

Analytica Ltd
ABN 12 006 464 866

Appendix 4D

Half Year Report

**For the 6 months ended December 2016 (current period)
And the previous corresponding period 6 months ended 31 December 2015**

Results for announcement to the market

Revenue from ordinary activities:	Down	41%	to	\$1,199,395
(Loss) from ordinary activities after tax attributable to members:	Down	23%	to	(938,706)
Net (Loss) for the period attributable to members:	Down	23%	to	(938,706)
		Current period		Previous corresponding period
Net tangible asset backing per ordinary share		0.08 cents		0.39 cents
Basic earnings/(loss) per share		(0.04) cents		(0.09) cents

An explanation of the result of the current period is set out in the Directors Report contained in the attached audit reviewed half-year Financial Report

Full financial details of the Company are also contained in the attached audit reviewed half-year Financial Report

Dividends: It is not proposed that any dividend will be paid. No dividends were paid in the previous corresponding period.

Analytica Limited

ABN: 12 006 464 866

Consolidated Interim Financial Statements

For the Half Year Ended 31 December, 2016

Page

Interim Financial Statements

Directors' Report	1
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	3
Interim Statement of Profit or Loss and Other Comprehensive Income	5
Interim Statement of Financial Position	6
Interim Statement of Changes in Equity	7
Interim Statement of Cash Flows	8
Summary of Significant Accounting Policies	9
Notes to the Financial Statements	11
Directors' Declaration	16
Independent Auditor's Review Report	17

Directors' Report

31 December, 2016

The directors submit the interim financial report of the Company for the half year ended 31 December, 2016.

1. General information

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

Dr Michael Monsour

Mr Ross Mangelsdorf

Mr Warren Brooks

Mr Carl Stubbings

Dr Thomas Lonngren

2. Operating results and review of operations for the year

The loss of the Company for the half year ended 31 December 2016 amount to \$938,706 (December 2015: loss \$1,215,889) after providing for income tax. The key differences reduction in marketing with ongoing emphasis on market research expenses \$233,303 (2015: \$1,068,962); reduced administrative expenses \$483,398 (2015: \$698,651); reduced income from research and development tax incentive of \$1,154,998 (2015: \$1,893,605) a reduction in direct research and development expense with the development of the PeriCoach system of \$945,096 (2015: \$1,259,365).

No dividend is proposed to be paid.

Review of operations

At the AGM in 2015 the chairman outlined Analytica's key strategies for the PeriCoach;

Build best in class first response pelvic floor treatment system

Prove it works

Define the market

Do a deal.

Best in class.

Analysis of the clinical trial results, post market surveys and the PeriCoach data base has resulted in a series of major enhancements of the PeriCoach system. Additionally, PeriCoach V3 also incorporates developments based on in-market experience with the V1 and V2 of PeriCoach. This has been a multifaceted effort in which all areas were examined, from the redesign of the charging case and packaging, to improved connectivity, battery life, app styling, feedback, reporting and help features.

A challenge with pelvic floor muscle rehabilitation is failure to exercise, this is often due to lack of awareness to progress as well as performance confidence. The V3 PeriCoach will be able to couple the real-time feedback during session strength training with the ability to instruct women on proper technique. The reinforcement of progress and proper exercise form, aims to mitigate early drop out of exercise regimen leading to greater outcomes. This is a significant achievement as research has indicated that at least 50% of women do not correctly perform pelvic floor exercises with verbal or written instructions alone.

. . .

Directors' Report

31 December, 2016

To support the expansion of behaviour data gathered through the sensors and app questionnaires, Analytica has invested in a sophisticated data analytics system. This data is the powerful engine driving research and development, and most importantly, providing insights into female pelvic health for research into more effective treatment of this condition affecting a third of all women.

The PeriCoach V3 is in production and we are on track to release in Q2 2017

Prove it Works.

