AstiVita Limited ABN 46 139 461 733

23 August 2016

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Re: Appendix 4E Final Report and 2016 Annual Report

The Directors of AstiVita Limited announce the financial results for the year ended 30 June 2016.

Find attached the Appendix 4E Final Report and 2016 Annual Report.

Yours faithfully

Geoff Acton
Company Secretary

T 07 3726 2000
F 07 3726 2099
E sales@astivita.com

172 Ingram Rd, Acacia Ridge QLD 4110
PO Box 881, Archerfield QLD 4108

Appendix 4E – Final Report

Name of Entity:	**ASTIVITA LIMITED**
ABN:	**46 139 461 733**
Financial Year Ended:	**30 June 2016**
Previous Corresponding Period:	**30 June 2015**

RESULTS FOR ANNOUCEMENT TO THE MARKET

				$'000
Revenue from ordinary activities	down	19.9%	to	6,938
Loss from ordinary activities after tax	reduced by	32.78%	to	1,070
Loss for the period attributable to members	reduced by	32.78%	to	1,070

DIVIDENDS

The Board considers that no final dividend will be paid.

Brief explanation of revenue, net profit and dividends to enable the above figures to be understood
A review of operations for the Group is set out in the Directors' Report of the Annual Report together with the Chairman's Report.

FINANCIAL STATEMENTS

Refer to the Annual Report for the following financial statements:

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Equity

KEY FINANCIAL PERFORMANCE INDICATORS

	2016	2015
Net tangible asset backing		
Net tangible assets per ordinary security	7.27 cents	11.89 cents
Earnings per security		
Basic earnings per share (cents)	(3.44 cents)	(5.12 cents)
Diluted earnings per share (cents)	(3.44 cents)	(5.12 cents)
Weighted average number of shares	31,114,866	31,114,866
Profits before tax as % of revenue		
Consolidated loss from continuing operations before tax as a percentage of revenue	21.91%	25.04%
Profit after tax as % of equity		
Consolidated net loss after tax as a percentage of equity	18.04%	22.72%

Operating performance, segments and performance trends
Refer to the Annual Report for a review of operating performance and segment reporting note.

AUDIT & COMPLIANCE STATEMENT

This report is based on the financial statements included in the attached 2016 Annual Report which have been audited and an unqualified audit opinion issued on. The auditor's report includes emphasis of matter paragraphs in respect of going concern and accounting estimates.

This report, and the financial statements upon which it is based, use the same accounting policies.

AstiVita Limited

ABN 46 139 461 733

Annual Report

For the Year Ended 30 June 2016

ABN 46 139 461 733

ASX Code: AIR

Contents
For the Year Ended 30 June 2016

Chairman's Review
For the Year Ended 30 June 2016

AstiVita announced today an after tax loss of $1.070 million.

	2016 $000's	2015 $000's	2014 $000's
Trading loss before tax	**(1,520)**	**(2,170)**	**(1,982)**
Add back Bompani brand amortisation	**-**	**241**	**242**
Add back write down of stocks	**(393)**	**1,079**	**502**
Adjusted Trading loss before tax	**(1,913)**	**(850)**	**(1,238)**

The headline trading loss before tax has reduced by approximately 30% compared to 2015. This reduction can be attributed to a 33.7% reduction in staff costs and a further 20.45% reduction in rental expenses. This result includes $205,000 in advertising expenses (2015: $51,000) as AstiVita commenced the promotion of its new E-commerce website to increase traffic and sales. The write down of Provision of $393,000 is the result of increased sales of old stock.

Sales for the year reduced by approximately 20% with a drop in sales to Dixon Homes of $500,000 which accounted for nearly 30% of the sales reduction. It is anticipated sales will increase to Dixon Homes in FY17.

The cash burn rate of $651,000 in FY16 is reflected in AstiVita's investment in the new customer website with a leading real estate group in Australia, the increase in advertising expense of $205,000 to promote traffic to the AstiVita Website and $148,000 expended in legal fees with our ongoing legal matter to retrieve our trademark and brand from Plumbing World in New Zealand. This legal fee also includes action taken against a former director of the Company for alleged breaches of director's duties and his consulting agreement.

New Customer Sales Website

AstiVita has invested into a new customer website in conjunction with a leading real estate group in Australia. This website will be launched in the coming weeks and it is expected that this initiative will lead to increased sales and website traffic.

Future Outlook / Guidance

The Board recognises that there are still significant improvements required but anticipate the new E-commerce website combined with further reductions in operating costs should lead to an improved trading performance in FY17.

L Mizikovsky

Mr Lev Mizikovsky
Non-Executive Chairman

Dated 23 August 2016

Directors' Report
For the Year Ended 30 June 2016

The directors present their report together with the financial statements on AstiVita Limited for the financial year ended 30 June 2016.

Directors

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

Names	Position
L Mizikovsky	Non-Executive Chairman
R Dudurovic	Non-Executive Director
R Lynch	Non-Executive Director
G Acton	Non-Executive Director

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

Company secretary

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

- Mr Geoff Acton ([B.Com, ACA, GAICD])
- Miss Narelle Lynch (Cert Gov (PRAC))

Principal activities and significant changes in nature of activities

AstiVita mainly sells household products which include:-

- Bathroom Products;
- Photovoltaic ("PV") Panels;
- Energy Efficiency Hot Water Systems; and
- Italian / French Cooking Appliances

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

Review of operations

AstiVita has recorded a trading loss of $1.070 million for the year ended 30 June 2016.

The headline trading loss before tax represented an approximate 30% reduction compared to FY15. This reduction can be attributed to a 33.7% reduction in staff costs and a 20.45% reduction in rental expenses. This result includes $205,000 in advertising expenses (2015: $51,000) as AstiVita commenced the promotion of its new E-commerce website to increase traffic and sales.

Sales for the year have reduced by approximately 20% with a drop in sales to Dixon Homes of $500,000 representing nearly 30% of the sales reduction. It is anticipated sales will increase to Dixon Homes in FY17.

The Board expects further reductions in staffing expenses and operating costs in FY17.

Review of financial position

The net assets of AstiVita have decreased from $7.01 million as at 30 June 2015 to $5.94 million at 30 June 2016. This decrease is primarily due to the loss for the year of $1.070 million.

As at 30 June 2016 the Company had working capital of $5.10 million.

Dividends paid or recommended

No dividends were declared or paid during the financial year and the Dividend Reinvestment Plan has been suspended.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

The Board anticipates that further operating efficiencies combined with anticipated growth of customer sales from the new customer retail website should see continued improvement in the Company's financial results. However, a number of issues still need to be addressed within the next six months, which prevents the Board from providing specific guidance for FY17.

