	13,738	-	280,283
Executive Officers						
Mr Scott Bollington	11,000	-	-	-	-	11,000
Total	**260,404**	**30,166**	**373,600**	**68,518**	**-**	**732,688**

* Further to the appointment of Dr John Hewson as Chairman in May 2007, the Board is currently assessing and negotiating the remuneration package related to his appointment. Furthermore, with the appointment of the Remuneration & Nomination Committee, the Committee will be undertaking a complete review of director and executive remuneration subsequent to year end.

2006	Salary & fees $	Non-monetary benefits $	Super contributions $	Termination benefits $	Insurance premiums $	Total $
Directors						
Non-executive directors						
Dr Barry Landa	6,667	-	600	-	-	7,267
Mr Andrew Gregory	6,874	-	618	-	-	7,492
Mr Trevor Beazley	7,916	-	712	-	-	8,628
Mr Stevan Vujovic	30,845	-	-	-	-	30,845
Mr Matthew Lewis	16,918	-	-	-	-	16,918
Mr Angus Pilmer	10,278	-	-	-	-	10,278
Mr Graham Freedman	2,777	-	-	-	-	2,777
Mr Graham Malaghan	2,777	-	-	-	-	2,777
Executive directors						
Mr R Walker	109,222	-	-	-	-	109,222
Mr Stuart Lloyd	14,777	-	-	-	-	14,777
Executives						
Scott Bollington	120,000	-	11,391	16,566	-	147,957
Total	**329,051**	**-**	**13,321**	**16,566**	**-**	**358,938**

23. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(d) Equity instruments

(i) Option holdings

The movement during the reporting period in the number of options over ordinary shares exercisable at $0.20 on or before 31 December 2007 and 31 March 2009 held, directly, indirectly or beneficially by each specified director and specified executive, including their personally-related entities, is as follows:

	Held at 30 June 2006	Granted as remuneration	Exercised	Other changes*	Held at date of appointment/ resignation	Held at 30 June 2007
Directors						
Non-executive						
Dr John Hewson	-	-	-	-	-	-
Dr Barry Landa	-	2,000,000	-	-	-	2,000,000
Mr Peter Mangles	-	2,000,000	-	-	-	2,000,000 *
Mr Andrew Gregory	-	1,500,000	-	-	-	1,500,000
Mr Trevor Beazley	575,000	1,500,000	-	-	-	2,075,000
Mr Stevan Vujovic	-	-	-	-	-	N/A
Executives						
Scott Bollington	-	-	-	-	-	N/A
John Hensley	-	-	-	-	-	N/A

* 500,000 of which are yet to vest which occurs on 31 October 2007

(ii) Share Holdings

The movement during the reporting period in the number of ordinary shares held, directly, indirectly or beneficially by each specified director and specified executive, including their personally-related entities, is as follows:

	Held at 30 June 2006	Purchases	Received on exercise of options	Sales	Held at date of resignation	Held at 30 June 2007
Directors						
Directors						
Non-executive						
Dr John Hewson	-	-	-	-	-	-
Dr Barry Landa	2,250,000	-	-	-	-	2,250,000
Mr Peter Mangles	-	-	-	-	-	-
Mr Trevor Beazley	700,000	-	-	-	-	700,000
Mr Andrew Gregory	1,350,000	-	-	-	-	1,350,000
Mr Stevan Vujovic	-	-	-	-	-	N/A
Executives						
Scott Bollington	-	-	-	-	-	N/A
John Hensley	-	-	-	-	-	N/A

23. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(iii) Convertible Note Holdings

The movement during the reporting period in the number of convertible notes held, directly, indirectly or beneficially by each specified director and specified executive, including their personally-related entities, is as follows:

	Held at 30 June 2006	Purchases	Received on exercise of options	Sales	Held at date of resignation	Held at 30 June 2007
Directors						
Directors						
Non-executive						
Dr John Hewson	-	-	-	-	-	-
Dr Barry Landa	-	-	-	-	-	-
Mr Peter Mangles	-	-	-	-	-	-
Mr Trevor Beazley	-	-	-	-	-	-
Mr Andrew Gregory	-	2,500,000	-	-	-	2,500,000
Mr Stevan Vujovic	-	-	-	-	-	N/A
Executives						
Scott Bollington	-	-	-	-	-	N/A
John Hensley	-	-	-	-	-	N/A

It is noted that David Franks or related parties also purchased during the year and held at 30 June 2007 262,500 convertible notes.