The post-clearance randomised controlled clinical trial conducted on the V2 PeriCoach has provided sound independent evidence of the effectiveness of the PeriCoach. This trial was for marketing purposes and was not required for registration. Unlike the bulk of PeriCoach users who don't seek clinician guidance (65%), participants in the trial had 8 appointments over 20 weeks with clinicians guiding and coaching their pelvic floor exercises. The intervention portion of the trial required participants to use the PeriCoach between visits. Those using the PeriCoach had improvements in urinary continence, muscle strength and muscle rehabilitation. Quality of life and most noteworthy, sexual satisfaction of the PeriCoach group scored much higher than the control group.

With the superior features of V3 PeriCoach and slow recruitment (the requirements are onerous, 8 visits over 20 weeks), the variability in utilizing of pad weight, and the positive independent interim analysis of the data, the decision was made to finalise the trial. As a consequence, the trial didn't meet pad weight end point. That doesn't mean it was a failure, or a waste of time, as the quality of life and sexual function scores exceeded expectations which are critical measurement among continence research. .

Papers outlining the results of this trial have been accepted at the Urological Society of Australia and New Zealand and the International Society for the Study of Women's Sexual Health. Submissions are underway for further conferences of key opinion leaders in the medical field.

These further support case studies published in the Urological Nursing Journal of the US Society of Urological Nurses, and Journal of Urology and Research.

The PeriCoach has been designed by medical engineers and thought leaders in the continence space, as well as in compliance with medical standards, achieving registration by medical regulators.

Define the market.

As a research and development company, establishing a baseline understanding of market drivers for adoption and commercialization has played a key role in product development. Our presence online, reinforces target demographics as well as consumer engagement strategies all of which are supported by strong analytics.

Definition of penetration strategies and clinical communication approaches based on in market work with the continence and women's health clinical community will serve as a strong spring board to support the strategy a partner may deploy. This is furthered through engagement with key opinion leaders, submitting papers and case studies to authoritative journals has continued with growing success supported by excellent evidence.

Do a deal.

In July, the PeriCoach became easily accessible to women in the US with the FDA granting over-the counter-clearance.

In August patent protection for the PeriCoach was granted in the People's Republic of China.

Analytica has aggressively protected PeriCoach intellectual property and pursued registrations and market access to ensure a commercialisation partner has a safe and quick access to this huge market with a quality superior solution.

Advice and guidance from experts in the medical technology acquisitions field are guiding the collation of supporting evidence and deal development.

Capital

During the 6 months to December our cornerstone investor contributed a further \$500k AUD. In January capital placements of \$722k to non-related parties were announced as well as further placements of \$720k subject to shareholder approval. With a further \$60k placement in February, funds raised total \$1.5m. These placements ensure the company has adequate funds for the rest of the year.

A challenge over the years for Analytica has been limited capital. The majority of our shareholders hold and accumulate their shares, a result causing a thinly traded market who don't appreciate the lead time to successful development beating down the share price. The board appreciates the support of loyal shareholders.

Directors' Report**31 December, 2016****Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December, 2016 has been received and can be found on page 4 of the interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director: 
Dr Michael Monsour

Dated this 27 day of February 2017

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

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2016 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



Bentleys Brisbane Partnership Pty Ltd
Chartered Accountants



Stewart Douglas
Partner

27 February 2017

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December, 2016

		31 December 2016	31 December 2015
	Note	\$	\$
Sales Revenue		33,879	130,784
Cost of Sales		(17,372)	65,410
Gross Profit		16,507	65,374
Grant Income		1,154,999	1,893,605
Investment revenue		7,012	7,376
Royalty Income		3,505	7,271
Administration expense	2	(483,398)	(698,651)
Depreciation, amortisation and impairments	2	(8,892)	(44,236)
Finance expenses		(108)	(586)
Foreign Currency Gains and Losses		(12,989)	(35,276)
Investments Fair Value Adjustment		(2,089)	(13,581)
Marketing expenses	2	(233,303)	(1,068,962)
Occupancy expenses		(2,079)	(3,121)
Option Expenses		(380,295)	(27,797)
Patent maintenance expenses	2	(52,478)	(37,940)
Research and development expense	2	(945,096)	(1,259,365)
Profit before income tax		(938,706)	(1,215,889)
Income tax expense		-	-
Net Profit		(938,706)	(1,215,889)
Earnings per share			
Basic/diluted earnings per share (cents)		(0.04)	(0.09)

