

Analytica Limited

ABN: 12 006 464 866

Financial Statements

For the Year Ended 30 June 2014

Contents

For the Year Ended 30 June 2014

	Page
Financial Statements	
Directors' Report	1
Corporate Governance Statement	13
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	21
Statement of Profit or Loss and Other Comprehensive Income	22
Statement of Financial Position	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Summary of Significant Accounting Policies	26
Notes to the Financial Statements	35
Directors' Declaration	61
Independent Audit Report	62
Additional Information for Listed Public Companies	64

Directors' Report

30 June 2014

The directors present their report on Analytica Limited for the year ended 30 June 2014.

1. General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Dr Michael Monsour

Qualifications MBBS-HONS, FACRRM, FAICD

Experience

Dr Michael Monsour is a Medical Practitioner with extensive interests in Queensland medical and dental centres. Michael Monsour graduated from the University of Queensland in 1977 in medicine with honours. He operates a medical management company, which provides management support to medical and dental practitioners. He is the principal of Godbar Software (established 1988) which is one of the leading software developers of Occupational Health, Safety and Medical Accounting software packages in Australia.

Interest in shares and options

Direct:
Dr MP Monsour
Director's interest in ordinary shares: 2,606,337

Indirect (ordinary shares):
MPAMM Pty Ltd 38,484,118
Halonna Pty Ltd 47,984,118
MP Monsour Medical Practice Pty Ltd 11,880,611

Other related parties:
17,084,482 ordinary shares

Unlisted Options
13,000,000 @3.24c Expire 29/10/2018

Special responsibilities

Dr Michael Monsour is a member of the Audit Committee and the Remuneration Committee.

Other directorships in listed entities held in the previous three years

Dr Monsour was formerly a director of the listed entity Invion Limited (IVX) previously known as CBio Limited (January 2007 to November 2011).

Directors' Report

30 June 2014

1. General information continued

Information on directors continued

Mr Ross Mangelsdorf

Qualifications

B.Bus, FCA, CTA, MAICD

Experience

Mr Mangelsdorf is a Director of a Queensland based land development Company and has been a Director/partner of a chartered accounting firm for 33 years. He works with SME production, manufacturing and retail firms assisting with business, taxation and management services.

Interest in shares and options

Direct: Ross Mangelsdorf
Director's interest in ordinary shares: 14,222

Indirect:
RM & JM Mangelsdorf:
14,222 ordinary shares

Tambien Pty Ltd:
17,253,200 ordinary shares

Other related parties:
3,190,758 ordinary shares.

Unlisted Options
10,000,000 @ 3.24c Expire 29/10/18

Special responsibilities

Mr Mangelsdorf performs the function of Business Development Manager and is a member of the Audit and Risk Committee, and Remuneration Committee.

Other directorships in listed entities held in the previous three years

Mr Mangelsdorf was formerly a director of the listed entity Invion Limited (IVX) previously known as CBio Limited (November 2011).

Mr Warren Brooks

Qualifications

Securities Institute Certificate, Diploma in Financial Planning

Experience

Warren previously had 30 years experience working in Investment Banking and Stockbroking.

Interest in shares and options

Indirect director's interest:
W Brooks Investments Pty Ltd
31,759,341 ordinary shares

Unlisted Options
8,000,000 @ 3.24c Expire 29/10/18

Special responsibilities

Mr Brooks is a member of the Remuneration Committee.

Other directorships in listed entities held in the previous three years

Mr Brooks was the Managing Director and Founder of boutique Financial Advisory firm Clime AFM Pty Ltd which was a wholly owned subsidiary of Clime Investment Management Ltd, an ASX listed Company.

Warren founded Australian Financial Management (Investment) Pty Ltd in 1998 and sold the business to Clime Investment Management Ltd in 2006.

Mr Brooks was formerly a director of the listed entity Invion Limited (IVX) previously known as CBio Limited (November 2011).

Directors' Report

30 June 2014

1. General information continued

Information on directors continued

Mr Carl Stubbings	Appointed 13 January 2013
Qualifications	Bachelor of Science degree from the Queensland University of Technology
Experience	Mr Stubbings' experience in the sector spans over 30 years with a focus on medical diagnostics as well as biotechnology. He has specialised in sales with a particular emphasis on marketing across North America, Latin America, Asia Pacific and Europe as well as roles covering manufacturing and administration.
	Previously a board member of the Queensland North America Biotech Advisory Council.
Interest in shares and options	Indirect: C&K Stubbings Super Fund: 1,627,450 ordinary shares
Other current directorships in listed entities	Currently focused on developing and executing the commercialisation strategy including licensing and partnership agreements, Mr Stubbings' position as chief business officer at ASX-listed Benitec Biopharma Limited also sees him responsible for managing shareholder and investor relations.
	Mr Stubbings is also currently a non-executive director of unlisted public company Sienna Diagnostics, providing strategic direction for the company's high performing cancer diagnostic test.

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

Principal activities and significant changes in nature of activities

The principal activities of Analytica Limited during the year were:

- The development of strategies on commercial sales of PeriCoach;
- The development of intellectual property of medical device and mobile health application in relation to patents and systems in the pelvic floor exercise field (PeriCoach);
- Development of intellectual property of medical device to assist neurologist and rehabilitate treatment of muscular spasticity. (ELF-2).
- The development of intellectual property in the medical device field in relation to patents in the burette field (AutoStart Infusion System);
- The development of strategies for commercial sales of burette product;

There were no significant changes in the nature of Analytica Limited's principal activities during the year.

Directors' Report

30 June 2014

2. Operating results and review of operations for the year

Operating results

The loss of the Company amounted to \$ (3,176,008), after providing for income tax. This represented an increase on the loss result reported for the year ended 30 June 2013 of (1,135,751). Significant expense increase for research and development of \$2,195,794 (2013:\$1,148,484) was largely due the increased development of the PeriCoach system . Marketing \$396,620 (2013:145,367) increased with the release of the next phase of the PeriCoach system and an increase in administration \$516,084 (2013:\$302,785) and options expense \$515,862 (2013: nil).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations are as follows:

PeriCoach®

The PeriCoach system is a sensor device, mobile medical application and cloud database mobile health application that has been developed in association with leading specialist physiotherapists, midwives and urologists, to address female stress urinary incontinence, bladder leakage, most commonly caused by a weak pelvic floor. This is estimated to impact 4.2 million Australians and a total financial cost to Australia of \$42.9 billion.

Performing exercises to engage and train the pelvic floor muscle group is one of the most effective ways to treat and even reverse stress urinary incontinence. Correct technique is vital but difficult to achieve due to the hidden nature of the muscles. The PeriCoach system provides biofeedback to the patient when performing exercises, and uses wireless bluetooth communication to provide provide a compact, discreet and portable solution backed by powerful data analysis and clinician support.

Clinical advisory boards in Australia and the United States of America have provided valuable guidance to address the needs of both markets, supported by useability trials. The PeriCoach has been in development for 4 years and is on schedule for public release in the Australian domestic market in October this year.

The PeriCoach sensor arrangement patent is in PCT National phases and Analytica is progressing applications in Europe, Brazil, Australia, US, India, China, and Japan. Trademarks and Design Registrations have been applied for, and in many cases have already been granted in these jurisdictions. Registration on the Australian Register of Therapeutic Goods was achieved in Nov 2013, permitting sales in Australia with applications expected to be lodged for CE and FDA approvals for the European and United States markets in the first half of the 2014/15 financial year.

Controlled market release was commenced in June 2014 utilising units from the first production run at the end of May 2014. This controlled market release permits the testing of production, logistic support and sales systems before public market release. Regional sales representatives are progressively being recruited to develop a network of PeriCoach certified clinicians. The Australian, (and the US government) recognise bladder leakage as a chronic disease and have funding models in place to financially assist patients access professional help from their GP's and clinicians.

ELF2

Analytica continues the development of this medical device 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. Analytica has in the last few months applied for a patent for simultaneous low-frequency stimulation and electromyography functionality for the ELF2 product currently in early development.

AutoStart Infusion System

Analytica's product in the market is the AutoStart Infusion System. This product, despite overwhelming evidence of cost effectiveness and safety has struggled for a foothold in the small Australian market. The board commissioned South South Capital Partners to source partners in other countries to commercialise this outstanding product, resulting in a distribution agreement signed with Taiwan Allied Dragon Inc (TAD). TAD Chairman Mr Cotch Liao, indicated that Taiwan has a market roughly the size of Australia, with a good health system backed by the Government and Insurance companies. The regulatory process for permitting the AutoStart Infusion System to be used in Taiwan has

Directors' Report

30 June 2014

2. Operating results and review of operations for the year continued

Review of operations continued

taken much longer than expected. The comprehensive regulatory requirements and research from the Taiwanese market has resulted in a review of features of the burette in order to target a lower cost.