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.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Insurance of officers

During the year, AstiVita paid a premium to insure the Directors, Secretaries and Officers of the Group and its controlled entities. The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

Information on directors

Mr Lev Mizikovsky Non-executive Chairman
FAICD

Lev Mizikovsky is Non-executive Chairman and major shareholder of AstiVita. AstiVita was part of the Tamawood Group until it was de-merged in December 2009. Lev is the founding Director of Tamawood which started in July 1989 and is still a Non-executive Director and major shareholder. Since 1997, Mr Mizikovsky has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland Companies including Collection House Limited (CLH), Lindsay Australia Limited (LAU) and Antaria Limited (ANO). Lev is a Non-executive director of Advanced Nano Technologies Ltd since 10 April 2015, a Non-executive director of Collection House Limited (CLH) since 1July 2016 and Chairman of Resiweb Ltd.

Lev is a member of the Audit, Remuneration, Risk Management and Nomination Committees.

Mr Robert Lynch - Non-executive Director
LREA, Justice of the Peace

As Non-executive Director of AstiVita, Robert has had more than 30 years' experience in residential housing construction and land development. Robert was CEO of Mirvac Homes for 17 years and Clarendon Homes for two years. Robert is a past President of the New South Wales Housing Industry Association and currently is Non-Executive Chairman of Tamawood Limited (listed on the ASX) and Non-executive director of Resiweb Ltd.

Robert has a deep understanding of products required to best service the needs of the residential housing market.

Robert is currently the Chairman of the Group's Remuneration Committee and is a member of the Nomination, Audit and Risk Management Committees.

Mr Rade Dudurovic - Non-executive Director
B Com (Hons), LLB (Hons), CPA

Rade has an extensive background in private equity with strong exposure to industrial and branded consumer manufacturing and distribution businesses particularly in the Asian region. He has qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA.

Rade is the Non-executive Chairman of Advanced Nano Technologies Ltd and a Non-executive Director of Tamawood Limited, both of which are listed on the ASX. He is also Non-executive Chairman of QMI Pty Ltd.

Rade is the current Chairman of the Company's Audit Committee and is also a member of the Nomination and Risk Management Committees.

Mr Geoff Acton
B.Com, ACA, GAICD

Geoff brings to AstiVita a vast amount of capabilities in his 15 year history with the Tamawood Group as Chief Financial Officer and Company Secretary. Further, he has an in depth knowledge of the renewable energy sector as head of the successful Renewable Energy Certificate trading business established in 2004. He has assisted AstiVita in his role as Company Secretary since 2009. He is also a Non-executive director of Advanced Nano Technologies Ltd. since 16 March 2016.

Geoff is a member of the Group's Risk Management Committee.

Directors' Report
For the Year Ended 30 June 2016

Meetings of directors

During the financial year, 12 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		Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
L Mizikovsky (Non-executive Chairman)	12	12	2	2	1	1	1	1
R Lynch (Non-executive Director)	12	12	2	2	1	1	1	1
R Dudurovic (Non-executive Director)	12	12	2	2	1	1	1	1
G Acton (Non-executive Director)	12	12	-	2*	-	1*	-	1*

* Attended by invitation

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.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2016 outlines the remuneration arrangements of the key management personnel of the Group, including the Directors, in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

Remuneration policy

The performance of AstiVita Limited depends upon the quality of its key management personnel. To prosper, AstiVita Limited must attract, motivate and retain highly skilled Directors and other key management personnel.

To this end, AstiVita Limited embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high caliber key management personnel
- Link executive rewards to shareholder value

Remuneration report (audited) (continued)

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

Structure

No element of Non-executive Director remuneration is directly linked to profit performance. Remuneration is approved at the Annual General Meeting and is currently capped at $250,000 for the aggregate remuneration of Non-executive Directors. Details of remuneration which is linked to performance is detailed in the service agreement note for key management personnel.

Executives and Other Key Management Personnel

Objective

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- Align the interests of Executives with those of shareholders
- Link rewards with the strategic goals of the Group; and
- Ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed executive remuneration;
- Other remuneration such as superannuation and leave entitlements;
- Commission and bonuses payable.

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.

	2012	2013	2014	2015	2016
	$000's	$000's	$000's	$000's	$000's
Revenue	24,567	12,850	13,222	8,668	6,938
Net Profit/(loss)	(634)	(2,920)	(1,498)	(1,592)	(1,070)
Dividends paid	939	-	-	-	-
Dividends per share (cents)	4	-	-	-	-
Share price at year end (not rounded)	$0.30	$0.14	$0.135	$0.105	$0.08

Remuneration report (audited) (continued)

Remuneration details for the year ended 30 June 2016

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

Table of benefits and payments

	Short term benefits				Post employment	Long term benefits(LSL)	Termination Benefits	
	Cash salary fees & leave	Bonus	Non monetary	Other	Superannuation			
Year Ended 30 June 2016								**TOTAL**
Directors								
- R Dudurovic (Non-executive Director)	**25,000**	-	-	-	-	-	-	**25,000**
- R Lynch (Non-executive Director)	**25,000**	-	-	-	-	-	-	**25,000**
- G Acton (Non-executive Director)	**24,000**	-	-	-	-	-	-	**24,000**
Sub-total Directors	**74,000**	-	-	-	-	-	-	**74,000**
Other KMP								
- S Ison (General Manager)	**107,282**	-	-	-	**10,192**	**5,815**	-	**123,289**
Sub-total Other KMP	**107,282**	-	-	-	**10,192**	**5,815**	-	**123,289**
TOTAL	**181,282**	-	-	-	**10,192**	**5,815**	-	**197,289**

	Short term benefits				post employment	Long term benefits(LSL)	Termination Benefits	
	Cash salary fees & leave	Bonus	Non monetary	Other	Superannuation			
Year Ended 30 June 2015								**TOTAL**
Directors								
- L Mizikovsky (Non-executive Chairman)	50,000	-	-	-	-	-	-	50,000
- R Dudurovic (Non-executive Director)	25,000	-	-	-	-	-	-	25,000
- R Lynch (Non-executive Director)	25,000	-	-	-	-	-	-	25,000
- G Acton (Non-executive Director)	25,000	-	-	-	-	-	-	25,000
Sub-total Directors	**125,000**	-	-	-	-	-	-	**125,000**
Other KMP								
- S Ison (General Manager)*	67,067	-	-	-	6,371	1,666	-	75,104
- S Baldwin (General Manager)^	54,452	-	-	-	8,827	-	-	63,279
Sub-total Other KMP	**121,519**	-	-	-	**15,198**	**1,666**	-	**138,383**
TOTAL	**246,519**	-	-	-	**15,198**	**1,666**	-	**263,383**

* S Ison was appointed General Manager on 28 November 2014
* S Baldwin resigned on 16 September 2014

Cash performance-related bonuses

None of the key management personnel remuneration paid is performance based (2015: Nil).