Consolidated Interim Statement of Financial Position

As At 31 December, 2016

	31 December 2016 \$	30 June 2016 \$
Assets		
Current Assets		
Cash and cash equivalents	1,228,458	1,252,514
Inventories	203,706	224,325
Prepayments	178,191	225,852
Trade and other receivables	14,459	19,136
Total Current Assets	1,624,814	1,721,827
Non-current Assets		
Intangible assets	35,040	36,822
Other financial assets	2,089	4,179
Property, plant and equipment	25,215	30,078
Total Non-current Assets	62,344	71,079
Total Assets	1,687,158	1,792,906
Liabilities		
Current Liabilities		
Employee benefits	113,479	111,083
Short-term provisions	41,250	53,050
Trade and other payables	275,047	311,778
Total Current Liabilities	429,776	475,911
Non-Current Liabilities		
Provision for Long Service Leave	23,402	18,104
Total Non-Current Liabilities	23,402	18,104
Total Liabilities	453,178	494,015
Net Assets	1,233,980	1,298,891
Equity		
Issued capital	97,405,986	96,910,986
Reserves	916,639	537,844
Retained Earnings	(97,088,645)	(96,149,939)
Total Equity	1,233,980	1,298,891

The accompanying notes form part of these financial statements.

Consolidated Interim Statement of Changes in Equity

For the Half Year Ended 31 December, 2016

Half Year Ended 31 December 2016

	Ordinary Shares	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2016	96,910,986	(96,149,939)	537,844	1,298,891
Profit (loss) attributable to members of the entity	-	(938,706)	-	(938,706)
Shares / options issued during the year	500,000	-	378,795	878,795
Transaction costs	(5,000)	-	-	(5,000)
Balance at 31 December, 2016	97,405,986	(97,088,645)	916,639	1,233,980

Half Year Ended 31 December 2015

	Ordinary Shares	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2015	92,114,779	(92,268,467)	534,737	381,049
Profit (loss) attributable to members of the entity	-	(1,215,889)	-	(1,215,889)
Shares issued during the year	2,866,866	-	26,297	2,893,163
Transaction costs	(303,384)	-	-	(303,384)
Balance at 31 December, 2015	94,678,261	(93,484,356)	561,034	1,754,939

Consolidated Interim Statement of Cash Flows

For the Half Year Ended 31 December, 2016

	31 December 2016 \$	31 December 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	33,879	130,784
Receipts from grants	1,154,998	
Other receipts		
Interest received	7,012	7,376
Payments to suppliers and employees	(1,712,590)	(3,531,564)
Finance costs	(108)	(586)
Net cash provided by/(used in) operating activities	<u>(516,809)</u>	<u>(3,393,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,247)	(7,305)
Net cash used by investing activities	<u>(2,247)</u>	<u>(7,305)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds Short Term Loans		277,439
Proceeds from issue of shares	500,000	2,866,866
Payment of transaction costs	(5,000)	(303,385)
Net cash used by financing activities	<u>495,000</u>	<u>2,840,920</u>
Net increase/(decrease) in cash and cash equivalents held	(24,056)	(560,374)
Cash and cash equivalents at beginning of year	1,252,514	554,100
Cash and cash equivalents at end of the half year	<u>1,228,458</u>	<u>(6,274)</u>

Summary of Significant Accounting Policies

For the Half Year Ended 31 December, 2016

1 Summary of Significant Accounting Policies

This condensed interim financial report for the reporting period ending 31 December, 2016 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Analytica Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within Analytica Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Analytica Limited for the year ended 30 June 2016, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The consolidated interim financial report covers Analytica Limited and its controlled entity, Pericoach Pty. Ltd. Analytica Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Analytica Limited is Australian dollars.

The financial report was authorised for issue by the Directors on the date the Directors report was signed.

