ASX ANNOUNCEMENT

Analytica Announces 2016 Full Year Results

31 August 2016: Brisbane, Australia- Analytica Ltd, (ASX: ALT) "the Company" the manufacturer of the PeriCoach® system, is pleased to announce its full year results for the financial year ended 30 June 2016.

OPERATIONAL HIGHLIGHTS

- FDA Over-the-counter (OTC) clearance for PeriCoach
- Granted US patent for AutoStart® burette system in US
- PeriCoach was granted patent protection in China in August
- Received FDA clarification for sexual health indication for PeriCoach
- AutoStart burette system listed through Queensland Health Tender in June

FINANCIAL SUMMARY

- Total revenue up 89% to $2.1M
- Research & Development $2.59M
- Marketing development $1.94M
- Reported loss down 25% to $4.0M
- Cash position at end of year $1.25M

In FY16 the Company completed intensive market research, and reduced sales and marketing activity which has been reflected in the reduction in spend. With capital placements this and next month, together with this year's R&D tax credit and reduced spend, the Company has sufficient cash flow into FY17.

Analytica's increased R&D investment reflects the larger R&D tax credit resulting in the 89% increase in total revenue to $2.1M since FY2015. PeriCoach receiving US FDA Over-The- Counter (OTC) clearance was an important achievement for Analytica and opens up a significant market opportunity for PeriCoach for a licensing partner. The investment in achieving OTC clearance in such a short time means the PeriCoach is positioned with the authority of a serious medical device, more easily accessible by women in the US who will no longer need a referral from their health professional to purchase the product. This will help to raise awareness amongst physical therapists and health care professionals who remain an important channel.

As an example, Analytica have published a number of case studies, describing pelvic floor training with PeriCoach in the Urologic Nursing Journal of the US Society of Urologic Nurses and Associates. Clinical support and publication in a leading peer review journal is a significant milestone for the Company and is a direct reflection of executing its strategy to obtain clinical evidence of PeriCoach.

Software development is on track as enhancements to the database are near completion and new features to the app, such as the bladder diary, have been introduced. To stay engaged, any exercise effort needs reward and these interface updates provide users with a comprehensive picture of treatment progress and encouragement. Compliance with any exercise program is key to achieving positive results.

Finally, the Company received clarification from the FDA regarding additional marketing claims for improved sexual function in women from strengthening their pelvic floor using the PeriCoach system. This is a very significant market

and the ability to highlight the medical device credentials of the PeriCoach system adds substantially to the attractiveness for a licensing partner.

Analytica achieved a significant milestone this year after being granted patent protection for its AutoStart Burette. This is an important step in the commercialisation of the AutoStart Infusion System. The patent increases the market opportunity within the US and positions the Company for additional licensing deals for the product.

This year the Company announced that the AutoStart infusion system product has been listed on the Queensland Health purchasing schedule. The product was listed by Medical Australia Ltd (ASX: MLA), the Australian sponsor of the device, under their Tuta FirstFlow® brand name, which permits any Queensland hospital or health clinic to buy the product.

Analytica is focused on building the best in class, positioning the PeriCoach system as a serious medical device that works, and is a very attractive proposition for a licencing partner.

For more information, please contact: **investorrelations@analyticamedical.com**

For more information about the PeriCoach System, visit: **www.PeriCoach.com**

For more information about Analytica, visit **www.AnalyticaMedical.com**

Follow us on:

About Analytica Limited

Analytica's lead product is the PeriCoach® System – an e-health treatment system for women who suffer Stress Urinary Incontinence. This affects 1 in 3 women worldwide and is mostly caused by trauma to the pelvic floor muscles as a result of pregnancy, childbirth and menopause.

PeriCoach comprises a device, web portal and smartphone app. The device evaluates activity in pelvic floor muscles. This information is transmitted to a smartphone app and can be loaded to a cloud database where physicians can monitor patient progress via web portal. This novel system enables physicians to remotely determine if a woman is performing her pelvic floor exercises and if these are improving her condition. Strengthening of the pelvic floor muscles can also potentially improve sexual sensation or satisfaction and orgasm potential in some women.

PeriCoach has regulatory clearance in Australia, and has CE mark and USFDA 510(k) clearance. The product is available for sale from pericoach.com in Australia and New Zealand, UK and Ireland, and in the USA.

Appendix 4E
Preliminary Final Report

Name of entity Analytica Limited
ABN 12 006 464 866

1. Reporting Period

Report for the financial year end	30 June 2016
Previous corresponding reporting period	30 June 2015

2. Results for announcement to the market

	$	**Percentage increase/(decrease) over previous corresponding period**
Revenue from ordinary activities	2,116,242	89
Profit/(loss) from ordinary activities after tax attributable to members	(4,002,331)	(25)
Net profit/(loss) for the period attributable to members	(4,002,331)	(25)

Dividends	**Amount per security**	**Franked amount per security**
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to dividend	Not applicable

Brief explanation of any of the figures reported above necessary to enable the figures to be understood

The increase in revenue is increased R&D tax incentive received due to increased investment in R&D in 2015. Market development activity peaked in calendar 2015 and has reduced in 2016 calendar year.

