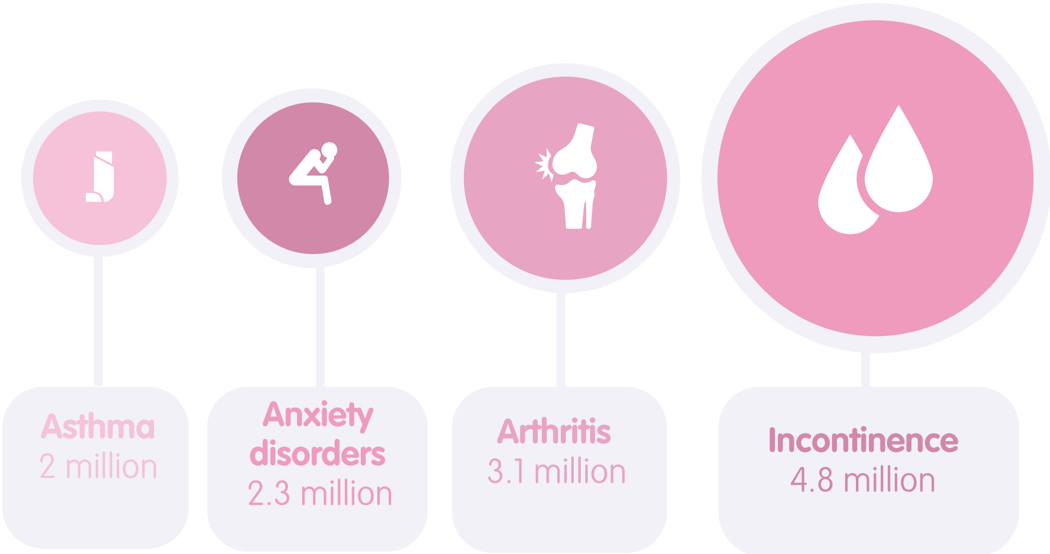
ANNUAL REPORT 2016

ANALYTICA

PERICOACH

THE INCONTINENCE MARKET IN AUSTRALIA



Urinary Incontinence Affects

1 IN 3 WOMEN

and up to a
billion women
worldwide

50%
don't report it

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ANALYTICA PERICOACH

DIRECTORS' REPORT

For the Year Ended 30 June, 2016

The directors present their report, together with the interim financial statements of the Group, being Analytica Limited (the Company) and its controlled entities, for the year ended 30 June, 2016.

1. General information

Information on directors

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

Dr Michael Monsour	Chairman (appointed 28 June 2004)
Qualifications	MBBS-HONS, FACRRM, FAICD
Experience	Dr Michael Monsour is a Medical Practitioner with extensive interests in Queensland medical and dental centres. Michael Monsour graduated from the University of Queensland in 1977 in medicine with honours. He operates a medical management company, which provides management support to medical and dental practitioners. He is the principal of Godbar Software (established 1988) which is one of the leading software developers of Occupational Health, Safety and Medical Accounting software packages in Australia.
Interest in shares and options	Direct: Dr MP Monsour Director's interest in ordinary shares 2,606,337 Indirect (ordinary shares): MPAMM Pty Ltd 44,687,785 Halonna Pty Ltd 430,497,784 MP Monsour Medical Practice Pty Ltd 19,747,277 Other related parties: Ordinary shares 2,726,981 Unlisted options: 13,000,000 @ 3.24c expire 29/10/2018 Listed options: ALTOA Options 16,666,666 @ 1.4c Expire 28/02/2018

Mr Ross Mangelsdorf	Executive Director (appointed 7 October 2008)
Qualifications	B.Bus, FCA, CTA, MAICD
Experience	Mr Mangelsdorf has been a Director/partner of a chartered accounting firm for 35 years. He works with SME production, manufacturing and retail firms assisting with business, taxation and management services.
Interest in shares and options	Direct: Ross Mangelsdorf Director's interest in ordinary shares: 217,411 Indirect: RM & JM Mangelsdorf Ordinary shares 217,411 Tambien Pty Ltd Ordinary shares 32,794,029 Other related parties: Ordinary shares 17,342,526 Unlisted options: 10,000,000 @ 3.24c expire 29/10/2018 Listed options: ALTOA Options 2,614,995 @ 1.4c Expire 28/02/2018.
Special responsibilities	Mr Mangelsdorf performs the function of Chief Financial Officer.

Mr Warren Brooks	Non Executive Director (appointed 25 July 2011)
Qualifications	Securities Institute Certificate, Diploma in Financial Planning
Experience	Warren previously had 30 years experience working in Investment Banking and Stockbroking.
Interest in shares and options	Indirect director's interest: W Brooks Investments Pty Ltd Ordinary shares 48,645,000 Unlisted options: 8,000,000 @ 3.24c Expire 29/10/2018 Listed options: ALTOA Options 5,405,000 @ 1.4c Expire 28/02/2018
Other directorships in listed entities held in the previous three years	Mr Brooks was the Managing Director and Founder of boutique Financial Advisory firm Clime AFM Pty Ltd which was a wholly owned subsidiary of Clime Investment Management Ltd, an ASX listed Company. Warren founded Australian Financial Management (Investment) Pty Ltd in 1998 and sold the business to Clime Investment Management.