Remuneration report (audited) (continued)

Key management personnel shareholdings

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

30 June 2016	Balance at beginning of year	Granted as remuneration /exercise of options during the year	Other changes during the year	Balance at end of year
Directors				
L Mizikovsky	**17,936,870**	**-**	**1,298,298**	**19,235,168**
R Lynch	**278,040**	**-**	**-**	**278,040**
G Acton	**228,200**	**-**	**-**	**228,200**
R Dudurovic	**620,500**	**-**	**-**	**620,500**
Other KMP				
S Ison	**557,816**	**-**	**-**	**557,816**
	19,621,426	**-**	**1,298,298**	**20,919,724**

30 June 2015	Balance at beginning of year	Granted as remuneration /exercise of options during the year	Other changes during the year	Balance at end of year
Directors				
L Mizikovsky	18,197,781	-	(260,911)	17,936,870
R Lynch	128,040	-	150,000	278,040
G Acton	140,313	-	87,887	228,200
R Dudurovic	470,500	-	150,000	620,500
Other KMP				
S Ison	-	-	557,816	557,816
S Baldwin	1,555,742	-	(1,555,742)	-
	20,492,376	-	(870,950)	19,621,426

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 remuneration, relevant to the office of director.

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

All service agreements are for an unlimited duration unless specified within the service agreement.

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.

End of Remuneration Report

Directors' Report
For the Year Ended 30 June 2016

ASIC Corporations Instrument 2016/191 rounding of amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

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 2016 has been received and can be found on page of the financial report.

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

L Mizikovsky

L Mizikovsky
Non-executive Chairman

Dated 23 August 2016

AstiVita Limited
ABN 46 139 461 733

Auditor's Independence Declaration to the Directors of AstiVita Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there has been:

(i) no contraventions of the auditor's 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.

HANRICK CURRAN AUDIT PTY LTD
Authorised Audit Company: 338599

M. J. GREEN
Director

Brisbane, 23 August 2016

BRISBANE
Level 11, 307 Queen Street Brisbane QLD 4000
GPO Box 2268 Brisbane QLD 4001

phone 07 3218 3900 | fax 07 3218 3901
www.hanrickcurran.com.au

CAIRNS
Suite 73, Executive Centre Offices, The Pier at Shangri-La,
1 Pierpoint Road, Cairns QLD 4870
PO Box 7170 Cairns QLD 4870
phone 07 4052 7524 | fax 07 4052 7799
www.hanrickcurran.com.au

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599 | ABN 13 132 902 188

Corporate Governance Statement
For the Year Ended 30 June 2016

The objective of the Board of AstiVita Limited ("AstiVita") is to create and deliver long term shareholder value through the importation and distribution of household products, appliances and renewable energy products.

AstiVita Limited has adopted the recommendations of the ASX Corporate Principles Edition 3. AstiVita has completed and lodged an Appendix 4G in conjunction with the lodgement of its Annual Report. AstiVita has explained in its governance strategy where principles have been adopted and if not why not.

The Company's charters, committees and corporate governance policies are available on our website www.aircorporate.com.au.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2016

	Note	2016 $'000s	2015 $'000s
Revenue	2	**6,938**	8,668
Other income	2	**57**	255
Raw materials and consumables used		**(5,528)**	(6,359)
Employee benefits expense		**(777)**	(1,172)
Depreciation and amortisation expense	11,12	**(193)**	(465)
Rental expense		**(381)**	(479)
Warranty cost		**(427)**	(140)
Advertising expense		**(205)**	(51)
Legal expense		**(166)**	(98)
Doubtful debts write off		**(37)**	-
Inventory written back/(down)		**393**	(1,079)
Other expenses		**(1,044)**	(1,094)
Finance costs		**(150)**	(156)
Loss before income tax		**(1,520)**	(2,170)
Income tax benefit	5	**450**	578
Loss for the year		**(1,070)**	(1,592)
Other comprehensive income			
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**(1,070)**	(1,592)

	Note	2016	2015
Earnings per share			
Basic earnings per share (cents)	17	(3.44)	(5.12)
Diluted earnings per share (cents)	17	(3.44)	(5.12)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with accompanying notes.

Statement of Financial Position
As At 30 June 2016

	Note	2016 $'000s	2015 $'000s
ASSETS			
Current Assets			
Cash and cash equivalents	7	**603**	401
Trade and other receivables	8	**1,346**	1,927
Inventories	9	**3,345**	3,549
Other assets	10	**283**	287
Total Current Assets		**5,577**	6,164
Non-Current Assets			
Property, plant and equipment	11	**206**	273
Intangible assets	12	**336**	416
Deferred tax assets	15	**3,338**	2,891
Total Non-Current Assets		**3,880**	3,580
TOTAL ASSETS		**9,457**	9,744
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**198**	265
Provisions	14	**275**	294
Total Current Liabilities		**473**	559
Non-Current Liabilities			
Borrowings		**2,923**	2,023
Provisions	14	**35**	63
Deferred tax liabilities	15	**90**	93
Total Non-Current Liabilities		**3,048**	2,179
TOTAL LIABILITIES		**3,521**	2,738
NET ASSETS		**5,936**	7,006
EQUITY			
Issued capital	16	**7,284**	7,284
Retained Earnings		**(1,348)**	(278)
TOTAL EQUITY		**5,936**	7,006

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the Year Ended 30 June 2016

2016

	Issued Capital $'000s	Retained Earnings $'000s	Total $'000s
Balance at 1 July 2015	**7,284**	**(278)**	**7,006**
Comprehensive income for the year			
Loss for the year	**-**	**(1,070)**	**(1,070)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**(1,070)**	**(1,070)**
Balance at 30 June 2016	**7,284**	**(1,348)**	**5,936**

2015

	Issued Capital $'000s	Retained Earnings $'000s	Total $'000s
Balance at 1 July 2014	7,284	1,314	8,598
Comprehensive income for the year			
Loss for the year	-	(1,592)	(1,592)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(1,592)	(1,592)
Balance at 30 June 2015	7,284	(278)	7,006