Negotiations in Brazil are on hold pending a possible lower cost model.

Analytica continues to develop and protect its Intellectual Property through patents, trademarks and design registrations. Analytica's licensed burette patents (1995) are maintained for the North American, Australian, and European markets and more recent (2006) patent-pending embodiments are extended in these regions and China until 2026

Analytica's Flush feature developed in 2008 is currently in the Patent Cooperation Treaty (PCT) national phase, and has been granted patents in China, with US, Australia and Germany pending. A novel 2012 improvement in the AutoStart burette that will dramatically simplify usability has also progressed to PCT and is currently entering the national phase of the PCT process.

Analytica has lodged (2013) a patent for simultaneous low frequency electrical stimulation and electromyography device, and this is currently in PCT.

Analytica also has patents pending in the PCT national phase for the PeriCoach patents lodged in 2011. These cover Australia, US, Japan, Brazil, China, India, Germany, and France - jurisdictions where most of the world's medical device expenditure occurs. Design registrations have also been granted in these jurisdictions with US and European remaining pending.

Analytica's R&D team has developed a number of novel ideas for future products and product enhancement during the PeriCoach product development process. Analytica aims to investigate these ideas and assess their patentability and commercial viability in the coming year.

Analytica also maintains a number of registered trademarks in the various jurisdictions above, and owns the top-level (.com) internet domains with these trademarks and other relevant keywords.

3. Financial review

Financial position

The net assets of Analytica Limited have increased by \$ 2,207,775 from 30 June 2013 to \$ 2,374,522 at 30 June 2014. This increase is largely due to the following factors:

- Cash proceeds from revenue raising,
- Recognition of prepaid creditors,
- Recognition of inventory on hand, and
- Capitalised software.

The directors have secured capital from the recent share issue, to secure the company's financial position to complete the development of the PeriCoach, continue developing the ELF2 and support marketing of the AutoStart Infusion System and the PeriCoach launch.

4. Other items

Significant changes in state of affairs

Other than the imminent release of the PeriCoach and the increased expenditure to achieve that release, there have been no significant changes in the state of affairs of the Company during the year.

Directors' Report

30 June 2014

4. Other items continued

Events after the reporting date

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

Future developments and results

With the recent Australian controlled market release of the PeriCoach system, the next step is the general release of the product for sale with a public market campaign in the last quarter 2014. With an established base of local accredited clinicians and informed GPs, the PeriCoach public campaign is designed to raise awareness among women that there is a solution to this hidden issue. The primary aim is to encourage women to discuss their pelvic floor fitness with their GPs and partner with PeriCoach-accredited clinicians. The general release will incorporate additional features including iOS-capable (Apple) functionality to the existing android device.

The company is preparing for international expansions in 2015, concentrating on marketing, sales and regulatory affairs, and scaling the manufacturing and IT systems to cope with larger numbers and different jurisdictions.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Company secretary

The following person held the position of Company secretary at the end of the year:

Bryan Dulhunty (COSA Pty Ltd) has been the company secretary since 15 October 2012. CoSA provides specialised Company Secretarial and CFO services to Life Science Companies.

Bryan has extensive experience in the biotech industry having held roles covering Chairman, Managing Director, Company Secretary, CFO, and Non Executive Director of listed and non listed biotech companies.

Meetings of directors

During the year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dr Michael Monsour	13	13	2	2	1	1
Mr Ross Mangelsdorf	13	13	2	2	1	1
Mr Warren Brooks	13	13	-	-	1	1
Mr Carl Stubbings	9	9	-	-	-	-

Directors' Report

30 June 2014

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer or auditor of Analytica Limited.

Options

At the date of this report, the unissued ordinary shares of Analytica Limited under option are as follows:

Unlisted options

Grant Date	Date of Expiry	Exercise Price	Number under Option
30 October 2013	29 October 2018	\$ 0.0324	44,500,000
12 February 2014	12 February 2019	\$ 0.0444	5,000,000
22 May 2014	22 May 2019	\$ 0.0738	4,375,000
			53,875,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Company.

For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2014: (2013 nil):

	2014	2013
	\$	\$
Other review	1,500	-

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2014 has been received and can be found on page 21 of the financial report.

Directors' Report

30 June 2014

Remuneration report (audited)

Remuneration policy

The remuneration policy of Analytica Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting Analytica Limited's financial results. The Board of Analytica Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage Analytica Limited, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of Analytica Limited is as follows:

- The remuneration policy has been developed by the Remuneration Committee and approved by the Board following professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and Company with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews key management personnel packages annually by reference to Analytica Limited's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of Analytica Limited's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the law, which is currently 9.25% (2013: 9%), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement. Key management personnel are paid a percentage of between 5-10% of their salary in the event of redundancy. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting, the current maximum is \$ 550,000 which was approved at the 2011 AGM. In November 2004 the Board set individual directors fees at \$50,000 per annum plus statutory superannuation and the chairman's fee at \$75,000 plus statutory superannuation. Based on the current board structure total fees paid on a yearly basis will be \$225,000 (2013:\$175,000) plus statutory superannuation.

Entities associated with Mr Ross Mangelsdorf were paid consulting, accounting and taxation services fees during the year of \$73,600 (2013:\$52,500) plus preparation fee for the annual tax return of \$8,545 (2013:\$13,500).

Directors' Report

30 June 2014

Remuneration report (audited) continued

Remuneration policy continued

Key management personnel employed by the Company during the year, in addition to the Company's Directors, is the Company's Operations Manager, Mr Geoff Daly (appointed on the 7 November 2005) and accepted the position of CEO on the 12 February 2014. Mr Daly has extensive experience in the design of medical devices, prototyping and manufacturing.

Mr Daly is employed by the Company under the terms and conditions set out in an employment contract. Due to the size of the company and the nature of its operations, the contract is open-ended and not for a specific time frame. Mr Daly's contract can be terminated by either party giving notice commensurate with the period of employment, which varies from 1 to 4 weeks. There is no provision in the employment contract for the payment of any termination payments other than accrued statutory entitlements.

Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholders' interests.

Options granted under these arrangements do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology.

Key management personnel who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package.

Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy has been effective in increasing shareholder wealth over the past 5 years.

The following table shows the gross revenue, profits and dividends for the last five years for the Company, as well as the share prices at the end of the respective financial years.

	2014	2013	2012	2011	2010
	\$	\$	\$	\$	\$
Revenue	587,483	541,262	194,705	272,878	290,548
Net Profit	(3,176,008)	(1,135,752)	(2,222,009)	(203,176)	(1,287,837)
Share Price at Year-end	0.04	0.02	0.02	0.03	0.02
Dividends Paid (cents)	-	-	-	-	-

Performance conditions linked to remuneration

Company executive fees are not linked to the performance of the Company. However, to align executives' interests with shareholder interests, the executives are encouraged to hold shares in the Company.

Employment details of members of key management personnel

The following table provides employment details of persons who were, during the year, members of key management personnel of Analytica Limited. The table also illustrates the proportion of remuneration that was performance based and the proportion of remuneration received in the form of options.

Directors' Report

30 June 2014

Remuneration report (audited) continued

			Performance based remuneration	
			Options Value \$	Options (Number)
Directors	Position	Unlisted Options		
Dr Michael Monsour	Director	@ 3.24c Expire 19/10/18	118,910	13,000,000
Mr Ross Mangelsdorf	Director	@ 3.24c Expire 19/10/18	91,469	10,000,000
Mr Warren Brooks	Director	@ 3.24c Expire 19/10/18	73,175	8,000,000
KMP				
Geoffrey Daly	CEO	@ 3.24c Expire 19/10/18	54,882	6,000,000
Geoffrey Daly	CEO	@ 4.50c Expire 12/02/19	45,735	5,000,000

Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

The remuneration and other terms of employment for the Managing Director and senior executives are set out in formal service agreements as summarised below.

All service agreements are for an unlimited duration. The agreements for executives may be terminated by giving six weeks notice (except in cases of termination for cause where termination is immediate).

In cases of resignation, no separation payment is made to the executive, except for amounts due and payable up to the date of ceasing employment, including accrued leave entitlements.