Mr Carl Stubbings	Non Executive Director (appointed 13 January 2013)
Qualifications	Bachelor of Applied Science (Medical Technology) degree from the Queensland University of Technology.
Experience	Mr Stubbings' experience in the sector spans over 30 years with a focus on medical diagnostics as well as biotechnology. He has specialised in sales with a particular emphasis on marketing across North America, Latin America, Asia Pacific and Europe as well as roles covering manufacturing and administration. Previously a board member of the Queensland North America Biotech Advisory Council.
Interest in shares and options	Indirect director's interest: C&K Stubbings Super Fund Ordinary shares 2,746,322 Unlisted options: 4,000,000 @ 1.62c Expire 10/12/2020 Listed options: ALTOA Options 305,146 @ 1.4c Expire 28/02/2018
Other current directorships in listed entities	Currently focused on developing and executing the commercialisation strategy including licensing and partnership agreements, Mr Stubbings' works as a business development consultant for Biotron (ASX:BIT) and BCAL Diagnostics. Mr Stubbings is also currently a non executive director of unlisted public company Sienna Diagnostics and Otakaro Pathways Ltd (New Zealand), providing strategic input for both companies as they initiate commercialisation of their diagnostic tests.

Dr Thomas Lönngren	Non Executive Director (appointed 10 August 2015)
Qualifications	Degree in Pharmacy, Master of Science Degree in social and regulatory pharmacy. Honorary Doctorate from University of Bath, UK (2011), University of Uppsala, Sweden (2008), and Honorary Fellow of the Royal College of Physicians and Honorary Member of the Royal Pharmaceutical Society of Great Britain.
Experience	Dr Lönngren has a profound knowledge and experience in drug and medical device regulation, and health economics across the world's major markets. His extensive network of contacts in multinational pharmaceutical and medical device companies and capital markets will be a great asset for our Company as we expand our operations into the United States and Europe.
Interest in shares and options	Unlisted options: 10,000,000 @ 1.62 Expire 10/12/2020
Other current directorships in listed entities	Dr Lönngren's current positions include Director and Founder of Pharma Executive Consulting Ltd in London, Strategic Advisor at NDA Group in Sweden, Germany, UK and Cambridge, MA, US and Non Executive Director of Global Kinetics Corporation in Australia.

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

Principal activities and significant changes in nature of activities

The principal activities of the Group during the year were:

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

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

2. OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating results

The consolidated loss of the Group amounted to $ (3,881,472), after providing for income tax. This represented a decrease on the loss of $1,434,132 result reported for the year ended 30 June 2015 of $(5,315,604). Increase for market development of $173,928 to $1,938,948 (2015:$1,765,019). Research and development decrease by $893,617 to $2,469,665 (2015:$3,363,283) was due to the continued development of PeriCoach. Administration costs increased by $172,856 to $1,187,810 (2015:$1,014,953).

Review of operations

PeriCoach®

- Executing the commercialisation strategy for PeriCoach is focussed on the flowing milestones:
- Building 'best-in-class' conservative treatment for pelvic floor conditions, with a particular focus on urinary incontinence.
- Validate and extend clinical credibility and effectiveness of PeriCoach.
- Confirming market acceptance while creating a positive sales environment.
- Securing a competitive partnering agreement with a major multinational company with the resources to make PeriCoach a global success.

Best-In-Class

- PeriCoach qualifies for the Australian Government's Research and Development Tax incentive. The company continues to make substantial investment in PeriCoach to establish this unique approach as 'best in class'. As a result of this investment Analytica received a $1,893,605 refund for 2015 year. Substantial investment in the development of PeriCoach has continued through 2016 with claim recently lodged for this year. The board strongly believe development must continue to secure and enhance the partnering value of PeriCoach.

- PeriCoach is a sophisticated medical device designed to collect valuable data that has not been available previously outside of a clinical environment. The limited market release identified opportunities to improve ease of use, connectivity and responsiveness. These enhancements were incorporated in Version 2 of PeriCoach. The company has continued to collect data and identified further enhancements to PeriCoach, which include monitoring, and biofeedback capabilities. These additional features are being incorporated into Version 3 of PeriCoach.
- There is an ongoing flow of data being collected by PeriCoach sensors. This data is transmitted to Analytica's proprietary cloud database for further analysis. In addition to transmitting the data to Analytica, the App simplifies information providing immediate feedback to the user. This programming is ongoing as more data is collected opportunities are identified.
- Data analysis is continually being improved to enable refinement of treatment programs and importantly, provide detailed evidence of effectiveness.
- In conjunction with the release of PeriCoach the purchase and payment system was further refined. The UK and the US, ordering and payment portals are now linked to each country's logistics.
- The web page continues to evolve to ensure it remains fresh and interesting to consumers.
- Australian (TGA) and European (CE) registration was achieved in 2014 supported by extensive documentation and testing.
- Following United States Food and Drug Administration (FDA) approval in March 2015 as a prescription only product the company lodged an application with the FDA for PeriCoach to be approved as an 'Over the Counter' (OTC) product, meaning it does not require a prescription. The FDA granted this important milestone in the world's largest medical device market in July 2016.

Establish and extend clinical credibility of effectiveness

- Clinical Trial. Although not required for regulatory clearance, Analytica is conducting a clinical trial for incontinence treatment and sexual function. This trial is to provide independent evidence and validation of PeriCoach efficacy, for consumers, clinicians and partners.
- Clinical advisory boards consisting of key opinion leaders in both Australia and the United States continue to provide expert guidance and clinical relations support.
- Clinical papers and case studies using PeriCoach in treatment have been published in leading clinical journals.