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the Year Ended 30 June 2016

	Note	2016 $'000s	2015 $'000s
Cash flows from operating activities			
Receipts from customers (including GST)		**7,708**	10,549
Payments to suppliers and employees (including GST)		**(8,217)**	(9,200)
Interest received		**9**	19
Interest paid		**(151)**	(156)
Net cash provided by/(used in) operating activities	21	**(651)**	1,212
Cash flows from investing activities			
Proceeds from sale of plant and equipment		**20**	40
Payment for intangible asset		**(12)**	(42)
Purchase of property, plant and equipment		**(55)**	(72)
Net cash used by investing activities		**(47)**	(74)
Cash flows from financing activities			
Loans from related parties		**900**	-
Repayment of loan to related parties		**-**	(1,085)
Net cash provided by/(used in) financing activities		**900**	(1,085)
Net increase/(decrease) in cash and cash equivalents held		**202**	53
Cash and cash equivalents at beginning of year		**401**	348
Cash and cash equivalents at end of financial year	7	**603**	401

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2016

This financial report covers the financial statements and notes of AstiVita Limited as an individual entity. AstiVita Limited is a for-profit Company incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange Limited. The financial statements were authorised by the Board of Directors on 23 August 2016.

1 Summary of Significant Accounting Policies

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.

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

Rounding of amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 applies and accordingly amounts in the financial statement and Directors' Report have been rounded to the nearest thousand dollars unless and otherwise stated.

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of 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 (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 laws that have been enacted or substantively enacted by the end of the reporting period.

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 financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements
For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(a) Income Tax (continued)

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(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) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and are net of any rebates and discounts received. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the taxing authorities), transport, and other costs directly attributable to the acquisition of inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(d) Property, Plant and Equipment

All classes of property, plant and equipment are measured using the cost model. Under the cost model, 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 costs of dismantling and restoring the asset, where applicable.

The depreciable amount of all property, plant and equipment is depreciated on a diminishing value 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	3 - 4 years
Motor Vehicles	5 - 8 years
Office Furniture and Equipment	3 years

1 Summary of Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group 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 assigned to 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.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired,

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

however assessment is made on a case-by-case basis.

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.

The Company's financial liabilities include trade and other payables, 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 asset's 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.

(f) 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 asset 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.

1 Summary of Significant Accounting Policies (continued)

(g) Intangible Assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of eight years. It is assessed annually for impairment.

Bompani Brand and Licence Approvals

The Bompani brand and licence approvals has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of two years. It has been fully amortised as at 30 June 2015.

(h) Cash and cash equivalents

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

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

(i) 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 wholly 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.

(j) 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.

1 Summary of Significant Accounting Policies (continued)

(k) Earnings per share

The company presents basic plus diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit 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.

(l) 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.

(m) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

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

(n) Revenue and other income

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

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

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

1 Summary of Significant Accounting Policies (continued)

(o) 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.

(p) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of AstiVita Limited is measured using the currency of the primary economic environment in which the 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 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 where they are deferred directly in equity reserves as "qualifying hedges".

(q) Critical accounting estimates and judgments

(i) General

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

These estimates and judgements are based on the best information available at the time of preparing

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(q) Critical accounting estimates and judgments (continued)

(i) General (continued)

the financial statements, however as additional information is known then the actual results may differ from the estimates.

(ii) Impairment of inventory

A provision of $1.007 million (2015: $1.400 million) has been recognised by the Company for excess and slow moving inventory, which has been deemed impaired as at 30 June 2016. The assessment of this provision required a degree of estimation and judgement. The level of the provision was determined after taking into account the sales history of various product lines, the age of product groups and any other factors that may affect inventory obsolescence. The provision was based on product lines, which were unlikely to be sold in the foreseeable future.

(iii) Impairment of receivables

An allowance for doubtful debts of $62,000 (2015: $84,000) has been recognised by the Company as at 30 June 2016. The assessment of this allowance required a degree of estimation and judgement. The level of the allowance was determined after taking into account historical collection rates, specific knowledge of individual debtors' financial positions and past bad debt experiences and contractual performance against allowed credit terms.

(iv) Classification of borrowings

The Company has classified $2.923 million (2015: $2.023 million) in borrowings as non-current liabilities (Refer Note 22(c)). The borrowings are documented in a loan agreement, the interpretation of which is fundamental to the classification of borrowings as either current or non-current in accordance with AASB 101 *Presentation of Financial Statements*. The Directors have exercised judgement in the interpretation of the terms and conditions of the loan agreement in determining the classification of debt as current or non-current.

(v) Warranty provision

A provision of $243,000 (2015: $243,000) at 30 June 2016 has been recognised by the Company for estimated warranty claims in respect of products and services which are still under warranty at the end of the reporting period. Management estimates the provision for future warranty claims based on historical warranty claim information over the past 12 months, as well as recent trends that might suggest that the past cost information may differ from future claims. Anticipated future warranty costs were based on a mathematical model of historical costs which was then extrapolated for the anticipated number of claims over the next 12 months.

The warranty provision for the replacement of defective solar panels is based on the cost of providing new panels only. Labour costs are negligible due to an agreement with suppliers to provide labour free of charge.

(vi) Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable profit against which these can be offset. The Directors have made judgments as to the probability of future taxable profits being generated against which tax losses will be available for offset.

1 Summary of Significant Accounting Policies (continued)

(r) Going concern

The directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is deemed to be appropriate not withstanding that the Company has incurred losses of $1.070 million (2015: $1.592 million). As at 30 June 2016, the Company has net assets of $5.94 million (2015: $7.01 million).

The Company's ability to continue as a going concern is dependent on its ability to reverse the current operating losses by restructuring operations, increasing sales, realising the value inherent in inventory on-hand, recovering trade debtors and, if necessary, obtaining replacement debt or equity funding. Rainrose Pty Ltd, a related party, has advanced $2.923 million as at 30 June 2016. Rainrose Pty Ltd has confirmed it will continue to support the Company and advance further funds if required.

At the date of this report and having considered the above factors, the Directors are confident of restructuring operations and growing sales and generating sufficient cashflows from operations so that the Company will be able to continue as a going concern. There is still significant uncertainty whether the Company will continue its normal business activities and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(s) Adoption of new and revised accounting standards

The Company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standard Board (AASB), that are relevant to their operations and effective for the current period.

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

- AASB 2015-3 *Amendments to Australian Accounting Standards - Withdrawal of AASB 1031 Materiality.*

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 1031 *Materiality* is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. The adoption of this standard had no material impact on the reported financial position or performance.