24. RELATED PARTY TRANSACTIONS

Transactions with related parties

A number of directors and executives, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of those entities transacted with the Company or its subsidiaries during the year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to specified directors and specified executives, or their personally-related entities, totalled $30,166. Details of the transactions which are included under directors' and senior executive's remuneration, are as follows:

	Transaction	Note	2007 $
Directors			
A Gregory	Consultancy fees	(i)	22,666
S Vujovic	Consultancy fees	(ii)	7,500

(i) Company secretarial services

(ii) Executive services

24. RELATED PARTY TRANSACTIONS (Continued)

(iii) Mr Peter Mangles was appointed Chief Executive Officer from 5 August 2006 and the Managing Director from 9 October 2006 until 30 June, 2007. During the period 5 August 2006 until 30 June 2007 he was paid at a rate of $14,083 per month in director's fees plus superannuation at the rate of 9%.

(iv) During the year the company paid Franks & Associates Pty Ltd, a company associated with Mr David Franks, to perform Company Secretarial and Finance functions at an hourly rate of $150 (excluding GST). The total amount of $63,005 (excluding GST) was paid during the year. Of this amount, $51,127 (excluding GST) remained unpaid at 30 June 2007.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
25. NOTES TO THE STATEMENT OF CASH FLOWS				
(a) Reconciliation of cash and cash equivalents				
For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:				
Cash and cash equivalents (Note 6)	1,212,267	282,209	1,152,688	282,209
(b) Reconciliation of net cash flows from operating activities to loss after income tax				
Loss after income tax	(1,295,743)	(631,886)	(1,294,211)	(631,886)
Add non-cash items:				
Depreciation	5,092	3,360	5,092	3,360
Consultancy fees paid 5,000,000 Shares were re allotted to Dr Shane Moran	-	250,000	-	250,000
Provision for write-down of investment written back	-	(300,000)	-	(300,000)
Provision for legal expenses written back	-	(150,000)	-	(150,000)
Asset written off	-	1,103	-	1,103
Share based payments to Directors	373,600	-	373,600	-
Net cash used in operating activities before changes in assets and liabilities	(917,051)	(827,423)	(915,519)	(827,423)
Changes in assets and liabilities:				
(Increase)/Decrease in trade and other receivables	(29,677)	17,873	(29,677)	17,873
(Decrease)/Increase in trade and other payables	230,292	65,533	230,713	65,533
Net cash and cash equivalents used in operating activities	(716,436)	(744,017)	(714,483)	(744,017)

26. BUSINESS COMBINATIONS

(a) Summary of acquisition

On 29 June 2007, a subsidiary of the parent entity acquired 100% of the issued share capital of Care Call Pty Ltd.

The acquired business contributed revenues of $0 and net profit of $0 to the Company for the period from 29 June 2007 to 30 June 2007. If the acquisition had occurred on 1 July 2006, consolidated revenue and consolidated loss for the year ended 30 June 2007 would have been $3,730,269 and $1,226,344 respectively. These amounts have been calculated using the Company's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2006, together with the consequential tax effects.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	$
Purchase consideration (refer to (b) below)	
Cash paid	1,500,000
Direct costs relating to the acquisition	8,000
	1,508,000
Fair value of net identifiable assets acquired (refer to (c) below)	195,873
Goodwill (refer to (c) below and note 10)	1,312,127

(b) Purchase consideration

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Outflow of cash to acquire subsidiary, net of cash acquired				
Cash consideration	1,500,000	-	-	-
Less : cash acquired	-	-	-	-
Outflow of cash	1,500,000	-	-	-

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $	Fair Value $
Cash and cash equivalents	-	-
Trade and other receivables	576,502	576,502
Property, plant and equipment	50,436	50,436
Trade and other payables	(415,613)	(415,613)
Borrowings	(15,452)	(15,452)
Net assets	195,873	195,873

27. CONTINGENT LIABILITIES

In the event that the share options (as disclosed in note 16(c)) are not exercised, the option premium reserve (or part thereof for those options not exercised) may become a capital gain for capital gains tax purposes.