Testing market acceptance and create a positive sales environment

- The company has been represented at clinician's conferences in Australia and United States, Europe and the United Kingdom.
- Mail and email campaigns targeting General Practioners (GP) and their support teams.
- Articles in GP publications. Engagement of clinical advisory board members in events.
- Expanded PeriCoach health care network.
- Continuing support by jacobstahl, specialist medical device PR agency, based in New York, driving PeriCoach marketing strategy.
- Developing video promotions, training and testimonials.
- Media activity in women's magazines.

- Data warehousing and analysis of usage and performance of PeriCoach published.
- Key social media bloggers activity including their support of local and national events.
- Expanded web content, digital media campaign including Google Adwords, remarketing, Facebook advertising, conversion rate optimisation.

Partnership

The US, EU and Chinese markets are considered the largest medical device markets in the world. To address these markets competitively will require significantly more marketing and sales resources than Analytica has available. To address these markets effectively, the company is actively engaged in discussions with potential partners that have the capacity maximise the sales of PeriCoach in these important regions. Directors Carl Stubbings and Dr Thomas Lönngren both have experience and networks in the US and EU. In addition consultants have been engaged to assist with the further development of the company's partnering strategy.

ELF2

Analytica has deferred development of this medical device for treatment of muscular spasticity, devoting resources to PeriCoach. The ELF2 device delivers a low frequency voltage used by neurologists to locate nerve endings during botulinum neurotoxin A injection treatment. Analytica's development of this device, licenced from Gorman ProMed Ltd in 2012, is to enhance usability features of a device currently in use and respected by the market. Analytica has applied for a patent for simultaneous low frequency stimulation and electromyography functionality for the ELF2 product.

AutoStart Infusion System

This product, despite overwhelming evidence of cost effectiveness and safety has struggled for a foothold in the small Australian market. Medical Australia Ltd has successfully listed the AutoStart burette on the Queensland Health purchasing schedule. Inclusion in this schedule is a pre-requisite for all public Queensland health facilities to purchase medical devices. Analytica believes this important step could provide a valuable opportunity to gain some market share in Australia.

Intellectual Property

Analytica continues to develop and protect its Intellectual Property through patents, trademarks and design registrations. Protection of Intellectual Property is critical in partnering negotiations and assists in securing a potential partner's freedom to operate in the market.

PeriCoach was granted patent protection in China in August 2016. China has an estimated 227 million women with urinary incontinence. Many jurisdictions allow patent protection for 20 years providing patent coverage until 2032. Analytica also has PeriCoach patents pending in the PCT national phase in Australia, Japan, Brazil, India, Germany, and France. Design registrations have also been granted in these jurisdictions.

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

Analytica's licensed burette patents (1995) are maintained for the North American, Australian, and European markets and more recent (2006) patent pending embodiments are extended in these regions and China until 2026. Patent protection for this later embodiment of the AutoStart burette was granted in United States in July 2016.

Analytica's Flush feature developed in 2008 is currently in the Patent Cooperation Treaty (PCT) national phase, and has been granted patents in China, with US, Australia and Germany pending..

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

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

3. FINANCIAL REVIEW

Financial position

The net assets of the Group have increased by $ 917,842 from 30 June 2015 to $ 1,298,891 at 30 June 2016.

The directors have secured capital from the August 2015 share rights issue, the Share Purchase Plan and placements in April 2016, to secure the company's financial position to continue the development of PeriCoach, and support clinical evidence collection and market assessment of PeriCoach in United States of America and United Kingdom.

The chairman Dr Monsour expressed his confidence in applying for a large placement which was approved by Shareholders in April 2016.

Analytica have been fortunate to attract the support of INOV8 as a cornerstone investor in the April placement taking up 10% of capital, followed by their further support in August and September 2016.

The company announced an expenditure reduction program in February which further extends the companies cash resources.

4. OTHER ITEMS

Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the year:

a) PeriCoach was released for sale by prescription in the United States of America in June 2015.

b) OTC sale of PeriCoach approval granted by USFDA in June 2016.

c) Cornerstone investor INOV8.

Changes in the controlled entities and divisions:

a) No changes.

Events after the reporting date

Cornerstone Investor INOV8 $250,000 placement August and $250,000 placement September.

Clarification from USFDA of permitted marketing messaging of PeriCoach in treatment of sexual function.

Except for the above, no other 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.

Environmental issues

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

Future developments and results

Continue the commercialisation strategy for PeriCoach namely:

- Executing the commercialisation strategy for PeriCoach is focussed on the flowing milestones:

- Building 'best-in-class' conservative treatment for pelvic floor conditions, with a particular focus on urinary incontinence.
- Validate and extend clinical credibility and effectiveness of PeriCoach
- Confirming market acceptance while creating a positive sales environment
- Securing a competitive partnering agreement with a major multinational company with the resources to make PeriCoach a global success.

Non audit services.

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

- all non audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.
- The following fees were paid or payable to the external auditors for non audit services provided during the year ended 30 June, 2016:

Bentleys Brisbane QLD Pty Ltd	2016 $	2015 $
Other review	**2,600**	1,500

Auditor's independence declaration

- The lead auditors independence declaration for the year ended 30 June, 2016 has been received and can be found on page 24 of the financial report.