1 Summary of Significant Accounting Policies (continued)

(t) 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 not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name		**Requirements**	
AASB 9 Financial Instruments and amending standards AASB 2010-7 /AASB 2012-6 /AASB 2014-7 /AASB 2014-8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 15 Revenue from Contracts with Customers	30 June 2019	This standard provides guidance on the recognition of revenue from customers.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 16 Leases	30 June 2020	Significant revisions to accounting for operational leases on balance sheet by Lessees of property and high value equipment. However, exemptions for short-term leases and leases of low value assets will reduce the impact.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 2016-2 Amendments to Australian Accounting Standards-Disclosure Initiative: Amendments to AASB 107	30 June 2018	This amendment clarifies disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities.	It is not expected to have any material impact on the entity.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Revenue and Other Income

Revenue from continuing operations

	2016 $'000s	2015 $'000s
Sales revenue		
- Bathroom products	**2,492**	3,457
- Solarpower products and REC's income	**3,269**	4,623
- Kitchen appliances	**1,168**	569
Other revenue		
- Interest	**9**	19
Total Revenue	**6,938**	8,668
Other Income		
- Recoveries	**3**	3
- Other income	**54**	246
- Net gain on disposal of property, plant and equipment	**-**	3
- Gain on exchange differences	**-**	3
Total other income	**57**	255
Total Revenue and Other Income	**6,995**	8,923

3 Expenses

The result for the year includes the following specific expenses:

	2016 $'000s	2015 $'000s
Loss on disposal of assets	**1**	-
Bad and doubtful debts	**37**	8
Defined contribution superannuation expense	**67**	93
Net foreign exchange loss	**-**	11
Freight out	**240**	285
Minimum lease payments	**381**	479
Depreciation	**101**	120
Amortisation	**92**	345
Inventory write downs	**(393)**	1,079

4 Remuneration of Auditors

	2016	2015
	$	**$**
Remuneration of the auditor of the entity, Hanrick Curran Audit Pty Ltd (including related entities), for:		
- auditing or reviewing the financial statements	**38,000**	43,000
Total	**38,000**	43,000

5 Income Tax Expense

(a) Components of tax expense

The major components of income tax expense comprise:

	2016	2015
	$'000s	**$'000s**
Current tax expense		
Local income tax - current period	**-**	-
Deferred tax expense		
Relating to origination and reversal of temporary differences	**450**	(578)
Total income tax benefit	**450**	(578)

(b) Reconciliation of income tax to accounting profit:

	2016	2015
	$'000s	**$'000s**
Loss before income tax	**(1,520)**	(2,170)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	**(456)**	(651)
The following items have affected income tax expense for the period:		
Tax effect of:		
- Permanent differences	**6**	73
	(450)	(578)

Notes to the Financial Statements
For the Year Ended 30 June 2016

6 Dividends

Franking account

	2016 $'000s	2015 $'000s
Balance of franking account at year end	**1,497**	1,497

The above available balance is based on the dividend franking account at year-end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

7 Cash and cash equivalents

	2016 $'000s	2015 $'000s
Cash at bank	**603**	300
Short-term bank deposits	**-**	101
	603	401

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:

	2016 $'000s	2015 $'000s
Cash and cash equivalents	**603**	401
Balance as per statement of cash flows	**603**	401

8 Trade and other receivables

		2016 $'000s	2015 $'000s
CURRENT			
Trade receivables		**1,408**	2,011
Provision for impairment	8(a)	**(62)**	(84)
Total current trade and other receivables		**1,346**	1,927

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2016 $'000s	2015 $'000s
Balance at beginning of the year	**84**	177
Additional impairment loss recognised	**3**	8
Reversal of impairment	**(25)**	(101)
Balance at end of the year	**62**	84

(b) Aged analysis

The ageing analysis of receivables is as follows:

	2016 $'000s	2015 $'000s
<u>**30 Days Accounts**</u>		
0-30 days	**2**	5
31-60 days	**3**	5
91+ days (past due not impaired)	**2**	-
<u>**90 Days Accounts**</u>		
0-90 days	**1,260**	1,444
91-120 days	**29**	254
121-150 days	**-**	34
151+ days (considered not impaired)	**50**	185
151+ days (considered impaired)	**62**	84
	1,408	2,011

Current trade receivables are non-interest bearing and are generally on 30 or 90 day terms. An impaired amount is provided for any customers who are facing financial difficulties and may not be able to pay the outstanding account. Management reviews the financial status of new account applicants prior to granting credit trading terms. Management assess credit applicants by reference to their payment history with other suppliers and will only grant credit trading terms to those applicants with a sound payment background. The Company does not take security as part of any payment arrangements with customers. Based on the past payment history of the Company's customers, the Directors believe that the amounts past due date but not impaired are those customers with sound credit history and are therefore not impaired.

Notes to the Financial Statements

For the Year Ended 30 June 2016

9 Inventories

	2016 $'000s	2015 $'000s
CURRENT		
At cost:		
Finished goods	**4,229**	4,582
Less: Provision for obsolescence	**(1,007)**	(1,400)
Goods in transit	**123**	367
	3,345	3,549

(a) Inventory expense

Inventories recognised as expense during the year ended 30 June 2016 and included in 'raw materials and consumables used' and 'changes in inventories of finished goods' amounted to $5,259,000 (2015: $6,359,000).

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2016 amounted to $(393,000) (2015: $1,079,000). The write back of the inventory provision was the result of increased sales of old stock in FY16.

(b) Amounts not expected to be realised within the next 12 months

The entire amount of inventories is presented as current, since the Company expects to realise the assets in its normal operating cycle. However, based on past experience, the Company does not expect approximately $2,125,417 (2015: $2,416,193) of inventories to be realised within the next 12 months. The directors and management are of the view that the stock will be realised in the future and realised for a value greater than cost in the normal course of the business.

10 Other non-financial assets

	2016 $'000s	2015 $'000s
CURRENT		
Prepayments	**283**	287
	283	287

As part of the trading requirements of overseas suppliers, the Company pays deposits in advance to suppliers for future supply of inventories.