3. Income Statement	Refer to Attachment A **These accounts are in the process of being audited.**
4. Balance Sheet	Refer to Attachment A **These accounts are in the process of being audited.**
5. Statement of Changes in Equity	Refer to Attachment A **These accounts are in the process of being audited.**
6. Cash Flow Statement	Refer to Attachment A **These accounts are in the process of being audited.**

7. Dividends

Date dividend is payable	Not applicable
Record date to determine entitlement to the dividend	Not applicable
Amount per security	Not applicable
Total dividend	Not applicable
Amount per security of foreign sourced dividend or distribution	Not applicable
Details of any dividend reinvestment plans in operation	Not applicable
The last date for receipt of an election notice for participation in any dividend reinvestment plans	Not applicable

8. Statement of retained earnings

Consolidated Entity		
	2016	**2015**
Balance at the beginning of the year	(92,268,467)	(86,952,863)
Net profit attributable to members of the parent entity	(4,0002.331)	(5,316,604)
Transfer from option reserve		
Balance at end of the year	(96,270,798)	(92,268,467)

9. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.05 cents	0.05 cents

10. Details of entities over which control has been gained or lost during the period	Not applicable

11. Details of associated and joint venture entities

Name of associate or joint venture entity	% Securities held
PeriCoach Pty Ltd	100

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

Continuing operations	**Note**	**Consolidated Group**	
		2016	**2015**
		$	**$**
Sales revenue		**190,802**	73,824
Cost of sales		**(81,392)**	(22,784)
Gross profit		**109,410**	51,040
R&D tax incentive revenue		**1,893,605**	988,107
Royalty revenue		**10,679**	6,228
Investment revenue		**21,157**	51,219
Loss on disposal of assets		**-**	(194)
Administrative expenses	2	**(1,187,810)**	(1,014,953)
Depreciation, amortisation and impairments	2	**(117,793)**	(93,365)
Fair value adjustment		**(15,671)**	(53,280)
Finance costs	2	**(2,272)**	(384)
Marketing expenses	2	**(1,938,948)**	(1,765,019)
Occupancy costs		**(5,180)**	(7,020)
Option expenses		**(4,607)**	-
Other currency gains (losses)		**(48,574)**	(27,923)
Patent maintenance	2	**(125,803)**	(86,778)
Research and development	2	**(2,590,524)**	(3,363,283)
Profit before income tax		**(4,002,331)**	(5,315,604)
Income tax expense	3	**-**	-
Profit for the year		**(4,002,331)**	(5,315,604)
Other comprehensive income, net of income tax			
Total comprehensive income for the year		**(4,002,331)**	(5,315,604)
Profit attributable to:			
Members of the parent entity		**(4,002,331)**	(5,315,604)
Total comprehensive income attributable to:			
Members of the parent entity		**(4,002,331)**	(5,315,604)

Earnings per share		
Basic/diluted earnings per share(dollars)	(0.0028)	(0.0059)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	Consolidated Group 2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**1,252,515**	581,531
Trade and other receivables	8	**19,136**	19,493
Inventories	9	**224,325**	231,692
Other assets	13	**104,994**	71,911
TOTAL CURRENT ASSETS		**1,600,970**	904,627
NON-CURRENT ASSETS			
Other financial assets	10	**4,179**	19,850
Property, plant and equipment	11	**30,078**	38,382
Intangible assets	12	**36,822**	117,184
TOTAL NON-CURRENT ASSETS		**71,079**	175,416
TOTAL ASSETS		**1,672,049**	1,080,043
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	14	**-**	2,568
Trade and other payables	15	**267,844**	488,817
Short-term provisions	16	**53,050**	53,650
Employee benefits	17	**155,017**	113,246
TOTAL CURRENT LIABILITIES		475,911	658,281
NON-CURRENT LIABILITIES			
Employee benefits	17	**18,104**	40,713
TOTAL NON-CURRENT LIABILITIES		**18,104**	40,713
TOTAL LIABILITIES		**494,016**	698,994
NET ASSETS		**1,178,033**	381,049
EQUITY			
Issued capital	19	**96,910,986**	92,114,779
Reserves	18	**537,844**	534,737
Retained earnings		**(96,270,798)**	(92,268,467)
TOTAL EQUITY		**1,178,032**	381,049

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

2016		Consolidated Group			
	Note	Ordinary Shares	Retained Earnings	Option Reserve	Total
		$	$	$	$
Balance at 1 July 2015		**92,114,779**	**(92,268,467)**	**534,737**	**381,049**
Profit attributable to members of the parent entity		**-**	**(4,002,331)**	**-**	**(4,002,331)**
Shares issued during the year		**5,235,681**	**-**	**3,107**	**5,238,788**
Transaction costs		**(439,474)**	**-**	**-**	**(439,474)**
Shares bought back during the year			**-**	**-**	**-**
Balance at 30 June 2016	19	**96,910,986**	**(96,270,798)**	**537,844**	**1,178,032**