Comparatives are consistent with prior years, unless otherwise stated.

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Summary of Significant Accounting Policies

For the Half Year Ended 31 December, 2016

(c) Property, Plant and Equipment

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the interim statement of cash flows and are presented within current liabilities on the interim statement of financial position.

(e) Going concern

The financial statements have been prepared on a going concern basis.

This basis has been adopted as the company has sufficient cash at 31 December 2016 to conduct its affairs. The company has a guarantee of continuing financial support from Dr Monsour to allow the company to meet its liabilities and it is the belief that such financial support will continue to be made available.

The company's forward cash flow projections currently indicate that the company has sufficient funds to meet forecast needs. The Directors have considered this position and have assessed available funding options and believe should funding be required that sufficient funds could be sourced to satisfy creditors as and when they fall due.

However, if adequate capital raising is not achieved the company may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

(f) Adoption of new and revised accounting standards

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting principles of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Notes to the Consolidated Financial Statements

For the Half Year Ended 31 December, 2016

2 Result for the Half Year

	31 December 2016 \$	31 December 2015 \$
Sales Revenue	33,879	130,784
Grant Income	1,154,999	1,893,605
Investment revenue	7,012	7,376
Royalty Income	3,505	7,271
	1,199,395	2,039,036
Administration expense		
Compliance	274,021	419,486
Employment	195,413	226,629
General	13,964	52,536
Total Administration expense	483,398	698,651
Depreciation, amortisation and impairments		
Intangible assets	1,782	33,107
Property, plant and equipment	7,110	11,130
Total Depreciation, amortisation and impairments	8,892	44,237
Marketing expenses		
Employment	24,108	161,685
Pericoach	209,195	907,277
Total Marketing expenses	233,303	1,068,962
Patent maintenance expenses		
AutoStart Burette	10,106	8,883
ELF	3,055	330
PeriCoach	39,317	28,727
Total Patent maintenance expenses	52,478	37,940
Research and development expense		
Employment	267,419	267,241
Pericoach	677,677	992,124
Total Research and development expense	945,096	1,259,365

Notes to the Consolidated Financial Statements

For the Half Year Ended 31 December, 2016

3 Operating Segments

Types of products and services by reportable segment

(i) Medical Devices

- AutoStart Burette
- Perineometer
- ELF 2

Analytica's lead product is the Perineometer device branded PeriCoach, to assist women and their clinicians in treatment of Stress Urinary Incontinence. The PeriCoach was released for sale in Australia in January 2015 and in the United States of America and United Kingdom in June 2015. In July 2016, the PeriCoach became easily accessible to women in the US with the FDA granting over-the counter-clearance.

Analytica is also commercialising the AutoStart Burette infusion system. The AutoStart Burette set automatically restarts the delivery of intravenous fluid once the burette has dispensed its predetermined amount of liquid or drug. Automatic restart of the IV fluid, once the drug is dispensed can provide enormous savings in nursing time during and following a medication event, and reduces the risk of blood clots forming that may obstruct the intravenous canula. The AutoStart Infusion System can also be equipped with a flushing system which allows the needle-less injection port and the medication delivery syringe to be flushed with saline from the IV bag, without the need for additional flushing syringes or ampules.

Analytica has licensed the AutoStart Burette and other burette intellectual property to Medical Australia (Formerly BMDI Tuta) for distribution in the Australian Market. The AutoStart Burette has a TGA ARTG entry, CE-marking, and USFDA 510(k) 'approval'.

Analytica has deferred the development of the ELF2 for treatment of muscular spasticity. The ELF2 device delivers a low-frequency voltage used by neurologists to locate nerve endings during Botulinum neurotoxin A injection treatment. Analytica's development of this device, licenced from Gorman ProMed Ltd in 2012, is to enhance usability features of a device currently in use and respected by the market.