Directors' Report

30 June 2014

Remuneration report (audited) continued

Remuneration details for the year ended 30 June 2014

The following table of benefits and payment details, in respect to the year, the components of remuneration for each member of the key management personnel of Analytica Limited.

Table of benefits and payments

	short term				post employment		long term employee benefits	termination	share based payments			
	cash salary fees	bonus	non monetary	other short-term		pension and superannuation			options and rights	shares and units	cash-settled	
2014	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
Directors												
Dr Michael Monsour	75,000	-	-	-	75,000	6,937	-	-	118,910	-	-	200,847
Mr Ross Mangelsdorf	50,000	-	-	-	50,000	4,625	-	-	91,469	-	-	146,094
Mr Warren Brooks	50,000	-	-	-	50,000	4,625	-	-	73,175	-	-	127,800
Mr Carl Stubbings	23,718	-	-	-	23,718	2,194	-	-	-	-	-	25,912
KMP												
Geoffrey Daly	210,000	-	-	-	210,000	19,425	-	5,477	100,617	-	-	335,519
	408,718	-	-	-	408,718	37,806	-	5,477	384,171	-	-	836,172

	short term				post employment		long term employee benefits	termination	share based payments			
	cash salary fees	bonus	non monetary	other short-term		pension and superannuation			options and rights	shares and units	cash-settled	
2013	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
Directors												
Dr Michael Monsour	75,000	-	-	-	75,000	6,750	-	-	-	-	-	81,750
Mr Ross Mangelsdorf	50,000	-	-	-	50,000	4,500	-	-	-	-	-	54,500
Mr Warren Brooks	50,000	-	-	-	50,000	4,500	-	-	-	-	-	54,500
KMP												
Geoffrey Daly	210,000	-	-	-	210,000	18,900	-	-	-	-	-	228,900
	385,000	-	-	-	385,000	34,650	-	-	-	-	-	419,650

Directors' Report

30 June 2014

Remuneration report (audited) continued

Securities received that are not performance related

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

Cash performance-related bonuses

There were no bonuses granted as remuneration to key management personnel and other executives during the year ended 30 June 2014 (2013:nil).

Description of options/rights granted as remuneration

Options were approved at the 2013 AGM for directors and the directors approved employee (including Mr Daly) options on the same date. These options are brought to account at valuation prepared by BDO Chartered Accountants.

Sign on options were granted to the CEO and these options have been brought to account at valuation prepared by BDO Chartered Accountants.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director:

Dr Michael Monsour

Director:

Mr Ross Mangelsdorf

Dated this 26th day of September 2014

Corporate Governance Statement

30 June 2014

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. The Company complies with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (the Principles).

Copies of Analytica Limited's Board and Board committee charters and key corporate governance policies or summaries are available in the Corporate Governance section of the website at www.analyticamedical.com.

Principle 1: Lay solid foundations for management and oversight

Role of the Board and Management

The Board of Directors is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company, and effective oversight of management. The Board guides and monitors the business and affairs of Analytica Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board has adopted a Charter that details its roles and responsibilities, which is available on our website.

The Board has delegated responsibility for day-to-day management of the Company to the CEO and there is a formal delegations structure in place which sets out the powers delegated to the CEO and those specifically retained by the Board, these delegations are reviewed on a regular basis.

Responsibilities of the Board

The Board is responsible for:

- Overseeing the company, including its control and accountability systems;
- Appointing and removing the CEO;
- Where appropriate, ratifying the appointment and removal of senior executives;
- Providing input into and final approval of management's development of corporate strategy and performance objectives;
- Reviewing, ratifying and monitoring systems of risk management and internal controls, codes of conduct and legal compliance;
- Monitoring senior executives performance and implementation of strategy;
- Ensuring appropriate resources are available to senior executives;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestures; and
- Approving and monitoring financial and other reporting.

Corporate Governance Statement

30 June 2014

Allocation of individual responsibilities

Formal letters of appointment are provided to all new Directors setting out key terms and conditions of their appointment.

Induction

All new Directors participate in a formal induction process co-ordinated by the Company Secretary. This induction process includes briefings on the Company's financial, strategic, operational and risk management position, the Company's governance framework and key developments in the Company and the industry and environment in which it operates.

Evaluation of Directors

A performance evaluation for Directors and Senior Executives take place at least annually, in compliance with the established evaluation process. The Company's policy for Directors and Senior Executive evaluation is available on the Company's website.

Principle 2: Structure the Board to add Value

The Board's policy is that the Board needs to have an appropriate mix of skills, experience, expertise and diversity to be well equipped to help the Company navigate the range of challenges faced by the Company.

The names of the members of the Board as at the date of this report are set out below:

Executive Director:

- Dr M. Monsour

Non-Executive/Independent Directors:

- Mr R. Mangelsdorf
- Mr W. Brooks
- Mr C. Stubbings

Details of the Board member's experience, expertise, qualifications, term of office and independence status, are set out in the directors' report.

Composition of the Board

The Board's composition is determined based on criteria set out in the Company's constitution and the Board Charter.

The Board seeks to ensure that:

- At any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Company and directors with an external or fresh perspective;
- There is a sufficient number of directors to serve on Board committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities; and
- The size of the Board is appropriate to facilitate effective discussion and efficient decision making.

In accordance with the ASX Listing Rules, the Company must hold an election of Directors each year.

Corporate Governance Statement

30 June 2014

Board committees

To ensure that the responsibilities of the Board are upheld and executed to the highest level, the Board has established the following Board committees:

- Audit Committee
- Remuneration Committee

Each of these committees has established charters and operating procedures in place, which are reviewed on a regular basis. The Board may establish other committees from time to time to deal with matters of special importance. The Committees have access to the Company's executives and senior management as well as independent advice. Copies of the minutes of each Committee meeting are made available to the full Board, and the Chairman of each Committee provides an update on the outcomes at the Board meeting that immediately follows the Committee meeting.

The Board has formed the view that given the size and operations of the Company, that issues falling ordinarily within the scope of the Nominations Committee are better considered by the Board as a whole.

Independent decision making

The Board recognises the important contribution independent Directors make to good corporate governance. All Directors, whether independent or not, are required to act in the best interests of the Company and to exercise unfettered and independent judgment.

The Board has adopted specific principles in relation to directors' independence and considers the following, at least annually, when determining if a Director is independent:

Whether the Director:

- Is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
- Is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided.
- Is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the company or another group member other than as a director.

Role of the Chair

The Chair of the Board is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning.

The Chair facilitates the effective contribution of all directors and promotes constructive and respectful relations between directors and between Board and management.

Corporate Governance Statement

30 June 2014

Access to information

The Board is provided with the information it needs to discharge its responsibilities effectively and all Directors have complete access to senior management through the Chairman, CEO or Company Secretary at any time.

In certain circumstances, each Director has the right to seek independent professional advice at the Company's expense, within specified limits, or with the prior approval of the Chairman.

Principle 3: Promote ethical and responsible decision-making

Code of conduct

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflicts of interest;
- Comply with the law;
- Encourage the reporting and investigating of unlawful and unethical behaviour; and
- Comply with the share trading policy outlined in the Code of Conduct.

A copy of the Code of Conduct is available from the company's website.

Diversity policy

In respect of diversity, the Board considers that diversity includes differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education and problem solving skills.

The Board seeks to develop a culture of diversity within the Company whereby a mix of skills and diverse backgrounds are employed by the Company at all levels.

The Company strives to:

1. develop and maintain a diverse and skilled workforce through transparent recruitment processes.
2. promote an inclusive workplace culture that values and utilises the contributions of all employees backgrounds, experiences and perspective through improved awareness of the benefits of workforce diversity.
3. facilitate diversity in the workplace by developing programs that promote growth for all employees, so each employee may reach their full potential, and providing maximum benefit for the Company.
4. set measurable objectives to encourage diversity within the Company.

Corporate Governance Statement

30 June 2014

	Target %	Actual %
Proportion of:		
Women employees in the whole organisation	30	71
Women in senior executive positions	15	67
Women on the board	15	-

Analytica Limited considers the key management personnel, excluding Directors, to be the senior executives of the company.

Principle 4: Safeguard integrity in financial reporting

Audit Committee

The audit committee assists the Board in fulfilling its corporate governance responsibilities in regard to:

- the integrity of the financial reporting
- compliance with legal and regulatory obligations
- the effectiveness of the company's risk management and internal control framework
- oversight of the independence of the external auditors

The composition of the audit committee is not in accordance with the ASX CGC Recommendations, however it is deemed to be appropriate due to the size of the company and new members will be recruited onto the committee if deemed necessary.