2015					
	Note	Ordinary Shares	Retained Earnings	Option Reserve	Total
		$	$	$	$
Balance at 1 July 2014		**88,792,648**	**(86,952,863)**	**534,737**	**2,374,522**
Profit attributable to members of the parent entity		**-**	**(5,315,604)**	**-**	**(5,315,604)**
Shares issued during the year		**3,715,760**	**-**	**-**	**3,715,760**
Transaction costs		**(393,511)**	**-**	**-**	**(393,511)**
Shares bought back during the year		**(118)**	**-**	**-**	**(118)**
Balance at 30 June 2015	19	**92,114,779**	**(92,268,467)**	**534,737**	**381,049**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated Group 2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**191,061**	73,564
Receipt from grants		**1,893,605**	988,107
Receipt from royalty income		**7,271**	6,228
Payments to suppliers and employees		**(6,208,894)**	(5,758,762)
Interest received		**21,157**	51,216
Finance costs			
Interest paid		**2,272**	(384)
Net cash provided by (used in) operating activities	22	**(4,093,529)**	(4,640,030)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible asset		**(17,963)**	(11,716)
Purchase of property, plant and equipment		**(11,165)**	(38,248)
Net cash used by investing activities		**(29,128)**	(49,964)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**5,235,681**	3,715,642
Costs of fund raising		**(439,475)**	(394,211)
Net cash used by financing activities		**4,796,206**	3,321,431
Net increase (decrease) in cash and cash equivalents held		673,550	(1,368,561)
Cash and cash equivalents at beginning of year		**578,965**	1,947,526
Cash and cash equivalents at end of financial year	7	**1,252,515**	578,965

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

These consolidated financial statements and notes represent those of Analytica Listed Public Limited and Controlled Entities (the "consolidated group" or "group").

The separate financial statements of the parent entity, Analytica Listed Public Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 25th August 2016 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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.

a. **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Analytica Listed Public Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 24.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquire either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method).* In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Refer to Note 18 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

b. **Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. **Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads.

e. **Land Held for Sale**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Finance costs, foreign currency movements and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss on the signing of an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

f. **Construction Contracts and Work in Progress**

Construction work in progress is measured at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date compared to expected actual costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

g. **Property, Plant and Equipment**

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	13.33% – 20%
Plant and equipment leased to external parties	33% – 66.67%
Leased plant and equipment	33% - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

h. **Exploration and Development Expenditure**

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

i. **Investment Property**

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost and subsequently measured at fair value.

Fair value of investment properties is determined annually based on a valuation by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in profit or loss in the period in which they occur.

j. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

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

k. **Non-current Assets Held for Sale and Discontinued Operations**

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

l. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group designates certain derivatives as either:

– hedges of the fair value of recognised assets or liabilities, or a firm commitment (fair value hedge); or

– hedges of highly probable forecast transactions (cash flow hedge).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) *Fair value hedge*

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognised in profit or loss, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item affects profit or loss.

Preferred shares

Preferred share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the parent company, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors.

Preferred share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

– the likelihood of the guaranteed party defaulting during the next reporting period;

– the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and

– the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: *Revenue*. Where the entity gives guarantees in exchange for a fee, revenue is recognised in accordance with AASB 118.

Derecognition

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

m. **Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

n. **Investments in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

o. **Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 1(n) for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

p. **Intangibles Other than Goodwill**

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 0 to 3 years.

Research and development

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

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

q. **Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

– assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;

– income and expenses are translated at average exchange rates for the period; and

– retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

r. **Employee Benefits**

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Retirement benefit obligations

Defined benefit obligations

The Group does not provide defined benefit superannuation entitlements to employees of the Group.

The difference, if any, between the Group's obligation for employees' defined benefit entitlements at the end of the reporting period and the fair value of plan assets attributable to the employees at the same date is presented as a net defined benefit liability (asset) in the statement of financial position. The Group's obligation for defined benefit entitlements, as well as the related current service cost and, where applicable, past service cost, is calculated at the end of each reporting period by an independent and suitably qualified actuary using the projected unit credit method. In determining the Group's obligation for defined benefits, the actuary discounts the present value of the estimated future cash flows attributable to providing the defined benefit entitlements at rates determined by reference to market yields at the end of the reporting period on Australian government bonds that have maturity dates that approximate the terms of the obligation.

Any net defined benefit asset recognised by the Group is limited to the present value of economic benefits available in the form of any future refunds from the employees' defined benefit plan or reductions in future contributions in respect of employees with defined benefit entitlements. In calculating the present value of any such potential economic benefits, consideration is given to any minimum funding requirements that apply with respect to the employees' defined benefit entitlements. An economic benefit is considered available to the Group if it is realisable during the period of the employees' membership of the plan or on settlement of all the employees' entitlements from plan assets.

The periodic cost of providing defined benefit entitlements is disaggregated and accounted for as follows:

– service cost (including current and past service costs and any gains or losses on settlements or curtailments) is recognised in profit or loss in the period in which it arises as part of employee benefits expense;

– interest on the net defined benefit liability (asset) is calculated by multiplying the average balance of the liability (asset) during the reporting period by the discount rate applied to the defined benefit obligation and is recognised in profit or loss in the period in which it arises as part of finance costs; and

– Re measurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets less amounts included in the net interest on the net defined benefit liability (asset), and any changes in the limit on a net defined benefit asset (excluding interest)) are recognised in other comprehensive income (retained earnings) in the periods in which they occur.