(ii) Corporate

The corporate segment includes all other operations including the administration, and associated listed public company expenditure.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of Analytica Limited.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Notes to the Financial Statements

For the Half Year Ended 31 December, 2016

(c) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to Analytica Limited as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(d) Segment performance

	Medical Devices		Corporate		Total	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$	\$	\$	\$	\$	\$
REVENUE						
Revenue from customers	33,879	130,784	-	-	33,879	130,784
Grant revenue	-	-	1,154,998	1,893,605	1,154,998	1,893,605
Royalties	3,505	7,271	-	-	3,505	7,271
Interest revenue	-	-	7,012	7,376	7,012	7,376
Total segment revenue	37,384	138,055	1,162,010	1,900,981	1,199,394	2,039,036
Depreciation & amortisation	(8,892)	(44,236)	-	-	(8,892)	(44,236)
Cost of sales	(17,372)	(65,410)	-	-	(17,372)	(65,410)
Interest expense	-	-	(108)	(586)	(108)	(586)
Marketing	(233,303)	(1,068,962)	-	-	(233,303)	(1,068,962)
Other expense	-	-	(880,850)	(778,426)	(880,850)	(778,426)
Patent maintenance	(52,478)	(37,940)	-	-	(52,478)	(37,940)
Research & development	(945,097)	(1,259,365)	-	-	(945,097)	(1,259,365)
Total segment expense	(1,257,142)	(2,475,913)	(880,958)	(779,012)	(2,138,100)	(3,254,925)
Segment profit (loss)	(1,219,758)	(2,337,858)	281,052	1,121,969	(938,706)	(1,215,889)

(e) Segment assets

Segment assets	263,961	416,125	1,421,108	2,219,655	1,685,069	2,635,780
Financial assets at fair value through profit and loss	-	-	2,089	6,268	2,089	6,268
Total	263,961	416,125	1,423,197	2,225,923	1,687,158	2,642,048

(f) Segment liabilities

Segment liabilities	-	-	453,178	887,109	453,178	887,109
----------------------------	----------	----------	----------------	----------------	----------------	----------------

Notes to the Financial Statements

For the Half Year Ended 31 December, 2016

4 Issued Capital

	31 December 2016 \$	30 June 2016 \$
Ordinary shares: 2,237,283,937 (June 2016: 2,165,855,366)	97,405,985	96,910,986
Listed Options 119,372,193 (June 2016 119,372,193)	-	-
Unlisted options: 138,291,667 (June 2016: 78,291,667)	-	-

(a) Ordinary shares

	31 December 2016 No.	30 June 2016 No.
At the beginning of the reporting period	2,165,855,366	939,220,439
Shares issued during the year	71,428,571	722,634,903
At the end of the reporting period	<u>2,237,283,937</u>	<u>2,165,855,366</u>

During the six months to December 2016 Analytica issued 71,428,571 fully paid ordinary shares. These shares were issued on the following dates:

- 1 September 2016: 35,714,285: shares
- 4 October 2016: 35,714,286 shares

Analytica Limited issued shares and options to raise capital to continue development of the Pericoach, and working capital expenses.

5 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December, 2016 (31 December 2015: None).

Notes to the Financial Statements

For the Half Year Ended 31 December, 2016

6 Related Parties

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

Transactions occurred with related parties: Nil.

7 Events Occurring After the Reporting Date


On the 31st January 2017, share placements were announced for \$722k to non-related parties as well as \$720k subject to shareholder approval. A further \$60k was placed at the end of February 2017 bringing total capital placement to \$1.5M.

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

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the group's financial position as at 31 December, 2016 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

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

Director 
Dr Michael Monsour

Dated this 27 day of February 2017

ANALYTICA LIMITED
ABN 12 006 464 866

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF ANALYTICA LIMITED**

Report on the Half-year Financial Report

We have reviewed the accompanying half-year consolidated financial report of Analytica Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2016 and condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors Responsibility for the Half-year Financial Report

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

Auditors Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Analytica Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year period ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the company will be required to generate sales revenue or raise additional funds to meet forecast cash needs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



Bentleys Brisbane Partnership
Chartered Accountants



Stewart Douglas
Partner

27 February 2017