Company secretary

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

- Bryan Dulhunty (COSA Pty Ltd) has been the company secretary since 15 October 2012. COSA provides specialised Company Secretarial and CFO services to Life Science Companies.
- Byran Dulhunty has extensive experience in the biotech industry having held roles covering Chairman, Managing Director, Company Secretary, CFO, and Non Executive Director of listed and non listed biotech companies.

Meetings of directors

During the year, 14 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Michael Monsour	14	14
Mr Ross Mangelsdorf	14	14
Mr Warren Brooks	14	14
Mr Carl Stubbings	14	14
Dr Thomas Lonngren	13	13

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

Employees

Analytica recognises the value of diversity in the workplace and is committed to providing equal opportunity for all of its staff. Over 65% of current full-time equivalent employees are female. Where possible Analytica offers flexible work practices and work life balance as a key retention tool. Analytica is also committed to providing a workplace free from any form of harassment, bullying and discrimination.

Options

Unissued shares under option

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

Grant Date	Date of Expiry	Exercise Price	Number under Option
Unlisted Options			
30 June 2013	29 October 2018	$0.0322	44,500,000
12 February 2014	12 February 2019	$0.0439	5,000,000
22 May 2014	22 May 2019	$0.0733	4,375,000
28 September 2015	28 February 2020	$0.019	10,416,667
26 November 2015	10 December 2020	$0.0162	14,000,000
			78,291,667
Listed Options			
11 August 2015	28 February 2018	$0.014	119,372,193
			119,372,193

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

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

REMUNERATION REPORT (AUDITED)

Remuneration policy

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

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

- The remuneration policy has been developed by the Board following professional advice from independent external consultants when required.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

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

Key management personnel receive a superannuation guarantee contribution required by the law, which is currently 9.5% (2015: 9. 5%), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

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

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

The Board's policy is to remunerate non executive directors at market rates for time, commitment and responsibilities. The board determines payments to the non executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non executive directors is subject to approval by shareholders at the Annual General Meeting, the current maximum is $ 550,000 which was approved at the 2011 AGM. In November 2004 the Board set individual directors fees at $50,000 per annum plus statutory superannuation and the chairman's fee at $75,000 plus statutory superannuation. Based on the current board structure total fees paid on a yearly basis will be $269,792 (2015:$225,000) plus statutory superannuation.

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

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

Mr Mangelsdorf is employed by the Company as CFO. Mr Mangelsdorf has 35 years in the accounting profession. Due to the size of the company and the nature of its operations, employment contract is open ended and not for a specific time frame. Mr Mangelsdorf can be terminated by either party giving notice commensurate with the period of employment. There is no provision for the payment of any termination payments other than accrued statutory entitlements. Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholders' interests.

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

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

Relationship between remuneration policy and company performance

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

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

	2016 $	2015 $	2014 $	2013 $	2012 $
Revenue	**2,116,243**	1,119,378	587,483	541,262	194,705
Net Profit	**(3,881,472)**	(5,315,604)	(3,176,008)	(1,135,752)	(2,222,009)
Share Price at Year-end	**0.01**	0.01	0.04	0.02	0.02
Dividends Paid (cents)	**-**	-	-	-	-

Performance conditions linked to remuneration

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

Employment details of members of key management personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group.

The table also illustrates the proportion of remuneration that was performance based, non performance based, and the proportion of remuneration received in the form of options.

			Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration Relatted to Performance	
Group KMP	Position Held as at 30 June 2016 and any Change during the Year	Contract Details (Duration and Termination)	Non-salary Cash-based Incentives %	Shares/ Units %	Options/ Rights %	Fixed Salary/Fees %	Total %
Directors							
Dr Michael Monsour	Chairman	Annual Review	-	-	-	100	100
Mr Ross Mangelsdorf	Executive Director and Chief Financial Officer	Annual Review	-	-	-	100	100
Mr Warren Brooks	Non - executive Director	Annual Review	-	-	-	100	100
Mr Carl Stubbings	Non - executive Director	Annual Review	-	-	-	100	100
KMP							
Geoffrey Daly	Chief Executive Officer	Open - ended contract; Termination by 5 weeks notice or 4 weeks employee.	-	-	-	100	100

Service Agreements

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

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

All service agreements are for an unlimited duration. The agreements for executives (other than the Managing Director, Chief Executive Officer and Chief Finance Officer which require three months notice) may be terminated by giving six weeks notice (except in cases of termination for cause where termination is immediate).

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

Remuneration details for the year ended 30 June, 2016

The following table of benefits and payment represents components of the current year and comparative year remuneration for each member of the key management personnel of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Table of benefits and payments

	short term					post employment		long term	termi-nation	share based payments			
2016	cash salary fees $	bonus $	non mon-etary $	other $	$	pension and superannu-ation $	other post employ-ment $	$	$	options and rights $	shares and units	cash-settled $	$
Directors													
Dr Michael Monsour	75,000	-	-	-	75,000	7,125	-	-	-	-	-	-	82,125
Mr Ross Mangelsdor	176,000	-	-	-	176,000	16,720	-	-	-	-	-	-	19,720
Mr Warren Brooks	50,000	-	-	-	50,000	4,750	-	-	-	-	-	-	54,750
Mr Carl Stubbings	50,000	-	-	-	50,000	4,750	-	-	-	7,432	-	-	62,182
Dr Thomas Lonngren	49,047	-	-	-	49,047	-	-	-	-	18,580	-	-	67,627
KMP													
Geoffrey Daly	210,000	-	-	-	210,000	19,950	-	-	-	-	-	-	229,950
	610,047	-	-	-	610,047	53,295	-	-	-	26,012	-	689,354	