Defined contribution superannuation benefits

All employees of the Group other than those that receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (i) the date when the Group can no longer withdraw the offer for termination benefits; and (ii) when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

s. **Provisions**

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

t. **Provision for Warranties**

Provision is made in respect of the Group's best estimate of the liability on all products and services under warranty at the end of the reporting period. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated group's history of warranty claims.

u. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

v. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Revenue relating to construction activities is detailed at Note 1(f).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

w. **Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(l) for further discussion on the determination of impairment losses.

x. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

y. **Borrowing Costs**

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

z. **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

aa. **Government Grants**

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

ab. **Comparative Figures**

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

ac. **Rounding of Amounts**

The parent entity has applied the relief available to it under ASIC Class Order 98/100. Accordingly, amounts in the financial statements have been rounded off to the nearest $1.

New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

– AASB 9*: Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact

– *AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (*applicable to annual reporting periods beginning on or after 1 January 2016)

This Standard amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB 3.

The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

– AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*).

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

2. Revenue from continuing operations

	Consolidated Group 2016 $	Consolidated Group 2015 $
Sales of goods revenue	**190,802**	73,824
Other Revenue		
R&D tax incentive revenue	**1,893,605**	988,107
Royalty revenue	**10,679**	6,228
Investment revenue	**21,157**	51,219
	1,925,441	1,045,554
Total Revenue	**2,116,242**	1,119,378

	Consolidated Group 2016 $	Consolidated Group 2015 $
Profit before income tax from continuing operations includes the following specific expenses:		
Cost of sales	**81,392**	22,784
Finance Costs		
- external	**256**	384
- related entities	**2,016**	-
- Total interest expense	**2,272**	384

	Consolidated Group 2016 $	Consolidated Group 2015 $
Other expenses:		
Administrative expenses		
Administration - general	**95,543**	108,222
Compliance costs	**639,251**	487,944
Employee costs - general	**453,015**	418,787
	1,187,810	1,014,953
Depreciation and amortisation		
- Amortisation	**65,870**	71,348
- Depreciation of property plant and equipment	**51,923**	22,017
	117,793	93,365
Marketing expenses		
- Auto Start Burrette	**-**	-
- PeriCoach	**1,693,311**	1,113,552
- Wages	**245,637**	651,468
	1,938,948	1,765,019
Patent maintenance		
- AutoStart Burette	**26,429**	38,015
- ELF 2	**32,756**	3,478
- PeriCoach	**66,618**	45,285
	125,803	86,778
Research and development costs		
- Auto Start Burette	**238**	8,956
- Employee and labour	**534,284**	505,548
- ELF 2	**-**	-
- PeriCoach	**2,056,002**	2,848,778
	2,590,524	3,363,283

The comparative expenditure in 2015 for Marketing has decreased by $527,774 and Research & Development has increased by $527,774 to be consistent with classification in 2016. This reclassification of US expenditure has no impact on R&D tax incentive.

3. Income Tax

	Consolidated Group	
	2016	**2015**
	$	**$**
Profit	**(4,002,331)**	(5,315,604)
Tax	**30%**	30%
	(1,200,699)	(1,594,681)
Add:		
Tax effect of:		
- non-deductible expenses	**920,254**	1,267,735
	(280,445)	(326,946)
Less:		
Tax effect of:		
- non-assessable income	**(568,081)**	(296,432)
Temporary differences and tax losses not brought to account	**848,527**	623,378
Income tax attributable to parent entity	**-**	-

Carried forward tax losses of $15,120,591 (2015:$11,886,210) have not been brought to account as a deferred tax asset because it is not yet considered probable that they will reverse to the extent of being utilised in the future.

4 Key Management Personnel Disclosures

Key management personnel options and rights holdings

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

30-Jun-16	Balance at beginning of year	Granted as remuner	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercis-able
Directors							
Unlisted Options @ 3.24 cents							
Expire 29/10/18							
Dr Michael Monsour	13,000,000	-	-	-	13,000,000	-	13,000,000
Mr Ross Mangelsdorf	10,000,000	-	-	-	10,000,000	-	10,000,000
Mr Warren Brooks	8,000,000	-	-	-	8,000,000	-	8,000,000
	31,000,000	-	-	-	31,000,000	-	31,000,000
Other KMP							
Unlisted Options @ 3.24c							
Expire 29/10/2018							
Geoffrey Daly	6,000,000	-	-	-	6,000,000	-	6,000,000
Unlisted Options @ 4.50c							
Expire 12/02/2019							
Geoffrey Daly	5,000,000	-	-	-	5,000,000	-	-
	11,000,000	-	-	-	11,000,000	-	6,000,000

30-Jun-15	Balance at beginning	Granted as	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercis-able
Directors							
Unlisted Options @ 3.24 cents							
Expire 29/10/18							
Dr Michael Monsour	13,000,000	-	-	-	13,000,000	-	13,000,000
Mr Ross Mangelsdorf	10,000,000	-	-	-	10,000,000	-	10,000,000
Mr Warren Brooks	8,000,000	-	-	-	8,000,000	-	8,000,000
	31,000,000	-	-	-	31,000,000	-	31,000,000
Other KMP							
Unlisted Options @ 3.24c							
Expire 29/10/2018							
Geoffrey Daly	6,000,000	-	-	-	6,000,000	-	6,000,000
Unlisted Options @ 4.50c							
Expire 12/02/2019							
Geoffrey Daly	5,000,000	-	-	-	5,000,000	-	-
	11,000,000	-	-	-	11,000,000	-	6,000,000