28. EVENTS SUBSEQUENT TO BALANCE DATE

The Company is in the process of settling the Bega Valley Hospital acquisition, including obtaining approval from the Department of Health in relation to the transfer of the required licenses.

The Company signed an agreement to purchase the business assets of Northside Nursing Agency, a Sydney based nursing agency, on 30 July 2007 for $170,000. This purchase was settled on 10 August 2007.

Since 30 June 2007 the Company has issued:

(a) the balance of the convertible note placement to sophisticated investors, totalling $2,000,000, of which a further 3,937,500 convertible notes were issued between 2 July 2007 and 13 July 2007 at 20 cents per note, raising $787,500. The convertible notes have a face value of 20 cents and a coupon rate of 9% payable quarterly and have a first ranking charge over the assets of Care Call Pty Ltd and Bega Valley Hospital and a charge over the remaining assets of the Company, the latter of which must be subordinated behind any future senior banking debt; and
(b) 1,000,000 options exercisable at 20 cents expiring 31 October 2008 for supplier payments.
(c) 2,500,000 shares at 20 cents each as part of the Bega Valley Hospital acquisition.

On 16 August 2007, the Company settled the outstanding litigation with William Buck (NSW) Pty Limited.

29. LITIGATION MATTERS

The Board has now resolved all outstanding litigation matters in relation to the prior biometrics field of activities.

It was noted in the half year financial statements that the Company is involved in legal proceedings with William Buck (NSW) Pty Limited relating to unpaid invoices for work allegedly undertaken by William Buck (NSW) Pty Ltd. The Company was served with a statement of claim in the amount of $22,013 on 9 January 2007. The Company has filed a defence disputing the claim, with the matter scheduled for an arbitration hearing on 6 August 2007. Further details in relation to this litigation are outlined in the Subsequent Events section.

On 16 August 2007, the Company settled the outstanding litigation with William Buck (NSW) Pty Limited.

D I R E C T O R S ' D E C L A R A T I O N

(1) The Directors of the company declare that:

(a) the financial statements and notes, set out on pages 15 to 42, are in accordance with the Corporations Act 2001and:

(i) give a true and fair view of the financial position of the Company and consolidated group as at 30 June 2007 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

(ii) comply with Accounting Standards and the Corporations Act 2001;

(2) The Directors have declared:

a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Regulations 2001;
b) The financial statements and notes for the financial year comply with the Accounting Standards; and
c) The financial statements and notes for the financial year give a true and fair view.

(3) In the directors' opinion there are reasonable grounds to believe that the company will be able its debts as and when they become due and liable

Signed in accordance with a resolution of the directors:

Dr John Hewson

Chairman

Sydney, New South Wales
19 September 2007

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Pulse Health Limited

We have audited the accompanying financial report of Pulse Health Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Pulse Health Limited and of the consolidated entity. The consolidated entity comprises 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 whether the financial report is free from material misstatement. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

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 and the remuneration disclosures in the directors' report.

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

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PKF

Chartered Accountants
& Business Advisers

Independence

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

Auditor's Opinion

In our opinion the financial report of Pulse Health Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that, Pulse Health Limited incurred a consolidated net loss after tax of $1,295,743 for the financial year ended 30 June 2007 and, as of that date, the consolidated accumulated losses were $1,610,525. The ability of Pulse Health Limited to continue as a going concern and to meet planned and committed expenditure requirements, is subject upon the completion of the Bega Valley Hospital acquisition, and the announcements and capital raisings noted in Note 28. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about Pulse Health's Limited's ability to continue as a going concern.

PKF

Grant Saxon
Partner

Sydney, 19 September 2007

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Pulse Health Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pulse Health Limited and the entities it controlled during the period.

PKF

Grant Saxon
Partner

Sydney, 19 September 2007

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ASX ADDITIONAL INFORMATION

Additional information required by the Australian stock exchange Limited listing rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDING

Substantial Holders

The number of shares held by substantial shareholders and their associated interests as at **14th September 2007** were:

Rank	Name	Units	% of Issued Capital
1	SHAPEN HOLDINGS PTY LTD <SHAPEN FAMILY A/C>	5,000,000	8.22
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	4,000,000	6.57

As at **14th September 2007** there were 565 holders of ordinary shares of the company.