11 Property, plant and equipment

	2016 $'000s	2015 $'000s
Plant and equipment		
At cost	**575**	566
Accumulated depreciation	**(460)**	(379)
Total plant and equipment	**115**	187
Motor vehicles		
At cost	**89**	79
Accumulated depreciation	**(12)**	(17)
Total motor vehicles	**77**	62
Office equipment		
At cost	**99**	99
Accumulated depreciation	**(85)**	(75)
Total office equipment	**14**	24
Total property, plant and equipment	**206**	273

(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 financial year:

	Plant and Equipment $'000s	Motor Vehicles $'000s	Office Equipment $'000s	Total $'000s
Year ended 30 June 2016				
Balance at the beginning of year	**187**	**62**	**24**	**273**
Additions	**18**	**37**	**-**	**55**
Disposals - written down value	**(7)**	**(14)**	**-**	**(21)**
Depreciation expense	**(83)**	**(8)**	**(10)**	**(101)**
Balance at the end of the year	**115**	**77**	**14**	**206**

	Plant and Equipment $'000s	Motor Vehicles $'000s	Office Equipment $'000s	Total $'000s
Year ended 30 June 2015				
Balance at the beginning of year	272	65	22	359
Additions	9	51	12	72
Disposals - written down value	-	(38)	-	(38)
Depreciation expense	(94)	(16)	(10)	(120)
Balance at the end of the year	187	62	24	273

12 Intangible Assets

	2016 $'000s	2015 $'000s
Bompani brand & license approvals		
Cost	**483**	483
Accumulated amortisation and impairment	**(483)**	(483)
Net carrying value	**-**	-
Computer software		
Cost	**726**	714
Accumulated amortisation and impairment	**(390)**	(298)
Net carrying value	**336**	416
Total Intangibles	**336**	416

(a) Movements in carrying amounts of intangible assets

	Brand names $'000s	Computer software $'000s	Total $'000s
Year ended 30 June 2016			
Balance at the beginning of the year	**-**	**416**	**416**
Additions	**-**	**12**	**12**
Amortisation	**-**	**(92)**	**(92)**
Closing value at 30 June 2016	**-**	**336**	**336**

	Brand names $'000s	Computer software $'000s	Total $'000s
Year ended 30 June 2015			
Balance at the beginning of the year	241	478	719
Additions	-	42	42
Amortisation	(241)	(104)	(345)
Closing value at 30 June 2015	-	416	416

13 Trade and other payables

	2016 $'000s	2015 $'000s
CURRENT		
Unsecured liabilities		
Trade and other payables	**198**	265
	198	265

14 Provisions

	2016 $'000s	2015 $'000s
CURRENT		
Warranties	**243**	243
Employee benefits	**32**	51
	275	294
NON-CURRENT		
Employee benefits	**35**	63
	35	63

	Warranties $'000s	Total $'000s
Current		
Opening balance at 1 July 2015	**243**	**243**
Balance at 30 June 2016	**243**	**243**

Provision for Warranties

A provision of $243,000 at 30 June 2016 (2015: $243,000) has been recognised for estimated warranty claims in respect of products and services which are still under warranty at the end of the reporting period. The provision was assessed by reference to the actual warranty costs incurred over the prior 12 months, this amount was then adjusted to reflect the anticipated future group warranty costs.

Refer to Note1(j) for the relevant accounting policy and Note1(q) for a discussion of the estimations and assumptions applied in the measurement of this provision.

Provisions for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The measurement and recognition criteria relating to employee benefits have been discussed at Note 1(i).

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.

Notes to the Financial Statements
For the Year Ended 30 June 2016

15 Tax

(a) Recognised deferred tax assets

		2016 $'000s	2015 $'000s
Deferred tax assets	15(d)	**3,338**	2,891

(b) Recognised deferred tax liabilities

		2016 $'000s	2015 $'000s
Deferred tax liabilities	15(c)	**90**	93

(c) Deferred Tax Liabilities

	Opening Balance $'000s	Charged to Income $'000s	Closing Balance $'000s
Deferred tax assets			
Property, plant and equipment			
- Property, plant and equipment	71	22	93
- other	1	(1)	-
Balance at 30 June 2015	72	21	93
Property, plant and equipment			
- Property, plant and equipment	**93**	**(3)**	**90**
Balance at 30 June 2016	**93**	**(3)**	**90**

(d) Deferred Tax Assets

	Opening Balance $'000s	Charged to Income $'000s	Closing Balance $'000s
Deferred tax assets			
Provisions	358	160	518
Employee benefits	26	8	34
Accrued expenses	13	(10)	3
Unused tax losses	1,890	442	2,332
Other	5	(1)	4
Balance at 30 June 2015	2,292	599	2,891
Provisions	**518**	**(125)**	**393**
Employee benefits	**34**	**(14)**	**20**
Accrued expenses	**3**	**(3)**	**-**
Unused tax losses	**2,332**	**570**	**2,902**
Other	**4**	**19**	**23**
Balance at 30 June 2016	**2,891**	**447**	**3,338**

16 Issued Capital

	2016 $'000s	2015 $'000s
31,114,866 (2015: 31,114,866) Ordinary shares fully paid	**7,284**	7,284
	7,284	7,284

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.

(a) Movements in ordinary shares

	2016 $'000s	2015 $'000s
At the beginning of the reporting period	**7,284**	7,284
At the end of the reporting period	**7,284**	7,284

(b) Capital Management

Management controls the capital of the Company in order to maintain a conservative working capital position, provide the shareholders with appropriate returns and ensure that the Company can fund its operations and meet its obligations as and when they fall due.

The capital structure of the Company comprises of issued share capital and retained earnings as disclosed in the statement of financial position.

Management controls the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks. These responses include adjustments to working capital, decisions whether or not to make distributions to shareholders and capital raising if required. The Board may consider accessing debt facilities if the need arises.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

(c) Options

At 30 June 2016 there were no share options on issue (2015: Nil)

17 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	2016 $'000s	2015 $'000s
Profit for the year used to calculate the basic and diluted EPS	**(1,070)**	(1,592)

(b) Weighted average number of shares used

	2016 No.	2015 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	**31,114,866**	31,114,866

18 Controlled Entities

	Country of Incorporation	Percentage owned (%) 2016	Percentage owned (%) 2015
Parent Entity:			
AstiVita Limited	Australia	-	-
Subsidiaries			
AstiVita Bathrooms and Kitchens Pty Ltd	Australia	100	100
Solarpower Pty Ltd	Australia	100	100
Indent Manufacturing Pty Ltd	Australia	100	100
Thermasol Pty Ltd	Australia	100	100

19 Capital and Leasing Commitments

(a) Operating leases

	2016 $'000s	2015 $'000s
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**327**	535
- later than one year but not later than five years	**166**	818
	493	1,353

The Company had no other significant capital expenditure or lease commitments at the reporting date (2015: None).

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015:None).