Key management personnel shareholdings

30-Jun-16	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
Dr Michael Monsour	2,606,337	-	-	2,606,337
MPAMM Pty Ltd	44,687,785	-		44,687,785
MP Monsour Medical Practice Pty Ltd	12,247,277	-	7,500,000	19,747,277
Halonna Pty Ltd	54,664,451	-	375,833,333	430,497,784
Other related parties	17,084,482	-	-14,357,501	2,726,981
Total: Dr Michael Monsour	131,290,332	0	368,975,832	500,266,164
Mr Ross Mangelsdorf	14,222	-	203189	217,411
RM & JM Mangelsdorf	14,222	-	203189	217,411
Tambien Pty Ltd	18,848,357	-	13,945,672	32,794,029
Other related parties	3,190,758	-	14,151,768	17,342,526
Total: Mr Ross Mangelsdorf	22,067,559	0	28,503,818	50,571,377
Mr Warren Brooks				
W Brooks Investments Pty Ltd	32,430,000	-	16,215,000	48,645,000
Total: Mr Warren Brooks	32,430,000	-	16,215,000	48,645,000
Mr Carl Stubbings				
Cumberland Pty Ltd	1,830,882	-	915,440	2,746,322
Total: Mr Carl Stubbings	1,830,882	-	915,440	2,746,322
	187,618,773	-	414,610,090	602,228,863

Key management personnel shareholdings

30-Jun-15	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
Dr Michael Monsour	2,606,337	-	-	2,606,337
MPAMM Pty Ltd	38,484,118	-	6,203,667	44,687,785
MP Monsour Medical Practice Pty Ltd	11,880,611	-	366,666	12,247,277
Halonna Pty Ltd	32,484,118	-	22,180,333	54,664,451
Other related parties	17,084,482	-	-	17,084,482
Total: Dr Michael Monsour	102,539,666	-	28,750,666	131,290,332
Mr Ross Mangelsdorf	14,222	-	-	14,222
RM & JM Mangelsdorf	14,222	-	-	14,222
Tambien Pty Ltd	17,253,200	-	1,595,157	18,848,357
Other related parties	3,190,758	-	-	3,190,758
Total: Mr Ross Mangelsdorf	20,472,402	-	1,595,157	22,067,559
Mr Warren Brooks	-	-	-	-
W Brooks Investments Pty Ltd	31,759,341	-	670,659	32,430,000
Total: Mr Warren Brooks	31,759,341	-	670,659	32,430,000
Mr Carl Stubbings	-	-	-	-
Cumberland Pty Ltd	1,627,450	-	203,432	1,830,882
Total: Mr Carl Stubbings	1,627,450	-	203,432	1,830,882
	156,398,859	-	31,219,914	187,618,773

5 Remuneration of Auditors

	Consolidated Group	
	2016	**2015**
	$	**$**
Remuneration of the auditor of the Company, Bentleys, for:		
- auditing or reviewing the financial report	**64,952**	70,466
- other services	**2,600**	1,500

6 Earnings per Share

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

	Consolidated Group	
	2016	2015
	$	$
Loss from continuing operations	**(4,002,331)**	(5,315,604)
Earnings used to calculate basic EPS from continuing operations	**(4,002,331)**	(5,315,604)

(b) Earnings used to calculate overall earnings per share

	Consolidated Group	
	2016	2015
	$	$
Earnings used to calculate overall earnings per share	**(4,002,331)**	(5,315,604)

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

	Consolidated Group	
	2016	2015
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**1,417,284,619**	897,958,600

Earnings per share		
Basic/diluted earnings per share(dollars)	(0.0028)	(0.0059)

7 Cash and cash equivalents

	Consolidated Group	
	2016	**2015**
	$	**$**
Cash at bank and in hand	**67,005**	39,487
Short-term bank deposits	**1,185,510**	542,044
	1,252,515	581,531

Reconciliation of cash

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

		Consolidated Group	
	Note	**2016**	**2015**
		$	**$**
Cash and cash equivalents		**1,252,515**	581,531
Bank overdrafts	14		(2,568)
Balance as per consolidated statement of cash flows		**1,252,515**	578,963

8 Trade and other receivables

	Consolidated Group	
	2016	2015
	$	$
CURRENT		
Trade receivables		259
Sundry Debtors	**4,677**	
	4,677	259
GST receivable	**11,051**	19,234
Accrued Revenue	**3,408**	
Total current trade and other receivables	**19,136**	19,493

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 12. The class of assets described as “trade and other receivables” is considered to be the main source of credit risk related to the Group.