The names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee are included in the directors' report.

The audit committee reports to the full Board after every meeting on all matters relevant to the committee's roles and responsibilities.

External auditor

The Audit Committee oversees the relationship with the external auditor. In accordance with the Corporations Act 2001, the lead Audit Partner on the audit is required to rotate at the completion of a 5 year term.

The external auditor attends the AGM and is available to answer your shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 5: Make timely and balanced disclosure

Analytica Limited has established policies and procedures to ensure timely and balanced disclosures of all material matters concerning the Company, and to ensure that all investors have access to information on the Company's financial performance.

These policies and procedures include a comprehensive disclosure policy that includes identification of matters that may have a material effect on the price on the Company's securities, notifying them to the ASX, posting relevant information on the Company's website and issuing media releases.

The Annual Report includes relevant information about the operations of the company during the year, key financial information, changes in the state of affairs and indications of future developments. The Annual Reports for the current year

Corporate Governance Statement

30 June 2014

and for previous years are available under the Investor Relations section of the company website.

The half year and full year financial results are announced to the ASX and are available to shareholders via the company and ASX websites.

All announcements made to the market, and related information (including presentations to investors and information provided to analysts or the media during briefings) are made available to all shareholders under the investor relations section of the company website after they are released to the ASX. All ASX announcements, media releases and financial information are available on Company website within one day of public release.

Principle 6: Respect the rights of shareholders

The Company Secretary has been nominated as the person responsible for communications with the ASX.

All Executive Management have an ongoing obligation to advise the Company Secretary of any material non-public information which may need to be communicated to the market.

The Company has a Shareholder Communications Policy which promotes effective communication with shareholders and encourages participation at general meetings.

The company makes all ASX announcements available via its website. In addition, shareholders who are registered receive email notification of announcements.

The Notice of Annual General Meeting (AGM) will be provided to all shareholders and posted on the company's website. Notices for general meetings and other communications with shareholders are drafted to ensure that they are honest, accurate and not misleading and that the nature of the business of the meeting is clearly stated and explained where necessary.

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Company's strategy and goals.

For shareholders unable to attend, an AGM question form will accompany the Notice of Meeting, giving shareholders the opportunity to forward questions and comments to the company or the external auditor prior to the AGM.

Principle 7: Recognise and manage risk

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks.

The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The recent economic environment has emphasised the importance of managing and reassessing its key business risks.

The Board is responsible for reviewing the company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board requires 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 has received a report from management as to the effectiveness of the company's management of its material business risks.

A summary of the Company's risk related policies can be found with other corporate governance policies under the Corporate Governance section of the company's website.

Corporate Governance Statement

30 June 2014

Internal control

The Board is responsible for reviewing the company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

The company's remuneration policy is designed in such as way that it:

- motivates senior executives to pursue the long-term growth and success of the company
- demonstrates a clear relationship between senior executives' performance and remuneration.

The remuneration policy, which sets the terms and conditions for the key management personnel (KMP) was developed by the remuneration committee after seeking professional advice from independent consultants and was approved by the Board.

All executives receive a base salary, superannuation, performance incentives and retirement benefits. The remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed corporations and independent advice. The performance of executives is measured against criteria agreed half yearly which are based on the forecast growth of the company's profits and shareholder value. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives. It will also provide executives with the necessary incentives to work to grow long-term growth in shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the remuneration committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

Further information about the company's remuneration strategy and policies and their relationship to company performance can be found in the Remuneration Report which forms part of the directors' report, together with details of the remuneration paid to key management personnel.

Corporate Governance Statement

30 June 2014

Remuneration committee

The responsibilities of the remuneration committee include a review of and recommendation to the Board on:

- the company's remuneration, recruitment, retention and termination policies and procedures for senior executives
- senior executives' remuneration and incentives
- superannuation arrangements
- the remuneration framework for directors
- remuneration by gender.

Each member of the remuneration committee:

- is familiar with the legal and regulatory disclosure requirements in relation to remuneration
- has adequate knowledge of executive remuneration issues, including executive remuneration issues, including executive retention and termination policies and short term and long term incentive arrangements.

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 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 audit.



Bentleys Brisbane Partnership



Stewart Douglas
Partner
Brisbane
26 September 2014

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

		2014	2013
	Note	\$	\$
Grant revenue	2	559,668	498,081
Royalty revenue		5,506	10,368
Investment revenue		22,309	32,813
Administrative expenses	3	(516,084)	(302,785)
Depreciation, amortisation and impairments	3	(16,908)	(15,395)
Fair value adjustment		39,699	(29,252)
Finance costs	3	(3,104)	(229)
Investor relation costs		-	(30,000)
Marketing expenses		(396,620)	(145,367)
Occupancy costs		(5,784)	(5,221)
Option expenses		(515,862)	-
Other currency gains (losses)		(2,271)	-
Patent maintenance	3	(150,763)	-
Research and development	3	(2,195,794)	(1,148,484)
Sundry expenses		-	(280)
Profit before income tax		(3,176,008)	(1,135,751)
Income tax expense	4	-	-
Profit for the year		(3,176,008)	(1,135,751)
Other comprehensive income, net of income tax			
Total comprehensive income for the year		(3,176,008)	(1,135,751)
Earnings per share			
Basic/diluted earnings per share (dollars)		(0.0048)	(0.0021)

Statement of Financial Position

As At 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,957,868	349,416
Trade and other receivables	9	36,652	13,588
Inventories	10	177,170	-
Other assets	14	381,638	7,688
TOTAL CURRENT ASSETS		<u>2,553,328</u>	<u>370,692</u>
NON-CURRENT ASSETS			
Other financial assets	11	73,130	33,431
Property, plant and equipment	12	21,647	6,403
Intangible assets	13	176,816	12,274
TOTAL NON-CURRENT ASSETS		<u>271,593</u>	<u>52,108</u>
TOTAL ASSETS		<u><u>2,824,921</u></u>	<u><u>422,800</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	15	10,342	-
Trade and other payables	16	279,679	138,532
Short-term provisions	17	42,755	30,300
Employee benefits	18	86,841	65,473
TOTAL CURRENT LIABILITIES		<u>419,617</u>	<u>234,305</u>
NON-CURRENT LIABILITIES			
Employee benefits	18	30,782	21,751
TOTAL NON-CURRENT LIABILITIES		<u>30,782</u>	<u>21,751</u>
TOTAL LIABILITIES		<u>450,399</u>	<u>256,056</u>
NET ASSETS		<u><u>2,374,522</u></u>	<u><u>166,744</u></u>
EQUITY			
Issued capital	20	88,792,648	83,943,597
Reserves	19	534,737	-
Retained earnings		<u>(86,952,863)</u>	<u>(83,776,853)</u>
TOTAL EQUITY		<u><u>2,374,522</u></u>	<u><u>166,744</u></u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Note	Ordinary Shares \$	Retained Earnings \$	Option Reserve \$	Total \$
Balance at 1 July 2013		83,943,597	(83,776,853)	-	166,744
Profit or loss attributable to members of the parent entity		-	(3,176,008)	-	(3,176,008)
Transaction costs		(374,022)	-	-	(374,022)
Issue of shares		5,223,073	-	534,737	5,757,810
Balance at 30 June 2014		88,792,648	(86,952,863)	534,737	2,374,522

2013

	Note	Ordinary Shares \$	Retained Earnings \$	Option Reserve \$	Total \$
Balance at 1 July 2012		83,939,012	(85,271,610)	2,630,508	1,297,910
Profit or loss attributable to members of the parent entity		-	(1,135,751)	-	(1,135,751)
Issue of shares		4,585	-	-	4,585
Transfers to retained earnings from option reserve		-	2,630,508	(2,630,508)	-
Balance at 30 June 2013		83,943,597	(83,776,853)	-	166,744

Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipt from grants		559,668	655,653
Receipt from royalty income		5,506	10,368
Payments to suppliers and employees		(3,633,248)	(1,561,467)
Interest received		22,309	32,813
Finance costs		(3,104)	(229)
Interest paid		(5,376)	-
Net cash provided by (used in) operating activities	23	<u>(3,054,245)</u>	<u>(862,862)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible asset		(8,771)	-
Purchase of property, plant and equipment		<u>(187,924)</u>	<u>(6,192)</u>
Net cash used by investing activities		<u>(196,695)</u>	<u>(6,192)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		5,080,101	4,585
Repayment of directors' loan accounts		(213,000)	(11,910)
Proceeds from directors' loan accounts		213,000	12,000
Costs of fund raising		<u>(231,051)</u>	<u>-</u>
Net cash used by financing activities		<u>4,849,050</u>	<u>4,675</u>
Net increase (decrease) in cash and cash equivalents held		1,598,110	(864,379)
Cash and cash equivalents at beginning of year		<u>349,416</u>	<u>1,213,795</u>
Cash and cash equivalents at end of financial year	8	<u><u>1,947,526</u></u>	<u><u>349,416</u></u>

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies

This financial report covers the financial statements and notes of Analytica Limited. Analytica Limited is a for profit Company domiciled in Australia. The financial statements were authorised for issue by the Board of Directors on the date the directors report was signed .