Notes to the Financial Statements

For the Year Ended 30 June 2016

21 Cash Flow Information

Reconciliation of loss for the year to net cash provided by operating activities:

	2016 $'000s	2015 $'000s
Loss for the year	**(1,070)**	(1,592)
Adjustments for non-cash items in profit:		
- amortisation	**92**	345
- depreciation	**101**	120
- impairment of receivables	**37**	-
- stock impairment	**(393)**	1,079
- net (profit)/loss on disposal of property, plant and equipment	**1**	(3)
Changes in operating assets and liabilities:		
- (increase)/decrease in trade and other receivables	**543**	1,500
- (increase)/decrease in inventories	**598**	870
- (increase)/decrease in deferred tax	**(448)**	(579)
- (increase)/decrease in other assets	**4**	(1)
- increase/(decrease) in trade and other payables	**(67)**	(555)
- increase/(decrease) in deferred taxes payable	**(2)**	-
- increase/(decrease) in provisions	**(47)**	28
Cashflow from operations	**(651)**	1,212

22 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.

(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 23: 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.

Tamawood Limited and its controlled entities ("Tamawood") are deemed to be a related party to AstiVita Limited by virtue of Mr Lev Mizikovsky, the Non-executive Chairman of AstiVita Limited, having a controlling interest in Tamawood Limited. Transactions between AstiVita Limited and Tamawood are disclosed below.

Notes to the Financial Statements

For the Year Ended 30 June 2016

22 Related Parties (continued)

(b) Transactions with related parties

(i) Sale of goods and services

	2016 $	2015 $
Tamawood		
- Sales to Tamawood Limited	**1,077,096**	1,565,959
Mr L Mizikovsky		
- Transfers to an entity controlled by Mr L Mizikovsky	**-**	216,419
- Sales to an entity controlled by Mr L Mizikovsky	**40,877**	53,156
- Recovery of refurbishment to leased property	**-**	46,840

(ii) Purchase of goods and services

	2016 $	2015 $
Tamawood		
- Advertising, IT and accounting services	**18,536**	26,188
Mr L Mizikovsky		
- Rent and outgoings payments for premises leased from an entity controlled by Mr L Mizikovsky	**381,017**	515,163
G & S Quality Systems Pty Ltd		
- Administration and payroll processing services provided by an entity controlled by Mr Acton	**13,525**	25,033
Resiweb Limited		
- IT maintenance services	**30,000**	-
Luke Ison		
- Payment for services provided	**3,666**	-

(iii) Outstanding balances

	2016 $	2015 $
Mr L Mizikovsky		
- Amounts receivable for sales	**3,346**	254,203
Tamawood		
- Amounts receivable from Tamawood for sales	**3,236**	110,342
- Amounts payable to Tamawood for purchases	**-**	3,948

Amounts receivable from and amounts payable to related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables and trade and other payables respectively. Balances are settled within trading terms or as per agreement with the Board. No provisions for doubtful debts have been recognised on these outstanding balances, nor have any bad debt expenses been incurred.

22 Related Parties (continued)

(c) Loans from related parties

At the Annual General Meeting in November 2013, shareholders unanimously approved an unsecured loan facility of up to $2,000,000 with further advances available at the discretion of Rainrose Pty Ltd, an entity controlled by the Non-executive Chairman. As at 30 June 2016 the loan amounted to $2,923,435. The loan with Rainrose Pty Ltd has been provided to AstiVita and under the loan agreement is due for repayment in July 2018.

	Opening balance	Closing balance	Interest not charged	Interest paid/payable	Impairment
	$	$	$	$	$
Loans from Rainrose Pty Ltd					
2016	**2,023,200**	**2,923,435**	**-**	**150,237**	**-**
2015	3,108,200	2,023,200	-	155,553	-

23 Key Management Personnel Disclosures

(a) Key management personnel remuneration

	2016	2015
	$	$
Short-term employee benefits	**181,282**	246,519
Long-term benefits	**5,815**	1,666
Post-employment benefits	**10,192**	15,198
	197,289	263,383

Detailed remuneration disclosures are provided in the remuneration report on pages 5 to 8.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 22 : Related Party Transactions.

24 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.

The Company does not speculate in financial assets.

The Company is primarily exposed to the following financial risks:

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

24 Financial Risk Management (continued)

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

Objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and whilst remaining ultimately responsible for them, it has delegated the authority to management for developing and operating processes that ensure the effective implementation of the objectives and policies of the Company's finance function. The Company's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Company where such impact may be material.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

(a) 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.

For the Company, credit risk primarily arises from outstanding receivables due from its customers and deposits with banks.

The utilisation of credit limits by customers is regularly monitored by management. Trade receivables consist of a large number of customers. The Company has three large debtors which represent 47% (2015: four debtors at 48%) of the AstiVita trade debtors which at 30 June 2016 had a total amount outstanding balance of $676,838 (2015: $969,700). The Directors believe all outstanding amounts will be received. The Company has identified slow paying customers and is satisfied that the $62,000 (2015: $84,000) allowance for doubtful debts is adequate in the event the customers may not be able to meet their repayment commitment to the Company.

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

Credit risk related to balances with banks and other financial institutions is managed by a policy requiring that banking is undertaken with Authorised Deposit taking Institutions registered as such with the Australian Prudential Regulation Authority.

24 Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's objective is to ensure as much as possible that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Company achieves this by holding sufficient cash in liquid form, and monitors the timing of commitments.

	2016	2015
	$'000s	$'000s
Current assets	**5,577**	6,164
Current liabilities	**(473)**	(559)
Working capital	**5,104**	5,605

Liquidity risk is further mitigated due to the loan facility provided by Mr Lev Mizikovsky, the Non-executive Chairman and substantial shareholder of the Group, as disclosed in Note 22(c).

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

	Not later than 6 months		1 to 5 years		Total	
	2016	2015	2016	2015	2016	2015
	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s
Borrowings	**-**	-	**2,923**	2,023	**2,923**	2,023
Trade payables	**198**	265	**-**	-	**198**	265
Total	**198**	265	**2,923**	2,023	**3,121**	2,288

* Contractual cashflows approximate the carrying amounts as presented in the consolidated statement of financial position.

(c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will effect future cash flows or the fair value of fixed rate financial instruments.

The Company adopts a policy of minimising exposure to interest rate risk. A +/-1% change in interest rates would change the net interest expense by **+/-**$23,200 per annum (2015: +/-$16,000) on cash held and borrowings at year end.

Notes to the Financial Statements

For the Year Ended 30 June 2016

24 Financial Risk Management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk

Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars and Euro.

The Company's policy is that all foreign currency transactions are settled on a spot rate basis. There are no hedge facilities or other forward contract facilities in place.