9 Inventories

	Consolidated Group	
CURRENT	2016	2015
At cost:	$	$
Raw materials and consumables	**199,586**	176,148
Work in progress	**-**	40,021
Finished goods	**24,739**	15,523
	224,325	231,692

10 Other financial assets

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

	Consolidated Group	
	2016	2015
Listed investments, at fair value	$	$
- Investments in Invion	**4,179**	19,850
Financial assets at fair value through profit and loss		
- listed shares at cost	**522,356**	522,356
- less fair value adjustment	**(518,177)**	(502,506)
	4,179	19,850

11 Property, plant and equipment

	Consolidated Group	
	2016	2015
	$	$
Plant and equipment		
At cost	**27,226**	26,636
Accumulated depreciation	**(18,990)**	(17,991)
Total plant and equipment	**8,236**	8,645
Office equipment		
At cost	**12,450**	10,845
Accumulated depreciation	**(9,632)**	(8,922)
Total office equipment	**2,818**	1,923
Computer equipment		
At cost	**108,890**	99,919
Accumulated depreciation	**(89,865)**	(72,105)
Total computer equipment	**19,024**	27,814
Total property, plant and equipment	**30,078**	38,382

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

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

Consolidated	Plant and Equipment	Office Equipment	Computer Equipment	Total
	$	$	$	$
Year ended 30 June, 2016				
Balance at the beginning of year	**8,645**	**1,923**	**27,814**	**38,383**
Additions	**589**	**1,605**	**8,970**	**11,165**
Disposals - written down value	**-**	**-**	**-**	**-**
Depreciation expense	**(999)**	**(710)**	**(17,760)**	**(19,469)**
Balance at the end of the year	**8,236**	**2,818**	**19,024**	**30,078**

Consolidated	Plant and Equipment	Office Equipment	Computer Equipment	Total
	$	$	$	$
Year ended 30 June, 2015				
Balance at the beginning of year	-	1,950	19,697	21,647
Additions	9,600	1,554	27,792	38,946
Disposals - written down value	-	(698)	-	(698)
Depreciation expense	(955)	(883)	(19,675)	(21,513)
Balance at the end of the year	8,645	1,923	27,814	38,382

12 Intangible Assets

	Consolidated Group 2016	2015
	$	$
Patents, trademarks and other rights		
Cost	**273,450**	255,487
Accumulated amortisation and impairment	**(236,628)**	(236,023)
Net carrying value	**36,822**	19,464
Licenses and franchises		
Cost	**20,000**	20,000
Accumulated amortisation and impairment	**(20,000)**	(20,000)
Net carrying value	**-**	-
Software		
Cost	**-**	163,165
Accumulated amortisation and impairment	**-**	(65,445)
Net carrying value	**-**	97,720
Total Intangibles	36,822	117,184

(a) Reconciliation Detailed Table

Consolidated	Patents, trademarks and other rights	Licenses and franchises	Software	Total
	$	$	$	$
Year ended 30 June, 2016				
Balance at the beginning of the year	**19,464**	**-**	**97,720**	**117,184**
Additions	**17,963**	**-**	**-**	**17,963**
Amortisation	**(604)**	**-**	**(97,720)**	**(98,324)**
Closing value at 30 June, 2016	**36,822**	**-**	**-**	**36,822**

Consolidated	Patents, trademarks and other rights	Licenses and franchises	Software	Total
	$	$	$	$
Year ended 30 June, 2015				
Balance at the beginning of the year	8,223	5,607	162,986	176,816
Additions	11,716	-	-	11,716
Amortisation	(475)	(5,607)	(65,266)	(71,348)
Closing value at 30 June, 2015	19,464	-	97,720	117,184

13 Other assets

	Consolidated Group	
	2016	2015
	$	$
CURRENT		
Prepayments	**104,994**	71,911

14 Borrowings

	Consolidated Group	
CURRENT	2016	2015
Unsecured liabilities:	$	$
Bank overdraft		2,568

Director loan facility from Dr Michael Monsour represents an unsecured loan facility from MPAMM Pty Ltd, a related entity associated with Dr Monsour. The loan facility is repayable on demand and bears interest at 7.40% (2014: 7.63%) per annum (annual variable rate per Westpac Banking Corporation for business loans, plus 2%). The interest charged for the year ended 30 June 2016 amounted to $2016 (2014:nil). The maximum amount available under the loan agreement is $400,000. Therefore 100% of the facility was undrawn at 30 June 2016, (2015: 100%).

15 Trade and other payables

	Consolidated Group	
	2016	2015
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	**241,824**	239,322
Other payables	**26,020**	249,495
	267,844	488,817

16 Provisions

	Consolidated Group	
	2016	2015
	$	$
CURRENT		
Provisions - audit	**43,000**	41,000
Provisions - taxation	**10,050**	12,650
	53,050	53,650

Consolidated

	Provisions audit	Provisions taxation	Total
	$	$	$
Current			
Opening balance at 1 July 2015	**41,000**	**12,650**	**53,650**
Additional provisions	**66,952**	**-**	**66,952**
Provisions used	**(64,952)**	**(2,600)**	**(67,552)**
Balance at 30 June 2016	**43,000**	**10,050**	**53,050**

17 Employee Benefits

	Consolidated Group	
	2016	2015
	$	$
Current liabilities		
Provision for employee benefits	**111,083**	103,421
Other employee benefits	**10,553**	9,825
Long service Leave	**33,381**	
	155,017	113,246
(a) Provision for Long-term Employee Benefits		
Non-current liabilities		
Long service leave	**18,104**	40,713