The voting rights of ordinary shares set out in the Company's constitution are:

"Subject to any rights or restrictions for the time being attached to any class or class of shares –

a) at meeting of members or classes of members each member is entitled to vote may vote in person or by proxy or attorney; and
b) On a show of hands every person who is a member has one vote and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held. "

Holders of options do not have any voting rights.

Distribution of equity Security Holders as at 14th September 2007

Category	Ordinary Shares	Options expiring 31 Dec 07	Options Expiring 31 Oct 08	Options Expiring 31 Mar 09
1-1000	7	0	0	0
1,001 – 5,000	57	55	0	0
5,001- 10,000	90	48	0	0
10,001 – 100,000	311	76	5	0
100,001 and over	100	32	10	5
	565	211	15	5

The number of shareholders holding less than a marketable parcel at 30 June 2007 was 11 and at 14 September 2007 was 12.

A S X   A D D I T I O N A L   I N F O R M A T I O N

Twenty largest Ordinary Fully Paid Shareholders as at 14th September 2007

Top 20 holders of ORDINARY SHARES (GROUPED) as at 14 Sep 2007

Rank	Name	Units	% of Issued Capital
1	SHAPEN HOLDINGS PTY LTD <SHAPEN FAMILY A/C>	5,000,000	8.22
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	4,000,000	6.57
3	BLACKMORT NOMINEES PTY LTD <45697 A/C>	2,313,333	3.80
4	KIRISI HOLDINGS PTY LTD <HEPERU EMPLOYEES S/F A/C>	2,225,000	3.66
5	PLANMOOR INVESTMENTS PTY LTD <B & A LEE SUPER FUND A/C>	1,746,953	2.87
6	FINANCE ASSOCIATES PTY LTD <SUPER FUND A/C>	1,350,000	2.22
7	MR ENZO ALMONTE <ALMONTE SUPERANNUATION A/C>	1,300,000	2.14
8	MR BRIAN LEE + MRS AUDREY LEE	1,234,024	2.03
9	ANZ NOMINEES LIMITED <CASH INCOME A/C>	1,064,335	1.75
10	RIMOH PTY LTD	961,327	1.58
11	MULATO NOMINEES PTY LTD	825,000	1.36
12	MRS JANET MAXINE MOFFITT + MR COLIN ROSS MOFFITT	800,000	1.31
13	A BEAVER INTERNATIONAL PTY LTD <DI LOSA SUPER FUND A/C>	776,753	1.28
14	MR RICHARD WILLIAM DALGLEISH	700,000	1.15
15	SEVEN HIGH PTY LTD	700,000	1.15
16	VERSAILLES HOLDING PTY LTD	700,000	1.15
17	MR ROBERT JOHN HARTEMINK	683,334	1.12
18	MR JASON IOPOLLO <JASON IOPOLLO RAINBOW A/C>	671,504	1.10
19	MR JOHN GILBERT BEYFUS	600,000	0.99
20	PROFESSIONAL PAYMENT SERVICES PTY LTD <PPS HOLDING-NO1 A/C>	600,000	0.99
	Top 20 holders of ORDINARY SHARES (GROUPED) as at 14 Sep 2007	**28,251,563**	**46.44**

A S X   A D D I T I O N A L   I N F O R M A T I O N

Twenty largest Option Holders as at 14th September 2007 – 20 cent exercise price expiring 31 December 2007