In order to monitor the continuing effectiveness of the policy, the Board receives reports on its product pricing strategy together with data relating to any major fluctuations in foreign currencies. The Company's policy to mitigate foreign currency risk is to adjust selling prices for its products to reflect movements in foreign currencies.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

	2016	2015
	$'000s	$'000s
Financial assets		
USD monies on deposit	**185**	**250**
Euro monies on deposit	**98**	**34**
Financial liabilities		
Trade payables denominated in USD	**-**	**(4)**
Net exposure	**283**	**280**

Spot rate at year end		
US Dollar	0.7485	0.7680
Euro	0.6811	0.6866

24 Financial Risk Management (continued)

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Company's financial assets and financial liabilities and the US Dollar – Australian Dollar exchange rate and the Euro – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years. The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date.

The sensitivity analysis assumes a +/- 5% change of the Australian Dollar / US Dollar exchange rate for the year ended 30 June 2016 (30 June 2015: 5%). A +/- 5% change is also assumed for the Australian Dollar / Euro exchange rate (30 June 2015: 5%). Both of these percentages have been determined based on the historical market volatility in exchange rates.

		USD	Euro	Total AUD
2016		**$'000**	**$'000**	**$'000**
Net result for the year				
Australian dollar weakened 5%	**$**	**7**	**3**	10
Australian dollar strengthened 5%		**(7)**	**(3)**	(10)
Equity				
Australian dollar weakened 5%		**7**	**3**	10
Australian dollar strengthened 5%		**(7)**	**(3)**	(10)
2015				
Net result for the year				
Australian dollar weakened 5%		**9**	**1**	10
Australian dollar strengthened 5%		**(9)**	**(1)**	(10)
Equity				
Australian dollar weakened 5%		**9**	**1**	10
Australian dollar strengthened 5%		**(9)**	**(1)**	(10)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to foreign currency risk.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Company's financial assets and financial liabilities consist only of short-term trade receivables and payables. Due to the short-term nature of trade receivables and payables, the carrying amounts as presented in the consolidated statement of financial position are assumed to approximate their fair values.

25 Events Occurring After the Reporting Date

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

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2016 are in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001*, other mandatory professional reporting requirements 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 General Manager has given the declarations required by Section 295A that:

   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   b. the financial statements and notes for the financial year comply with the Accounting Standards; and

   c. the financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4. The remuneration disclosures in the Remuneration Report in the Director's Report comply with Section 300A of the *Corporations Act 2001*.

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

L Mizikovsky

L Mizikovsky
Non-executive Chairman
Dated 23 August 2016

AstiVita Limited

ABN 46 139 461 733

hanrickcurran

experience. new thinking

30 YEAR ANNIVERSARY

Independent Auditor's Report to the members of AstiVita Limited

Report on the Financial Report

We have audited the accompanying financial report of AstiVita Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001,* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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*.

BRISBANE
Level 11, 307 Queen Street Brisbane QLD 4000
GPO Box 2268 Brisbane QLD 4001
phone 07 3218 3900 | fax 07 3218 3901
www.hanrickcurran.com.au

CAIRNS
Suite 73, Executive Centre Offices, The Pier at Shangri-La,
1 Pierpoint Road, Cairns QLD 4870
PO Box 7170 Cairns QLD 4870
phone 07 4052 7524 | fax 07 4052 7799
www.hanrickcurran.com.au

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599 | ABN 13 132 902 188

Opinion
In our opinion:

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

  (i) giving a true and fair view of the consolidated financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

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

Emphasis of matter – Going Concern
Without modifying our opinion, we draw attention to Note 1 to the financial report which indicates that the company incurred a net loss of $1,070,000 (2015: $1,592,000) during the year ended 30 June 2016. This condition, along with other matters set forth in Note 1(r), indicates the existence of a material uncertainty, which may cast significant doubt about the company's 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 and at the amounts stated in the financial report.

Emphasis of matter – Accounting Estimates
Without modifying our opinion, we draw attention to Note 1(q) to the financial report which describes the critical accounting estimates and judgements about valuation of inventory, deferred income tax assets, receivables and provisions for warranty costs. The matters described in Note 1(q) indicate the existence of a material uncertainty regarding the valuation of the related items. This inherent uncertainty means that there is a significant risk of a material adjustment to the reported value of the related items in the next financial year and therefore the related items may be realised at amounts that differ from the estimates recorded at 30 June 2016 and may not be realised in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2016. 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 AstiVita Limited, for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001.*

HANRICK CURRAN AUDIT

HANRICK CURRAN AUDIT PTY LTD
Authorised Audit Company: 338599

M. J. GREEN
Director

Brisbane, 23 August 2016

Shareholder Information

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 5 August 2016.

Substantial shareholders

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

Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Voting rights of shareholders are governed by the Company's Rules. In summary, a shareholder is entitled to exercise one vote for each shareholder on any question arising from a meeting of the Group.

Members wishing to appoint proxies may do so in accordance with the Corporations Act 2001 and Rules of the Group.

Distribution of equity security holders

Holding	No. of Shares	No. of Holders
1 - 1,000	36,965	101
1,001 - 5,000	630,150	211
5,001 - 10,000	569,761	75
10,001 - 50,000	1,811,616	81
50,001 - 100,000	1,136,719	16
100,000 and over	26,929,655	33
	31,114,866	517

There were 335 holders of less than a marketable parcel of ordinary shares.

Twenty largest shareholders

	Number held	% of issued shares
POLTICK PTY LTD	15,358,604	49.36
NOWCASTLE PTY LTD	3,280,338	10.54
STODDART BUILDING PRODUCTS PTY LTD	661,179	2.12
SUPERFUN SUPER FUND A/C	634,422	2.04
K R KHATRI (DENTAL) PTY LTD	614,500	1.97
MR SCOTT RONALD ISON	542,206	1.74
RIPELAND PTY LTD	522,180	1.68
COLLECTION HOUSE PTY LTD S/F A/C	500,000	1.61
MR RADE & MRS JACQUELINE DUDUROVIC	460,000	1.48
BEOWULF PTY LTD	357,318	1.15
MR STUART KEITH ANDERSON	349,961	1.12

Shareholder Information

	Number held	% of issued shares
MIZI SUPERANNUATION PTY LTD	349,331	1.12
THE L AND R SUPER FUND PTY LTD	326,758	1.05
ARACAN PTY LTD	253,028	0.81
MR SCOTT GILCHRIST	209,043	0.67
LEOPARD CAPITAL PTY LTD	180,000	0.58
MR MICHAEL ERNEST GRANATA	175,000	0.56
HOORAYSIES PTY LTD	166,682	0.54
MR RADE DUDUROVIC	160,500	0.52
MR ANDREW THOMAS	155,250	0.50
	25,256,300	81.16

Securities exchange
The Company is listed on the Australian Securities Exchange.

Share registry
The register of holders of ordinary shares of the Company is kept at the office of Computershare Investor Services Pty, 117 Victoria Street, West End, QLD 4101.