	short term					post employment		long term	termi-nation	share based payments			
2015	cash salary fees $	bonus $	non mon-etary $	other $	$	pension and superannu-ation $	other post employ-ment $	$	$	options and rights $	shares and units	cash-settled $	$
Directors													
Dr Michael Monsour	75,000	-	-	-	75,000	7,125	-	-	-	-	-	-	82,125
Mr Ross Mangelsdorf	81,500	-	-	-	81,500	7,742	-	-	-	-	-	-	89,242
Mr Warren Brooks	50,000	-	-	-	50,000	4,750	-	-	-	-	-	-	54,750
Mr Carl Stubbings	50,000	-	-	-	50,000	4,750	-	-	-	-	-	-	54,750
KMP													
Geoffrey Daly	210,000	-	-	-	210,000	19,950	-	-	-	-	-	-	229,950
	466,500	-	-	-	466,500	44,317	-	-	-	-	-	-	510,817

Securities received that are not performance related

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

Cash performance related bonuses

There were no bonuses granted as remuneration to key management personnel and other executives during the year ended 30 June 2016 (2015: nil).

Description of options/rights granted as remuneration

Details of the options granted as remuneration to those key management personnel and executives during the year:

2016	Granted as remuneration No.	Value of options at grant date $	Vested during the year No.	Lapsed during the year No.	Value of lapsed options at lapse date $
Directors					
Mr Carl Stubbings	4,000,000	.003	1,333,333	-	-
Dr Thomas Lonngren	10,000,000	.003	3,333,333	-	-

2015: Nil

Options were approved at the 2015 AGM for directors. These options are brought to account at valuation prepared by BDO Chartered Accountants.

All options were issued by Analytica Limited and entitle the holder to ordinary shares in Analytica Limited for each option exercised.

There have not been any alterations to the terms or conditions of any share based payment arrangements since grant date.

Corporate Governance

Analytica Ltd is committed to implementing the highest possible standards of corporate governance. In determining what those high standards should involve, Analytica Ltd has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles) and has a corporate governance framework that reflects those recommendations within the structure of the Company.

The Board of Analytica Ltd approved an updated series of policies and charters in line with the amendments to the ASX Principles. The Company's policies and charters together form the basis of the Company's governance framework at the date of signing of the directors' report.

Within this framework:

- the Board of Directors is accountable to shareholders for the performance of the Company;
- the Company's goals to achieve milestones are set and promulgated;
- the risks of the business are identified and managed, and
- the Company's established values and principles underpin the way in which it undertakes its operations.

The Company has in place an entrenched, well developed governance culture which has its foundations in the ethical values that the Board, management and staff bring to the Company and their commitment to positioning the Company as a leader in its field.

In certain instances, due to the size and stage of development of Analytica and its operations, it may not be practicable or necessary to implement the ASX Principles in their entirety. In these instances, Analytica Ltd has identified the areas of divergence.

Key management personnel options and rights holdings

Unlisted Options

30 June, 2016	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercisable
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
Unlisted Options @ 1.62 cents, Expire 10/12/20							
Mr Carl Stubbings		4,000,000			4,000,000		1,333,333
Dr Thomas Lonngren		10,000,000			10,000,000		3,333,333
Other KMP **Unlisted Options @ 3.24 cents, Expire 29/10/18**							
Geoffrey Daly	6,000,000	-	-	-	6,000,000	-	6,000,000
Unlisted Options @ 4.50 cent, Expire 12/02/19-							
Geoffrey Daly	5,000,000	-	-	-	5,000,000	-	-
	42,000,000	14,000,000	-	-	56,000,000	-	41,666,666

30 June, 2015	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercisable
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
Other KMP **Unlisted Options @3.24 cents, Expire 29/10/08**							
Geoffrey Daly	6,000,000	-	-	-	6,000,000	-	6,000,000
Unlisted Options @3.24 cents, Expire 29/10/08							
Geoffrey Daly	5,000,000	-	-	-	5,000,000	-	-
	42,000,000	-	-	-	42,000,000	-	37,000,000

Key management personnel shareholdings

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

30 June, 2016	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
Directors				
Dr Michael Monsour	131,290,332	-	368,975,832	500,266,164
Mr Ross Mangelsdorf	22,067,559	-	28,503,818	50,571,377
Mr Warren Brooks	32,430,000	-	16,215,000	48,645,000
Mr Carl Stubbings	1,830,882	-	915,440	2,746,322
	187,618,773	-	414,610,090	602,228863

30 June, 2015	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
Directors				
Dr Michael Monsour	102,539,666	-	28,750,666	131,290,332
Mr Ross Mangelsdorf	20,472,402	-	1,595,157	22,067,559
Mr Warren Brooks	31,759,341	-	670,659	32,430,000
Mr Carl Stubbings	1,627,450	-	203,432	1,830,882
	156,398,859	-	31,219,914	187,618,773