Provision for Employee Benefits

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

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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

18 Reserves and retained surplus

	Consolidated Group	
	2016	2015
	$	$
Option reserve		
Opening balance	**534,737**	534,737
Transfer In	**52,309**	
Adjust Non Vesting Event	**(49,202)**	
Closing balance	**537,845**	534,737

(a) Share option reserve

Share option reserve

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

19 Issued Capital

	Consolidated Group 2016 $	2015 $
Fully paid 2,165,855,366 (2015: 939,220,439) Ordinary shares	**96,910,986**	92,114,779
80,266,667 (2015: 55,850,000) Unlisted Options		
Total	**96,910,986**	92,114,779

(a) Ordinary shares

		Consolidated Group 2016 No.	2015 No.
At the beginning of the reporting period		**939,220,439**	815,361,809
Shares issued during the year			
12 August 2015	358,117,144 rights issue @ 0.8 cents per share	**358,117,144**	
1 March 2016	418,602 options converted @ 0.11 cents per share	**418,602**	
22 March 2016	109,813,725 placement @ 0.255 cents per share	**109,813,725**	
28 April 2016	222,627,485 SPP @ 0.255cents per share	**222,627,485**	
28 April 2016	333,333,333 placement @ 0.3 cents per share	**333,333,333**	
28 April 2016	202,324,638 placement @ 0.255 cents per share	**202,324,638**	
- 8 October 2014			28,333,334
- 5 November 2014			85,540,964
- 5 November 2014			9,984,332
At the end of the reporting period		**2,165,855,366**	939,220,439

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

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

(b) Options

(i) For information relating to the Analytica Limited employee option plan, including details of options issued, exercised and lapsed during the year and the options outstanding at year-end, refer to Note 23 Share-based payments.

(ii) For information relating to share options issued to key management personnel during the year, refer to Note 23.

(c) Capital Management

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

There are no externally imposed capital requirements.

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

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

Debt to equity gearing ratio for 2015 is 0% (2014: 0%)

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

20 Contingencies

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

21 Operating Segments

Segment information

Identification of reportable segments

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

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

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

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

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

Types of products and services by reportable segment

(i) Medical Devices

- AutoStart Burette

- PeriCoach (Perineometer)

- ELF 2

Analytica's lead product is the Perineometer device branded PeriCoach, to assist women and their clinicians in treatment of Stress Urinary Incontinence. The PeriCoach was released to the public in Australia and United Kingdom January 2015 and release in the United States in June 2015. The PeriCoach now has FDA “over the counter” registration in the United States.

Analytica is also commercialising the AutoStart Burette infusion system. The AutoStart Burette set automatically restarts the delivery of intravenous fluid once the burette has dispensed its predetermined amount of liquid or drug. Automatic restart of the IV fluid, once the drug is dispensed can provide enormous savings in nursing time during and following a medication event, and reduces the risk of blood clots forming that may obstruct the intravenous cannula.

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

Analytica continues the development of this medical device for treatment of muscular spasticity. The ELF2 device delivers a low-frequency voltage used by neurologists to locate nerve endings during Botulinum neurotoxin A injection treatment.

Analytica's development of this device, licenced from Gorman ProMed Ltd in 2012, is to enhance usability features of a device currently in use and respected by the market.

(ii) Corporate

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

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

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

Income tax expense

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

(b) Segment assets

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

(c) Segment liabilities

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

21 Segment performance

	Medical Devices		Corporate		Total	Total
	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$
REVENUE						
Grant revenue	**-**	-	**1,893,605**	988,107	**1,893,605**	988,107
Sales revenue	**190,802**	73,824	**-**	-	**190,802**	73,824
Royalty revenue	**10,679**	6,228	**-**	-	**10,679**	6,228
Interest revenue	**-**	-	**21,157**	51,218	**21,157**	51,218
Loss on sale of equipment	**-**	-	**-**	(194)	**-**	(194)
Total segment revenue	**201,481**	80,052	**1,914,762**	1,039,131	**2,116,242**	1,119,183
Depreciation and amortisation	**(103,177)**	(76,376)	**(14,617)**	(16,989)	**(117,793)**	(93,365)
Cost of sales	**(81,392)**	(22,784)	**-**	-	**(81,392)**	(22,784)
Interest expense	**-**	-	**(2,272)**	(384)	**(2,272)**	(384)
Marketing	**(1,938,948)**	(1,765,019)	**-**	-	**(1,938,948)**	(1,765,019)
Patent Maintenance	**(125,803)**	(86,778)	**-**	-	**(125,803)**	(86,778)
Other expense	**-**	-	**(1,261,842)**	(1,103,175)	**(1,261,842)**	(1,103,175)
Research and development	**(2,590,524)**	(3,363,283)	**-**	-	**(2,590,524)**	(3,363,283)
Total segment expense	**(4,839,843)**	(5,314,239)	**(1,278,731)**	(1,120,548)	**(6,118,573)**	(6,434,787)
Segment profit (loss)	**(4,638,362)**	(5,234,187)	**636,031**	(81,417)	(4,002,331)	(5,315,604)
(e) Segment assets						
Segment assets	**280,171**	442,135	**1,387,699**	1,225,735	**1,667,870**	1,060,193
Financial assets at fair value through profit and loss	**-**	-	**4,179**	19,850	**4,179**	19,850
(f) Segment liabilities						
(f) Segment liabilities						
Segment liabilities	**-**	-	**(494,016)**	(698,994)	**(494,016)**	(698,994)