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

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(c) Income Tax

(i) Current income tax expense

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax assets and liabilities

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(c) Income Tax continued

(ii) Deferred tax assets and liabilities continued

Deferred tax assets are not recognised to the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

At the end of each reporting period, the company reassesses unrecognised deferred tax assets. The company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(d) 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 entity 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.

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

Interest revenue

Interest is recognised using the effective interest method.

Royalty revenue

Royalty revenue is recognised in the statement of profit or loss and other comprehensive income when it is probable that the economic benefits gained from royalty will flow to the entity and the amount of the royalty can be measured reliably.

Grant revenue

The Company is eligible for Federal Government grants in respect of Research and Development expenditure. Such grants are accounted for when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and the grant will be received.

Other grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) 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 are net of any rebates and discounts received.

(h) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	13.33% - 20%
Office Equipment	33% - 66.67%
Computer Equipment	33% - 100%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(i) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(i) Financial instruments continued

- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(i) Financial instruments continued Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Derecognition

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

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

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.

(j) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(k) Intangible Assets

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 ranging from 0 to 3 years.

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(k) Intangible Assets continued

Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and five years.

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments (less than 3 months) 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 statement of cash flows and are presented within current liabilities on the statement of financial position.

(m) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(n) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(o) Earnings per share

Analytica Limited presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(q) Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Company revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

(r) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of Analytica Limited's entities is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(r) Foreign currency transactions and balances continued

Transaction and balances continued

value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(s) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these interim financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment

The Company assesses impairment at the end of each reporting year by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(t) 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 30 June 2014 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 will be required to raise additional 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.

The company also expects to generate increased sales income during the 2015 year from the sales of its PeriCoach.

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.

(u) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

Summary of Significant Accounting Policies

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(u) Adoption of new and revised accounting standards continued

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

(v) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Revenue and Other Income

Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2014 \$	2013 \$
Finance income		
- other interest received	22,309	32,813
Other revenue		
- royalty revenue	5,506	10,368
- research & development grants	520,745	498,081
- other grants	38,923	-
Total Revenue	587,483	541,262

3 Result for the Year

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance costs line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2014 \$	2013 \$
Finance Costs		
Financial liabilities measured at amortised cost:		
- external	59	13
- related entities	3,045	216
- Total interest expense	3,104	229

Notes to the Financial Statements

For the Year Ended 30 June 2014

The result for the year includes the following specific expenses:

	2014 \$	2013 \$
Other expenses:		
Administrative expenses		
- Administration - general	24,002	41,840
- Compliance costs	311,791	171,608
- Employee costs	180,291	85,483
- Travel costs	-	3,854
	516,084	302,785
Depreciation and amortisation		
- Amortisation	7,394	6,669
- Depreciation of property, plant and equipment	9,514	8,727
	16,908	15,396
Patent maintenance		
- AutoStart Burette	58,294	-
- ELF 2	17,731	-
- PeriCoach	74,738	-
	150,763	-
Research and development costs		
- Auto Start Burette	34	54,240
- Employee and labour	616,245	578,695
- ELF 2	46,294	230,274
- Other	74,212	80,457
- PeriCoach	1,459,009	204,818
	2,195,794	1,148,484

Notes to the Financial Statements

For the Year Ended 30 June 2014

4 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2014	2013
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)	(952,803)	(340,725)
Add:		
Tax effect of:		
- non-deductible expenses	814,456	344,545
	(138,347)	3,820
Less:		
Tax effect of:		
- non-assessable income	(156,224)	(149,424)
Recoupment of prior year tax losses not previously brought to account	294,571	145,604
	-	-

Carried forward tax losses of \$9,725,879 (2013:\$8,500,921) have not been brought to account as a deferred tax asset because it is not yet considered probable that they will reverse to the extent of being utilised in the future.

Notes to the Financial Statements

For the Year Ended 30 June 2014

5 Key Management Personnel Disclosures

Key management personnel options and rights holdings

Details of options provided as remuneration and shares issued on the exercise of such options together with terms and conditions of the options can be found in the Remuneration Report within the Director's Report.

	Balance at beginning of year	Granted as remun- eration	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercis- able
30 June 2014							
Directors							
Unlisted Options @ 3.24 cents Expire 29/10/18							
Dr Michael Monsour	-	-	-	13,000,000	13,000,000	-	-
Mr Ross Mangelsdorf	-	-	-	10,000,000	10,000,000	-	-
Mr Warren Brooks	-	-	-	8,000,000	8,000,000	-	-
	-	-	-	31,000,000	31,000,000	-	-
Other KMP							
Unlisted Options @ 3.24 cents Expire 29/10/18							
Geoffrey Daly	-	6,000,000	-	-	6,000,000	-	-
Unlisted Options @ 4.50 cents Expire 12/2/19							
Geoffrey Daly	-	5,000,000	-	-	5,000,000	-	-
	-	11,000,000	-	31,000,000	42,000,000	-	-

	Balance at beginning of year	Granted as remun- eration	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercis-able
30 June 2013							
Directors							
Listed Options							
ALTO Options Expiring 06/09/12 at \$0.04							
Dr Michael Monsour	185,022	-	-	(185,022)	-	-	-
MPAMM Pty Ltd	25,743,827	-	-	(25,743,827)	-	-	-
MP Monsour Medical Practice Pty Ltd	2,563,930	-	-	(2,563,930)	-	-	-
Mrs Anne Monsour	3,889,759	-	-	(3,889,759)	-	-	-
Total: Dr Michael Monsour	32,382,538	-	-	(32,382,538)	-	-	-
Mr Ross Mangelsdorf	3,333	-	-	(3,333)	-	-	-
RM & JM Mangelsdorf	3,333	-	-	(3,333)	-	-	-
Tambien Pty Ltd	6,570,627	-	-	(6,570,627)	-	-	-
Other related parties	1,060,332	-	-	(1,060,332)	-	-	-
Total: Mr Ross Mangelsdorf	7,637,625	-	-	(7,637,625)	-	-	-
Mr Warren Brooks	-	-	-	-	-	-	-
W Brooks Investments Pty Ltd	16,983,505	-	-	(16,983,505)	-	-	-
Total: ALTO Options Expiring 06/09/12 at \$0.04	57,003,668	-	-	(57,003,668)	-	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2014

5 Key Management Personnel Disclosures continued

Key management personnel options and rights holdings continued

	Balance at beginning of year	Granted as remun- eration	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercis-able
30 June 2013							
ALTO Options Expiring 06/06/13 at \$0.08							
Dr Michael Monsour	185,022	-	-	(185,022)	-	-	-
MPAMM Pty Ltd	25,743,827	-	-	(25,743,827)	-	-	-
MP Monsour Medical Practice Pty Ltd	2,583,930	-	-	(2,583,930)	-	-	-
Mrs Anne Monsour	3,889,759	-	-	(3,889,759)	-	-	-
Total: Dr Michael Monsour	32,402,538	-	-	(32,402,538)	-	-	-
Mr Ross Mangelsdorf	3,333	-	-	(3,333)	-	-	-
RM & JM Mangelsdorf	3,333	-	-	(3,333)	-	-	-
Tambien Pty Ltd	6,570,627	-	-	(6,570,627)	-	-	-
Other related parties	1,060,332	-	-	(1,060,332)	-	-	-
Total: Mr Ross Mangelsdorf	7,637,625	-	-	(7,637,625)	-	-	-
Mr Warren Brooks	-	-	-	-	-	-	-
W Brooks Investments Pty Ltd	16,983,505	-	-	(16,983,505)	-	-	-
Total ALTOA Options Expiring 06/06/13 at \$0.08	57,023,668	-	-	(57,023,668)	-	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2014

5 Key Management Personnel Disclosures continued
Key management personnel shareholdings

The number of ordinary shares in Analytica Limited held by each key management person of Analytica Limited during the year is as follows:

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June 2014				
Directors				
Dr Michael Monsour	740,088	-	1,866,249	2,606,337
MPAMM Pty Ltd	35,644,799	-	2,839,319	38,484,118
MP Monsour Medical Practice Pty Ltd	10,255,720	-	1,624,891	11,880,611
Halonna Pty Ltd	-	-	32,484,118	32,484,118
Other related parties	16,035,036	-	1,049,446	17,084,482
Total: Dr Michael Monsour	62,675,643	-	39,864,023	102,539,666
Mr Ross Mangelsdorf	13,333	-	889	14,222
RM & JM Mangelsdorf	13,333	-	889	14,222
Tambien Pty Ltd	12,918,994	-	4,334,206	17,253,200
Other related parties	1,841,332	-	1,349,426	3,190,758
Total: Mr Ross Mangelsdorf	14,786,992	-	5,685,410	20,472,402
Mr Warren Brooks	-	-	-	-
W Brooks Investments Pty Ltd	30,456,989	-	1,302,352	31,759,341
Total: Mr Warren Brooks	30,456,989	-	1,302,352	31,759,341
Mr Carl Stubbings	-	-	-	-
Cumberland Pty Ltd	-	-	1,627,450	1,627,450
Total: Mr Carl Stubbings	-	-	1,627,450	1,627,450
	107,919,624	-	48,479,235	156,398,859

Notes to the Financial Statements

For the Year Ended 30 June 2014

5 Key Management Personnel Disclosures continued

Key management personnel shareholdings continued

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June 2013				
Directors				
Dr Michael Monsour	740,088	-	-	740,088
MPAMM Pty Ltd	31,144,799	-	4,500,000	35,644,799
MP Monsour Medical Practice Pty Ltd	10,255,720	-	-	10,255,720
Other related parties	15,559,036	-	476,000	16,035,036
Total: Dr Michael Monsour	57,699,643	-	4,976,000	62,675,643
Mr Ross Mangelsdorf	13,333	-	-	13,333
RM & JM Mangelsdorf	13,333	-	-	13,333
Tambien Pty Ltd	11,168,994	-	1,750,000	12,918,994
Other related parties	1,091,332	-	750,000	1,841,332
Total:Mr Ross Mangelsdorf	12,286,992	-	2,500,000	14,786,992
Mr Warren Brooks	-	-	-	-
W Brooks Investments Pty Ltd	39,206,989	-	(8,750,000)	30,456,989
	39,206,989	-	(8,750,000)	30,456,989
	109,193,624	-	(1,274,000)	107,919,624

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 25: Related Party Transactions.

6 Remuneration of Auditors

	2014 \$	2013 \$
Remuneration of the auditor of the Company, Bentleys, for:		
- auditing or reviewing the financial report	49,000	42,500
- other services	1,500	-

Other services was in relation to the acquittal for the Commercialisation Australia project.

Notes to the Financial Statements

For the Year Ended 30 June 2014

7 Earnings per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	2014	2013
	\$	\$
Profit (Loss) from continuing operations	(3,176,008)	(1,135,751)
Earnings used to calculate basic EPS from continuing operations	(3,176,008)	(1,135,751)

(b) Earnings used to calculate overall earnings per share

	2014	2013
	\$	\$
Earnings used to calculate overall earnings per share	(3,176,008)	(1,135,751)

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2014	2013
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	661,308,208	559,988,815

8 Cash and cash equivalents

	2014	2013
	\$	\$
Short-term bank deposits	1,957,868	349,416

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2014	2013
	\$	\$
Cash and cash equivalents	1,957,868	349,416
Bank overdrafts	(10,342)	-
Balance as per statement of cash flows	1,947,526	349,416

15

Notes to the Financial Statements

For the Year Ended 30 June 2014

9 Trade and other receivables

	2014 \$	2013 \$
CURRENT		
GST receivable	34,777	12,502
Other receivables	1,875	1,086
Total current trade and other receivables	36,652	13,588

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Company.

The carrying value of trade and other receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

10 Inventories

CURRENT

At cost:

Raw materials and consumables	89,958	-
Work in progress	60,026	-
Finished goods	26,022	-
Rejects	1,164	-
	177,170	-

11 Other financial assets

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are shares held for trading for the purpose of short-term profit taking. Changes in fair value are included in the statement of profit or loss and other comprehensive income.

Listed investments, at fair value		
- Investments in Invion	73,130	33,431
Financial assets at fair value through profit and loss		
- listed shares at cost	522,356	522,356
- less fair value adjustment	(449,226)	(488,925)
	73,130	33,431

Invion (IVX) previously known as CBio Limited (CBZ) listed on the Australian Securities Exchange in 2010. Analytica Limited holds 1,044,712 ordinary shares with a market value at 30 June 2014 of \$73,130 (2013: \$33,431).

Notes to the Financial Statements

For the Year Ended 30 June 2014

12 Property, plant and equipment

	Note	2014 \$	2013 \$
Plant and equipment			
At cost		17,036	17,036
Accumulated depreciation		(17,036)	(14,089)
Total plant and equipment		-	2,947
Office equipment			
At cost		9,989	7,211
Accumulated depreciation		(8,039)	(6,593)
Total office equipment		1,950	618
Computer equipment			
At cost		72,127	50,147
Accumulated depreciation		(52,430)	(47,309)
Total computer equipment		19,697	2,838
Total property, plant and equipment		21,647	6,403

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year:

	Plant and Equipment \$	Office Equipment \$	Computer Equipment \$	Total \$
Year ended 30 June 2014				
Balance at the beginning of year	2,947	618	2,838	6,403
Additions	-	2,778	21,980	24,758
Depreciation expense	(2,947)	(1,446)	(5,121)	(9,514)
Balance at the end of the year	-	1,950	19,697	21,647
Year ended 30 June 2013				
Balance at the beginning of year	6,187	507	2,243	8,937
Additions	-	726	5,466	6,192
Depreciation expense	(3,240)	(615)	(4,871)	(8,726)
Balance at the end of the year	2,947	618	2,838	6,403

Notes to the Financial Statements

For the Year Ended 30 June 2014

13 Intangible Assets

	Note	2014 \$	2013 \$
Patents, trademarks and other rights			
Cost		243,771	235,000
Accumulated amortisation and impairment		(235,548)	(235,000)
Net carrying value		8,223	-
Licenses and franchises			
Cost		20,000	20,000
Accumulated amortisation and impairment		(14,393)	(7,726)
Net carrying value		5,607	12,274
Software			
Cost		163,165	-
Accumulated amortisation and impairment		(179)	-
Net carrying value		162,986	-
Total Intangibles		176,816	12,274

(a) Reconciliation Detailed Table

	Patents, trademarks and other rights \$	Licenses and franchises \$	Software \$	Total \$
Year ended 30 June 2014				
Balance at the beginning of the year	-	12,274	-	12,274
Additions	-	-	163,165	163,165
Internally generated	8,771	-	-	8,771
Amortisation	(548)	(6,667)	(179)	(7,394)
Closing value at 30 June 2014	8,223	5,607	162,986	176,816
Year ended 30 June 2013				
Balance at the beginning of the year	-	18,943	-	18,943
Amortisation	-	(6,669)	-	(6,669)
Closing value at 30 June 2013	-	12,274	-	12,274

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income. Goodwill has an indefinite life and is not amortised.

Notes to the Financial Statements

For the Year Ended 30 June 2014

14 Other assets

	2014	2013
	\$	\$
CURRENT		
Prepayments	381,638	7,688

15 Borrowings

CURRENT

Unsecured liabilities:

Bank overdraft	10,342	-
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Secured liabilities:

Director loan facility from Dr Michael Monsour represents an unsecured loan facility from MPAMM Pty Ltd, a related entity associated with Dr Monsour. The loan facility is repayable on demand and bears interest at 8.13% (2013: 7.26%) per annum (annual variable rate per Westpac Banking Corporation for business loans, plus 2%). The interest charged for the year ended 30 June 2014 amounted to \$3,045 (2013:nil). The maximum amount available under the loan agreement is \$400,000. Therefore 100% of the facility was undrawn at 30 June 2014, (2013: 100%).