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

Director
Dr Michael Monsour
Dated this 30th day of September 2016

Director
Mr Ross Mangelsdorf

Bentleys
THINKING AHEAD

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF ANALYTICA LIMITED

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

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Bentleys

Bentleys Brisbane Partnership

Stewart Douglas
Partner
Brisbane
30 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June, 2016

		Consolidated Group	
	Note	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	**(2,469,665)**	(3,363,282)
Profit before income tax		**(3,881,472)**	(5,315,604)
Income tax expense	3	-	-
Profit for the year		**(3,881,472)**	(5,315,604)
Other comprehensive income, net of income tax			
Total comprehensive income for the year		**(3,881,472)**	(5,315,604)
Profit attributable to:			
Members of the parent entity		**(3,881,472)**	(5,315,604)
Total comprehensive income attributable to:			
Members of the parent entity		(3,881,472)	(5,315,604)
Earnings per share			
Basic/diluted earnings per share (dollars)		**(0.0027)**	(0.0059)
Diluted earnings per share (dollars)		**(0.0021)**	(0.0056)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June, 2016

		Consolidated Group	
	Note*	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,252,514	581,531
Trade and other receivables	8	19,136	19,493
Inventories	9	224,325	231,692
Other assets	13	**225,852**	71,911
TOTAL CURRENT ASSETS		**1,721,827**	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		**1,792,906**	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		**494,015**	698,994
NET ASSETS		1,298,891	381,049
EQUITY			
Issued capital	19	**96,910,986**	92,114,779
Reserves	18	**537,844**	534,737
Retained earnings		**(96,149,939)**	(92,268,467)
TOTAL EQUITY		1,298,891	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		-	(3,881,472)	-	(3,881,472)
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	(96,149,939)	537,844	1,298,891

2015		Consolidated Group			
	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		**(6,204,350)**	(5,758,761)
Interest received		**21,157**	51,216
Finance costs		**-**	-
Interest paid		**(2,272)**	(384)
Net cash provided by (used in) operating activities	22	**(4,093,528)**	(4,640,030)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible asset		**(17,962)**	(11,716)
Purchase of property, plant and equipment		**(11,165)**	(38,248)
Net cash used by investing activities		**(29,127)**	(49,964)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**5,235,681**	3,715,642
Costs of fund raising		**(439,474)**	(394,211)
Net cash used by financing activities		**4,796,207**	3,321,431
Net increase (decrease) in cash and cash equivalents held		**673,552**	(1,368,563)
Cash and cash equivalents at beginning of year		**578,963**	1,947,526
Cash and cash equivalents at end of financial year	7	**1,252,514**	578,963

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.

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. Cost of inventory is determined using the fist-in-first-out basis and are net of any rebates and discounts received.

e. 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.

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

f. 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.

g. 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.

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.

h. 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.

i. 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 20 years.

Amortisation

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

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

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

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.

Software

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

j. 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.

k. 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.

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.

l. 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.

m. 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.

n. 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.

o. 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.

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

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

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

p. 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.

q. 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.

r. 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.

s. 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.

t. 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.

u. 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.

v. Going concern

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

This basis has been adopted as the company has sufficient cash at 30 June 2016 to conduct its affairs. The company has a guarantee of continuing financial support from Dr Monsour to allow the company to meet its liabilities and it is the belief that such financial support will continue to be made available.

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

The company also expects to generate sales income during the 2016 year from the sales of its Pericoach.

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

w. Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

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

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

x. Share capital

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

y. Critical accounting estimates and judgements

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

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

Key estimates – impairment

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

z. 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)

New Accounting Standards for Application in Future Periods (continued)

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. Result for the year

Profit before income tax from continuing operations includes the following specific expenses:

	Consolidated Group	
	2016 $	2015 $
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 $	2015 $
Other expenses:		
Administrative expenses		
Administration - general	**95,543**	108,222
Compliance costs	**639,252**	487,944
Employee costs - general	**453,015**	418,787
	1,187,810	1,014,953
Depreciation and amortisation		
Amortisation	**98,324**	71,348
Depreciation of property plant and equipment	**19,469**	22,017
	117,793	93,365
Marketing expenses		
PeriCoach	**1,693,311**	1,113,551
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	**1,935,143**	2,848,778
	2,469,665	3,363,282

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 Expense

	Consolidated Group	
	2016 $	**2015 $**
Profit	(3,881,472)	(5,315,604)
Tax	**30%**	30%
	(1,164,442)	(1,594,681)
Add:		
Tax effect of:		
non deductible expenses	740,900	1,267,735
	(423,542)	(326,946)
Less:		
Tax effect of:		
non assessable income	(568,081)	(296,432)
Temporary differences and tax losses not brought to account	991,623	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.