Top 20 holders of OPT EXP 31/12/07 (GROUPED) as at 14 Sep 2007

Rank	Name	Units	% of Issued Capital
1	PLANMOOR INVESTMENTS PTY LTD <B & A LEE SUPER A/C>	7,246,973	25.21
2	BLACKMORT NOMINEES PTY LTD <45697 A/C>	3,768,667	13.11
3	MR RICHARD WILLIAM DALGLEISH	2,950,000	10.26
4	MR IAN RALPH LONNIE + MRS MARGARET ROSE LONNIE <M I SUPERANNUATION FUND A/C>	1,261,360	4.39
5	ARBORESCENCE PTY LTD <LOCHORE SUPER FUND A/C>	1,250,000	4.35
6	MRS LISA NICOLE HARDING RIDE <RIDE FAMILY A/C>	1,100,000	3.83
7	JARVIS CONSULTING PTY LTD <JARVIS S/F A/C>	700,000	2.43
8	ROSS ASSET MANAGEMENT LTD	600,000	2.09
9	SEVEN HIGH PTY LTD	575,000	2.00
10	MR ENZO ALMONTE <ALMONTE SUPERANNUATION A/C>	500,000	1.74
11	MRS LYNETTE FAYE POWER	417,000	1.45
12	DAGGER NOMINEES LIMITED	400,000	1.39
13	ELADIN PTY LTD <GTG SUPERANNUATION FUND A/C>	390,000	1.36
14	MR WARRICK DAVID HEIGHT	379,500	1.32
15	MR VINCENT DE VILLERS	350,000	1.22
16	RIMOH PTY LTD	344,000	1.20
17	MR ANDREW PETERFREUND + MRS GINETTE PETERFREUND	339,933	1.18
18	MISS OLIVIA LEE NEWSTEAD	330,000	1.15
19	MR BRETT MAXWELL SCHREUDERS <B SCHREUDERS INVESTMENT A/C>	310,000	1.08
20	MR IAN RALPH LONNIE <IR LONNIE FAMILY ACCOUNT>	278,874	0.97
	Top 20 holders of OPT EXP 31/12/07 (GROUPED) as at 14 Sep 2007	**23,491,307**	**81.73**

ASX ADDITIONAL INFORMATION

Twenty largest Option Holders as at 14th September 2007 – 20 cent exercise price expiring 31 October 2008

Top 20 holders of UNL OPTS EXP 31/10/2008 @ 20C as at 14 Sep 2007			
Rank	**Name**	**Units**	**% of Issued Capital**
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	1,250,000	26.32
2	CONTANGO SERVICES PTY LTD	1,000,000	21.05
3	HSBC CUSTODY NOMINEES	500,000	10.53
4	MULATO NOMINEES PTY LTD	412,500	8.68
5	PROFESSIONAL PAYMENT SERVICES PTY LTD <PPS HOLDING-NO1 A/C>	300,000	6.32
6	AVON MANAGEMENT COMPANY PTY LTD <THE DIERMAJER FAMILY S/F A/C>	250,000	5.26
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD <FORTREND SMALL CAP INVESTORS 7FE032438 A/C>	250,000	5.26
8	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD <BERNDALE A/C>	250,000	5.26
9	MR LEON DAVIES <THE LEON DAVIES TRADING A/C>	150,000	3.16
10	RIMOH PTY LTD <SURCOUF SUPER FUND A/C>	125,000	2.63
11	MR MARK VAN DONGEN	75,000	1.58
12	123 HOME LOANS PTY LTD	50,000	1.05
13	MCCM PTY LTD <THE MCCM UNIT A/C>	50,000	1.05
14	MEDI HOLDINGS PTY LTD	50,000	1.05
15	GREENFIELD PROJECT DEVELOPMENT SERVICES PTY LTD	37,500	0.80
	Top 20 holders of UNL OPTS EXP 31/10/2008 @ 20C as at 14 Sep 2007	**4,750,000**	**100.00**

Twenty largest Option Holders as at 14th September 2007 – 20 cent exercise price expiring 31 March 2009

Top 20 holders of DIR OPTS EXP 31/3/09 @ 20C as at 14 Sep 2007			
Rank	**Name**	**Units**	**% of Issued Capital**
1	KIRISI HOLDINGS PTY LTD <HEPERU EMPLOYEES S/F A/C>	2,000,000	28.57
2	MR PETER MANGLES	2,000,000	28.57
3	FINANCE ASSOCIATES PTY LTD <SUPER FUND A/C>	1,500,000	21.43
4	KAREN JULIE BEAZLEY <KAREN BEAZLEY FAMILY A/C>	1,250,000	17.86
5	TREVOR PHILLIP BEAZLEY + KAREN JULIE BEAZLEY <TKB SUPERANNUATION FUND A/C>	250,000	3.57
	Top 20 holders of DIR OPTS EXP 31/3/09 @ 20C as at 14 Sep 2007	**7,000,000**	**100.00**

ASX ADDITIONAL INFORMATION

Stock Exchange
The Company is currently listed on the Australian Stock exchange. The home exchange is Perth.

Other Information
Pulse Health Limited is incorporated and domiciled in Australia is a publicly listed company limited by shares.

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