16 Trade and other payables

	2014	2013
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	230,282	122,151
Other payables	49,397	16,381
	<u>279,679</u>	<u>138,532</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

17 Provisions

	2014	2013
	\$	\$
CURRENT		
Provisions - audit	33,800	24,300
Provisions - taxation	8,955	6,000
	<u>42,755</u>	<u>30,300</u>

Notes to the Financial Statements

For the Year Ended 30 June 2014

17 Provisions continued

	Provisions audit \$	Provisions taxation \$	Total \$
Current			
Opening balance at 1 July 2013	24,300	6,000	30,300
Additional provisions	49,000	11,500	60,500
Provisions used	(39,500)	(8,545)	(48,045)
Balance at 30 June 2014	33,800	8,955	42,755

18 Employee Benefits

	2014 \$	2013 \$
Current liabilities		
Provision for employee benefits	86,841	65,473
Non-current liabilities		
Long service leave	30,782	21,751

(a) Provision for Long-term Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion of this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current to be settled within the next 1 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(m).

19 Reserves and retained surplus

	2014 \$	2013 \$
Option reserve		
Transfers in	534,737	-

Notes to the Financial Statements

For the Year Ended 30 June 2014

19 Reserves and retained surplus continued

(a) Share option reserve

This reserve records the cumulative value of share based payments including employee service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

20 Issued Capital

	2014 \$	2013 \$
815,361,809 (2013: 559,988,815) Ordinary shares	88,792,648	83,943,597
53,875,000 (2013: nil) Unlisted Options	-	-
Total	88,792,648	83,943,597

(a) Ordinary shares

	2014 No.	2013 No.
At the beginning of the reporting period	559,988,815	559,885,794
Shares issued during the year		
- 12 September 2012 (Exercise ALTO options)	-	103,021
- 11 November 2013	129,411,623	-
- 23 April 2014	75,000,000	-
- 22 May 2014	34,627,433	-
- 22 May 2014	16,333,938	-
At the end of the reporting period	815,361,809	559,988,815

During the year, the company issued:

- (a) 105,882,212 ordinary shares at 1.7 cents each to shareholders under a share purchase plan on 11 November 2013, raising \$1.8m;
- (b) 23,529,411 ordinary shares at 1.7 cents each with directors as approved by shareholders on 30 October 2013, raising \$400,000.
- (c) 31,000,000 unlisted options issued to directors as approved by shareholders on 30 October 2013. These options have a 5 year term and an exercise price of 3.24 cents.
- (d) 13,500,000 unlisted options issued under the Company's Employee Share Option plan on the same terms and conditions as options issued to directors.
- (e) 5,000,000 unlisted options issued under the Company's Employee Share Option plan on 12 February 2014. These options have a 5 year term and an exercise price of 4.50 cents.

Notes to the Financial Statements

For the Year Ended 30 June 2014

20 Issued Capital continued

(a) Ordinary shares continued

- (f) 75,000,000 ordinary shares at 2.4 cents each to shareholders on 23 April 2014.
- (g) 50,961,371 ordinary shares at 2.4 cents each for every 15 shares held on 22 May 2014.
- (h) 4,375,000 unlisted options issued under the Company's Employee Share Option plan on 22 May 2014. These options have a 5 year term and an exercise price of 7.38 cents.

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Options

- (i) For information relating to the Analytica Limited employee option plan, including details of options issued, exercised and lapsed during the year and the options outstanding at year-end, refer to Note 24 Share-based payments.
- (ii) For information relating to share options issued to key management personnel during the year, refer to Note 24.

(c) Capital Management

Management controls the capital of Analytica Limited in order to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Capital consists of share capital, reserves and retained profit.

There are no externally imposed capital requirements.

Analytica Limited monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the statement of financial position plus net debt.

The target for Analytica Limited's gearing ratio is between 0% and 50%. The gearing ratios at the current and prior years are shown below:

Debt to equity gearing ratio for 2014 is 0% (2013: 0%)

There have been no changes in the strategy adopted by management during the year.

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013: None).

Notes to the Financial Statements

For the Year Ended 30 June 2014

22 Operating Segments

Segment information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of product category and service offerings as the diversification of Analytica Limited's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

Performance is measured based on segment profit before income tax as included in the internal financial reports.

Types of products and services by reportable segment

(i) Medical Devices

- AutoStart Burette
- Perineometer
- ELF 2

Analytica's product, in market is the AutoStart Burette. The AutoStart Burette infusion 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.

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'. Distribution agreement has been signed with Taiwan Allied Dragon who are negotiating registration of the AutoStart Burette in Taiwan.

Analytica is also developing an innovative Perineometer device branded PeriCoach to assist women and their clinicians in treatment of Stress Urinary Incontinence. The PeriCoach entered controlled market release in June 2014 and expect public release in last quarter 2014.

Notes to the Financial Statements

For the Year Ended 30 June 2014

22 Operating Segments continued

Types of products and services by reportable segment continued

Analytica continues the development of this medical device 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. The device is scheduled for release in 2015.

(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.

Income tax expense

Income tax expense is calculated based on the segment operating net profit using a notional charge of 30%. The effect of taxable or deductible temporary difference is not included for internal reporting purposes.

(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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2014

22 Operating Segments continued (d) Segment performance

	Medical Devices		Corporate		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
REVENUE						
Grant revenue	-	-	559,668	498,081	559,668	498,081
Royalty revenue	5,506	10,368	-	-	5,506	10,368
Interest revenue	-	-	22,309	32,813	22,309	32,813
Total segment revenue	5,506	10,368	581,977	530,894	587,483	541,262
Depreciation and amortisation	(7,394)	(6,669)	(9,514)	(8,726)	(16,908)	(15,395)
Interest expense	-	-	(3,104)	(229)	(3,104)	(229)
Marketing	(396,620)	(145,367)	-	-	(396,620)	(145,367)
Patent Maintenance	(150,763)	-	-	-	(150,763)	-
Other expense	-	-	(1,000,302)	(367,538)	(1,000,302)	(367,538)
Research and development	(2,195,794)	(1,148,484)	-	-	(2,195,794)	(1,148,484)
Total segment expense	(2,750,571)	(1,300,520)	(1,012,920)	(376,493)	(3,763,491)	(1,677,013)
Segment operating profit (loss)	(2,745,065)	(1,290,152)	(430,943)	154,401	(3,176,008)	(1,135,751)

(e) Segment assets

Segment assets	176,816	12,274	2,574,975	377,095	2,751,791	389,369
Financial assets at fair value through profit and loss	-	-	73,130	33,431	73,130	33,431

(f) Segment liabilities

Segment liabilities	-	-	(450,402)	(234,306)	(450,402)	(234,306)
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(g) Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the location of the assets.

	2014		2013	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	587,483	271,593	541,262	18,677

Notes to the Financial Statements

For the Year Ended 30 June 2014

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014	2013
	\$	\$
Profit for the year	(3,176,008)	(1,135,751)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	7,215	6,669
- depreciation	9,693	8,726
- fair value adjustment Invion Limited (previously CBio Limited)	(39,699)	29,252
- share options expensed	534,737	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(23,064)	148,775
- (increase)/decrease in prepayments	(373,950)	11,978
- (increase)/decrease in inventories	(177,171)	-
- increase/(decrease) in trade and other payables	141,148	39,945
- increase/(decrease) in provisions	12,455	4,202
- increase/(decrease) in employee benefits	30,399	23,342
Cashflow from operations	(3,054,245)	(862,862)

24 Share-based Payments

At 30 June 2014 Analytica Limited has the following share-based payment schemes:

The Analytica Limited Employee Options Plan is designed as an incentive for senior managers and above. Under the plan, participants are granted options which only vest if certain performance standards are met. Once granted the options have a vesting period of 5 years and employees may exercise the options for a further 5 years after the vesting date. There are no cash settlement alternatives.

Where a participant ceases employment prior to the vesting of their share options, the share options are forfeited unless cessation of employment is due to death.

No options were exercised during the current financial year.

The Company established the Analytica Limited Employee Option Plan on 30 October 2013.

A summary of the Company's unlisted options issued is as follows:

Notes to the Financial Statements

For the Year Ended 30 June 2014

24 Share-based Payments continued

2014 Grant Date	Expiry Date	Exercise price (cents)	Start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
30 October 2013	29 October 2018	3.24	-	13,500,000	-	-	13,500,000	-
12 February 2014	12 February 2019	4.50	-	5,000,000	-	-	5,000,000	-
22 May 2014	22 May 2019	7.38	-	4,375,000	-	-	4,375,000	-

- (a) On 11 November 2013 the company issued 13,500,000 unlisted options under the Company's Employee Share Option plan. These options have a 5 year term and an exercise price of 3.24 cents.
- (b) On 12 February 2014 the company issued 5,000,000 unlisted options under the Company's Employee Share Option plan, for the purpose of CEO appointment incentive.
- (c) On 22 May 2014 the company issued 4,375,000 unlisted options. These have a 5 year term and an exercise price of 7.38 cents.