2016	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercisable
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
Unlisted Options @1.62 cents Expire 10/12/20							
Mr Carl Stubbings		4,000,000	-	-	4,000,000	1,333,333	1,333,333
Dr Thomas Lonngren		10,000,000	-	-	10,000,000	3,333,333	3,333,333
	31,000,000	14,000,000	-	-	45,000,000	4,666,666	35,666,666
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

2015	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year	Vested during the year	Vested and exercisable
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

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June, 2016				
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	-	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	-	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

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June, 2015				
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 $	Consolidated Group 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 $	Consolidated Group 2015 $
Loss from continuing operations	**(3,881,472)**	**(5,315,604)**
Earnings used to calculate basic EPS from continuing operations	**(3,881,472)**	**(5,315,604)**

(b) Earnings used to calculate overall earnings per share

	Consolidated Group 2016 $	Consolidated Group 2015 $
Earnings used to calculate overall earnings per share	**(3,881,472)**	**(5,315,604)**

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

	Consolidated Group 2016 No.	Consolidated Group 2015 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**1,415,930,397**	**897,958,600**
Weighted average number of dilutive options outstanding	**449,320,836**	**53,875,000**
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**1,865,251,233**	**951,833,600**
Earnings per share		
Basic earnings per share (dollars)	**(0.0027)**	**(0.0059)**
Diluted earnings per share (dollars)	**(0.0021)**	**(0.0056)**

7 Cash and cash equivalents

	Consolidated Group	
	2016 $	2015 $
Cash at bank and in hand	67,004	39,487
Short-term bank deposits	1,185,510	542,044
	1,252,514	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	
		2016 $	2015 $
Cash and cash equivalents		1,252,514	581,531
Bank overdrafts	14		(2,568)
Balance as per consolidated statement of cash flows		1,252,514	578,963

8 Trade and other receivables

	Consolidated Group	
	2016 $	2015 $
CURRENT		259
Trade receivables	4,677	
Sundry Debtors		
	4,677	259
GST receivable	11,051	19,234
Other receivables	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	
	2016 $	2015 $
CURRENT		
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

	notes	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		(89,866)	(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 Equip-ment $	Office Equip-ment $	Computer Equip-ment $	Total $
Year ended 30 June, 2016				
Balance at the beginning of year	8,645	1,923	27,814	38,382
Additions	590	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	30,077

Consolidated	Plant and Equip-ment $	Office Equip-ment $	Computer Equip-ment $	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	-	(194)	-	(194)
Depreciation expense	(955)	(1,387)	(19,675)	(22,017)
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	17,962	-	-	17,962
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	**225,852**	**71,911**

14 Borrowings

	Consolidated Group	
	2016 $	2015 $
CURRENT		
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 (2015: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 Group		
	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

	Consolidated Group	
	2016 $	2015 $
Non-current liabilities		
Long service leave	18,104	40,713

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 accured 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 in the next 12 months. However these amounts 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 the employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued to long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In claculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historic data.

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	537,844	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**
Total	**96,910,986**	**92,114,779**

	Consolidated Group	
	2016 $	**2015 $**
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 placement @ 0.3 cents per share		28,333,334
4 November 2014 85,540,964 1for 8 entitlement @ 0.3 cents per share		85,540,964
5 November 2014 9,984,332 placement @ 0.3 cents per share		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 2016 is 0% (2015: 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. PeriCoach entered controlled market release in June 2014, with clinical trials undertaken in November 2014, with its public release in Australia nd United Kingdom January 2015 and release in the United States in June 2015.

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

	Medical Devices		Corporate		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	**2,116,243**	1,119,183
Depreciation and amortisation	**(103,176)**	(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	**(2,469,665)**	(3,363,282)	-	-	**(2,469,665)**	(3,363,282)
Total segment expense	**(4,718,984)**	(5,314,239)	**(1,278,731)**	(1,120,548)	**(5,997,715)**	(6,434,787)
Segment profit (loss)	**(4,517,503)**	(5,234,187)	**636,031**	(81,417)	**(3,881,472)**	(5,315,604)

(e) Segment assets

Segment assets	**280,171**	442,135	**1,508,556**	618,058	**1,788,727**	1,060,193
Financial assets at fair value through profit and loss	-	-	**4,179**	19,850	**4,179**	19,850

(f) Segment liabilities

Segment liabilities	-	-	**(494,016)**	(698,994)	**(494,016)**	(698,994)

(g) Geographical information

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

	2016	2015
	Revenue	Revenue
Australia	2,042,658	1,114,350
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	
	2016 $	2015 $
Profit for the year	**(3,881,472)**	(5,315,604)
Cash flows excluded from profit attributable to operating activities		
Non cash flows in profit:		
- amortisation	**98,324**	71,349
- depreciation	**19,469**	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	**357**	17,159
- (increase)/decrease in prepayments	**(153,941)**	309,727
- (increase)/decrease in inventories	**7,367**	(54,522)
- increase/(decrease) in trade and other payables	**(220,973)**	218,964
- increase/(decrease) in provisions	**(600)**	10,895
- increase/(decrease) in employee benefits	**19,163**	26,511
- Cashflow from operations	**(4,093,528)**	(4,640,030)

23 Share-based Payments

The following unlisted options were issued during the current financial year:

(a) On 28 September 2015 the company issued 52,083,334 unlisted options in 3 tranches to Sales Force 4 Hire. The first tranch of 10,416,667 vested during the year and the remaining 41,666,667 were foreited.

(b) On 10 November 2015 the company granted 10,000,000 unlisted options to Origin Capital. Shortly after granting these options they were forfeited.

(c) On 12 November 2015 th company issued 14,000,000 in 3 tranches to directors. The first tranche of 4,666,667 options vested during the year.

Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exer-cised during the year	For-feited during the year	Balance at the end of the year	Vested and exercisable
30-10-13	29-10-18	3.224	44,500,000	-	-	-	44,500,000	44,500,000
12-02-14	12-02-19	4.39	5,000,000	-	-	-	5,000,000	-
22-05-14	22-05-19	7.33	4,375,000	-	-	-	4,375,000	4,375,000
28-09-15	28-02-20	1.9	-	52,083,334	-	41,666,667	10,416,667	10,416,667
10-11-15	08-11-20	0.5	-	10,000,000	-	10,000,000	-	-
12-11-15	10-12-20	1.62	-	14,000,000	-	-	14,000,000	4,666,666
Total			53,875,000	76,083,334		-51,666,667	78,291,667	63,958,333

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**	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 2016 or 2015 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)	(11,631)	(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:

30 June, 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Listed shares	**4,179**	**-**	**-**	**4,179**

30 June, 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Listed shares	**19,850**	**-**	**-**	**19,850**

27 Events Occurring After the Reporting Date

At 31st August $250,000 and 30th September $250,000 capital was received from INOV8 for placement of shares. No other 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:

Analytica Limited

PO Box 438
Maryborough Qld 4650

The principal place of business is:

320 Adelaide Street
Brisbane Qld 4000

Telephone: (07) 3278 1950

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Analytica Listed Public Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 18 to 50, are in accordance with the Corporations Act 2001 and:

   a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

   b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the consolidated group;

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

3. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed.

Directors

Dr Michael Monsour

Mr   Ross Mangelsdorf

Dated this 30th day of September 2016

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ANALYTICA LIMITED

Bentleys
THINKING AHEAD

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ANALYTICA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Analytica Limited which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

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

Bentleys
THINKING AHEAD

Opinion

In our opinion:

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

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

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

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

Emphasis of Matter

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

Report on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Analytica Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001.*

Bentleys

Bentleys Brisbane Partnership

Stewart Douglas
Partner
Brisbane
30 September 2016

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

For the Year Ended 30 June, 2016

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 20 September, 2016.

Substantial shareholders

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

Shareholders	Number of shares
HALONNA PTY LTD	430,497,784
INOV8	238,038,923

Voting rights

Ordinary Shares

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

Options

No voting rights.

Distribution of equity security holders

Holding	Shares	Options ALTOA
1 – 1,000	368,418	5,686
1,001 – 5,000	643,075	250,081
5,001 – 10,000	990,458	720,807
10,001 – 100,000	56,222,434	9,951,258
100,000 and over	2,143,345,266	108,444,361
	2,201,569,651	119,372,193

There were 2,090 holders of less than a marketable parcel of ordinary shares.

Twenty largest shareholders

		Number held
1	HALONNA PTY LTD	392,997,784
2	INOV8 LLC	238,038,923
3	MR JOHN GEOFFREY MOODY	58,000,000
4	IGNATIUS LIP PTY LTD	57,175,229
5	W BROOKS INVESTMENTS PTY LTD	48,645,000
6	M P A M M PTY LTD	44,687,785
7	DR TERESA MARGARET MULLINS + DR PETER JAMES MULLINS	41,145,097
8	HALONNA PTY LIMITED	37,500,000
9	MRS SIGRID ARUNDEL	36,300,000
10	MR RICHARD THOMAS HAYWARD DALY + MRS SARAH KAY DALY	29,784,598
11	VAN AM MARKETING PTY LTD	29,616,442
12	J MOODY NOMINEES PTY LTD	29,200,000
13	TAMBIEN PTY LTD	22,738,771
14	M P MONSOUR MEDICAL PRACTICE PTY LTD	19,747,277
15	MRS MARGE MEI YU LIP	17,370,586
16	MRS SABINA LIP	17,132,353
17	MR MARK OVERELL TAGG ARUNDEL +MRS SIGRID JO-ANNE ARUNDEL	16,800,000
18	MR VICTOR PEREIRA	16,382,353
19	MR SCOTT JAMES BURNS	15,535,791
20	MR ROSS JAMES BURNS + MRS DIANE MARIE BURNS	14,962,300
TOTAL		1,183,760,289

Twenty Largest Option Holders

		Number held
1	HALONNA PTY LIMITED	12,500,000
2	MR JOHN ARTHUR JARVIS	6,336,110
3	IGNATIUS LIP PTY LTD	5,699,208
4	W BROOKS INVESTMENTS PTY LTD	5,405,000
5	MR JOHN GEOFFREY MOODY	3,000,000
6	MRS SUSAN SHIELDS	3,000,000
7	D B M (VIC) PTY LTD	2,999,999
8	MRS MARGE MEI YU LIP	2,943,136
9	MR JUSTIN ANTHONY VIRGIN	2,738,455
10	AUST EXECUTOR TRUSTEES LTD	2,500,000
11	M P MONSOUR MEDICAL PRACTICE PTY LTD	2,500,000
12	CRIMSON PERMANENT ASSURANCE COMPANY PTY LTD	2,376,470
13	MRS SIGRID ARUNDEL	2,075,000
14	MR JOHN ARTHUR JARVIS	1,775,000
15	MR SCOTT JAMES BURNS	1,666,666
16	HALONNA PTY LTD	1,666,666
17	MRS AYAKO FLANDERS	1,400,000
18	TAMBIEN PTY LTD	1,333,333
19	MR MARK OVERELL TAGG ARUNDEL + MRS SIGRID JO-ANNE ARUNDE	1,250,000
20	MRS SABINA LIP	1,250,000
	TOTAL	64,415,043

ANALYTICA

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