Geographical information

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

	2,016		2,015	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	**2,042,658**	**224,325**	1,114,350	231,693
United Kingdom	**33,368**		499	
United States	**40,216**		4,526	

22 Cash Flow Information

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

	Consolidated Group	
	2,016	2,015
	$	$
Profit for the year	**(4,002,331)**	(5,315,604)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	65,870	71,348
- depreciation	51,923	22,017
- fair value adjustment Invion Limited (previously CBio Limited)	15,671	53,280
- net (gain)/loss on disposal of property, plant and equipment	-	194
- share options expensed	3,107	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**356**	17,159
- (increase)/decrease in prepayments	**(33,083)**	309,727
- (increase)/decrease in inventories	**7,367**	(54,522)
- increase/(decrease) in trade and other payables	**(220,972)**	218,964
- increase/(decrease) in provisions	**(600)**	10,895
- increase/(decrease) in employee benefits	**19,163**	26,511
Cashflow from operations	**(4,093,529)**	(4,640,030)

23 Share-based Payments

2016 Grant Date	Expiry Date	Exercise price (cents)	Start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the
30-Oct-13	29-Oct-18	3.224	44,500,000	-	-	-	44,500,000	44,500,000
12-Feb-14	12-Feb-19	4.39	5,000,000	-	-	-	5,000,000	-
22-May-14	22-May-19	7.33	6,350,000	-	-	-	6,350,000	6,350,000
28-Sep-15	28-Feb-20	1.9		52,083,334		41,666,667	10,416,667	10,416,667
10-Nov-15		0.5		10,000,000		10,000,000	0	
12-Nov-15	10-Dec-20	1.62		14,000,000			14,000,000	4,666,666

24 Related Parties

(a) The Group'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 4: Interests of Key Management Personnel (KMP) and the remuneration report in the Directors' Report.

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

Loan facility to the company up to $400,000 provided by Dr Monsour. No funds have been drawn-down as at reporting date (2015: nil).

(ii) Subsidiaries:

The consolidated financial statements include the financial statements of Analytica Limited and the following subsidiaries:

Name of subsidiary	% ownership interest 2016	% ownership interest 2015
PeriCoach Pty Ltd	**100.0**	-

(b) Transactions with related parties

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

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

The Company does not speculate in financial assets.

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

Specific risks

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

Financial instruments used

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

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

Objectives, policies and processes

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

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

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

Liquidity risk

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

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

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

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

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

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

	Not later than 1 month	
	2016	**2015**
	$	**$**
Bank overdraft and loans		2,568
Trade payables	**267,844**	488,817
Total	**267,844**	491,385

Market risk

(i) Foreign currency sensitivity

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

The Company did not actively reduce exposure of foreign currency risk by utilising forward exchange contracts for non-Australian Dollar cash flows during the 2015 or 2014 year.

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

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

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

Foreign currency denominated assets translated into Australian Dollars at the closing rate are included in the inventory balance of $225,280 (2015:$231,692). Net currency gains/losses of $48,574 (2015:$27,923) are disclosed in the statement of profit and loss. Any increase or decrease in exchange rates would not significantly impact users of the financial statements, as such no sensitivity analysis is disclosed.

(ii) Cash flow interest rate sensitivity

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

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

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2015: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

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

	2016		2015	
	2.00%	**-2.00%**	**2.00%**	**-2.00%**
	$	**$**	**$**	**$**
Cash and cash equivalents				
Net results	**25,050**	**(25,050)**	11,631	(11,631)
Equity	**25,050**	**(25,050)**	39,157	(11,631)
Borrowings				
Net results	**-**	**-**	51	(51)
Equity	**-**	**-**	51	(51)

(iii) Other price risk

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

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

The Company is not exposed to commodity price risk.

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

Credit risk

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

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

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

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

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

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

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

26 Fair Value Measurement

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

- Financial assets

Fair value hierarchy

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

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

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

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
30-Jun-16	**$**	**$**	**$**	**$**
Recurring fair value measurements				
Listed shares	**4,179**	**-**	**-**	**4,179**
	Level 1	**Level 2**	**Level 3**	**Total**
30-Jun-15	**$**	**$**	**$**	**$**
Recurring fair value measurements				
Listed shares	19,850	-	-	19,850

27 Events Occurring After the Reporting Date

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

28 Company Details

The registered office of the company is:

Analytica Limited
c/o Avance Chartered Accountants
222 Bazaar Street,
Maryborough Qld 4655

Telephone: (07) 3278 1950

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

Telephone: +61 1300 554 474
Email: registrars@linkmarketservices.com.au

The postal address for the registered office of the company is:
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PO Box 438
Maryborough Qld 4650

The principal place of business is:
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Brisbane Qld 4000
Telephone: (07) 3278 1950