25 Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 5: Interests of Key Management Personnel (KMP) and the remuneration report in the Directors' Report.

Other transactions with KMP and their related entities are shown below.

Loan facility to the company up to \$400,000 provided by Dr Monsour. Balance unused at reporting date (2013:nil).

(b) Transactions with 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.

The following transactions occurred with related parties:

During the year accounting services were provided to the company by Avance Chartered Accountants, a firm which director Mr Ross Mangelsdorf is a partner. Fees of \$73,600 (2013:\$52,500) were charged for these services to 30 June 2014, plus preparation of the annual tax return of \$8,545 (2013:\$13,500).

26 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Company's objectives, policies and processes for managing and measuring these risks.

Notes to the Financial Statements

For the Year Ended 30 June 2014

26 Financial Risk Management continued

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Market risk - currency risk, cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Investments in listed shares
- Trade and other payables

Objectives, policies and processes

The CFO has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which Company is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2014

26 Financial Risk Management continued

Liquidity risk continued

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Company's liabilities have contractual maturities which are summarised below:

	Within 1 Year	
	2014	2013
	\$	\$
Bank overdrafts and loans	10,342	-
Trade payables	279,679	138,533
Total	290,021	138,533

Market risk

(i) Foreign currency sensitivity

Most of the Company transactions are carried out in Australian Dollars. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD and CHF.

The Company did not actively reduce exposure of foreign currency risk by utilising forward exchange contracts for non-Australian Dollar cash flows during the 2014 year.

Whilst these forward contracts are economic hedges of the cash flow risk, the Company does not apply hedge accounting to these transactions. The implications of this decision are that unrealised foreign exchange gains and losses are recognised in profit and loss in the period in which they occur.

Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Forward exchange contracts are mainly entered into for significant long term foreign currency exposures that are not expected to be offset by other currency transactions.

Foreign currency denominated assets translated into Australian Dollars at the closing rate are included in the inventory balance of \$177,170 (2013:nil). Net currency gains/losses of \$2,271 are disclosed in the statement of profit and loss. Any increase or decrease in exchange rates would not significantly impact users of the financial statements, as such no sensitivity analysis is disclosed.

Notes to the Financial Statements

For the Year Ended 30 June 2014

26 Financial Risk Management continued

(ii) Cash flow interest rate sensitivity

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2013: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2014		2013	
	+2.00%	-2.00%	+2.00%	-2.00%
	\$	\$	\$	\$
Cash and cash equivalents				
Net results	39,157	(39,157)	6,988	(6,988)
Equity	39,157	(39,157)	6,988	(6,988)
Borrowings				
Net results	(207)	207	-	-
Equity	(207)	207	-	-

(iii) Other price risk

The Company are exposed to equity securities price risk. This arises from listed and unlisted investments held by the Company and classified as available-for-sale on the statement of financial position.

Equity instruments are held for strategic rather than trading purposes and the Company does not actively trade these investments.

The Company is not exposed to commodity price risk.

There is no profit impact, except for investments held at fair value through profit or loss. Equity would increase / decrease as a result of fair value movements through the investment reserve.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management.

Notes to the Financial Statements

For the Year Ended 30 June 2014

26 Financial Risk Management continued

Credit risk continued

Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

27 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.		
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.		
Level 3	Unobservable inputs for the asset or liability.		

The table below shows the assigned level for each asset and liability held at fair value by the :

	Level 1	Level 2	Level 3	Total
30 June 2014	\$	\$	\$	\$
Recurring fair value measurements				
Listed shares	73,130	-	-	73,130
30 June 2013				
Recurring fair value measurements				
Listed shares	33,431	-	-	33,431

28 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the 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.

Notes to the Financial Statements
For the Year Ended 30 June 2014

29 Company Details

The registered office of the company is:

Analytica Limited
c/o Avance Chartered Accountants
10 Torquay Road, Pialba
Hervey Bay Qld 4655

Telephone: (07) 3278 1950

Share Registry

Link Market Services
Level 15, 324 Queen Street
Brisbane, Queensland 4000

Telephone: +61 1300 554 474

Email: registrars@linkmarketservices.com.au

The postal address for the registered office of the company is:

Analytica Limited
PO Box 438
Maryborough Qld 4650

The principal places of business is:

320 Adelaide Street
Brisbane Qld 4000
Telephone: (07) 3278 1950

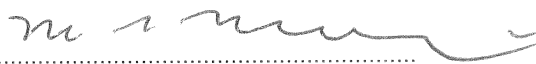
Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2014 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:
 - a. the financial records of the Company for the year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the year comply with the Accounting Standards; and
 - c. the financial statements and notes for the year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

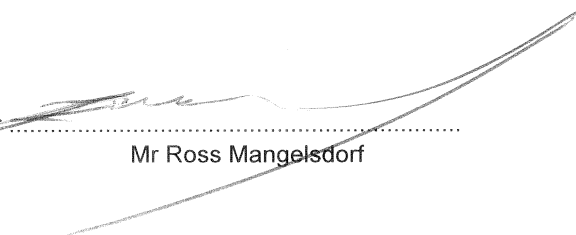
This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dr Michael Monsour

Director



Mr Ross Mangelsdorf

Dated this 26th day of September 2014

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ANALYTICA LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Analytica Limited which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration

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 control 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion:

- a) the financial report of Analytica Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

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 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.

Report on the Remuneration Report

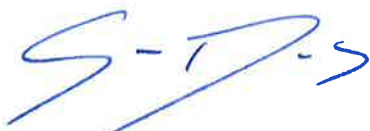
We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Analytica Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.



Bentleys Brisbane Partnership



Stewart Douglas

Partner

Brisbane

26 September 2014

Additional Information for Listed Public Companies

For the Year Ended 30 June 2014

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 25 August 2014.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
MP Monsour and associates	102,539,666

Voting rights

Ordinary Shares

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

Options

No voting rights.

Distribution of equity security holders

Holding	Ordinary shares
1 - 1,000	376,027
1,001 - 5,000	665,403
5,001 - 10,000	1,158,406
10,001 - 100,000	58,386,591
100,000 and over	754,775,382
	<u>815,361,809</u>

There were 1,271 holders of less than a marketable parcel of ordinary shares.

Additional Information for Listed Public Companies

For the Year Ended 30 June 2014

Twenty largest shareholders

		Number held	% of issued shares
M P A M M PTY LTD		38,021,119	4.66
HALONNA PTY LTD	<MONSOUR FAMILY A/C>	32,484,118	3.98
W BROOKS INVESTMENTS PTY LTD	<B & P SUPER FUND A/C>	31,759,341	3.90
IGNATIUS LIP PTY LTD	<IGNATIUS LIP P/L S/FUND A/C>	27,729,112	3.40
MRS ANNE MONSOUR		17,537,481	2.15
M P MONSOUR MEDICAL PRACTICE PTY LTD	<SUPERANNUATION FUND A/C>	11,880,611	1.46
WILK HOLDINGS PTY LTD	<THE WILK SUPER FUND A/C>	11,733,334	1.44
TAMBIEN PTY LTD	<MANGELSDORF SUPER FUND A/C>	11,427,927	1.40
MR MARK OVERELL TAGG ARUNDEL + MRS SIGRID JO-ANNE ARUNDEL	<ARUNDEL SUPERFUND A/C>	10,408,398	1.28
WILK HOLDINGS PTY LTD	<WILK FAMILY A/C>	7,500,000	0.92
MRS SABINA LIP		6,487,843	0.80
MR VICTOR PEREIRA		6,177,546	0.76
DALROSE PTY LTD	<LOWE SUPER FUND A/C>	6,003,113	0.74
JAYEM PTY LTD		5,947,476	0.73
BUSHY LANE PROJECTS PTY LTD		5,472,826	0.67
TAMBIEN PTY LTD	<ROSS MANGELSDORF FAM A/C>	5,148,651	0.63
DALROSE PTY LTD	<LOWE SUPER FUND A/C>	4,690,194	0.58
MANOWE PTY LTD	<LOWE NO. 5 A/C>	4,656,309	0.57
MRS JULIET SUZANNE PORTAS	<JS & AS PORTAS FAMILY A/C>	4,384,269	0.54
MRS MARGUERITE MARY GALLAGHER	<M GALLAGHER FAMILY A/C>	4,266,667	0.52

Securities exchange

The Company is listed on the Australian Securities Exchange.