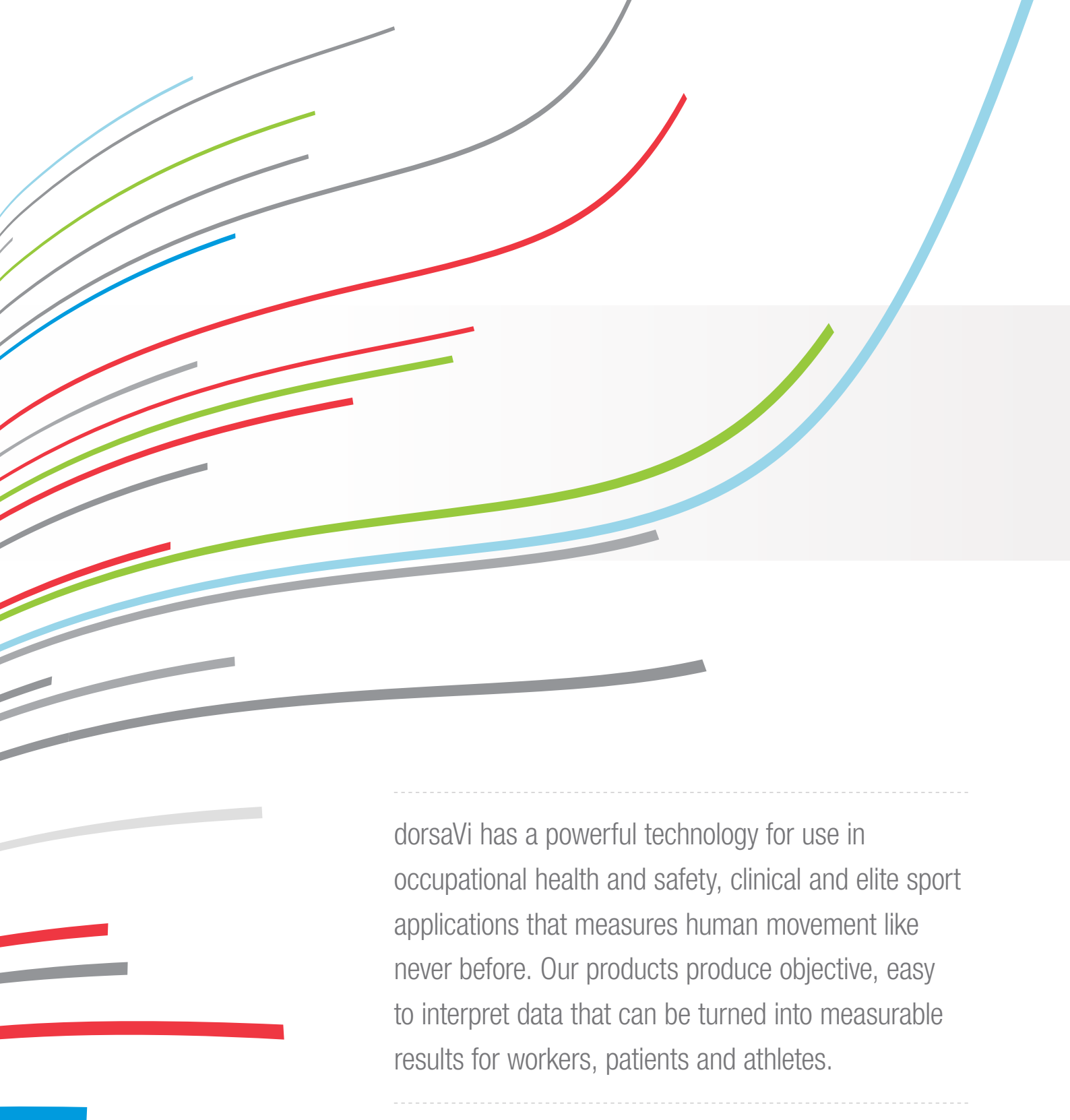




ANNUAL REPORT
// 2016



dorsaVi has a powerful technology for use in occupational health and safety, clinical and elite sport applications that measures human movement like never before. Our products produce objective, easy to interpret data that can be turned into measurable results for workers, patients and athletes.

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CHAIRMAN'S REVIEW



Dear Shareholders

I am delighted to present the Annual Report for the Financial Year 2015/2016. Wearable technologies have rapidly shaped a new and valuable marketplace and dorsaVi is ideally placed to capture opportunities. However, it's our differences rather than our similarities to others operating in this market that truly sets us apart.

dorsaVi has a highly important first mover position in medical-grade wearables and with expanded FDA clearance and the validation of published clinical data, our products are gaining traction with larger workforce employers, clinicians, insurers and elite sports clubs.

Intersecting with this are a number of factors that continue to strengthen our market opportunity:

- a desire by insurers and large manual labour intensive industries to reduce the personal, social and financial impact of workplace injury;
- regulatory changes that incentivise workplaces to put in place preventative practices for workplace injury; and
- large clinical networks searching for a point of difference and an opportunity to offer best practice treatments.

dorsaVi is a data driven company and the products and services we offer are not only contributing to the bottom line but are making a real difference to clinicians, athletes and organisations, with whom we do business.

In the Occupational Health and Safety (OHS) market, adoption of our workplace solutions offering is growing at a rapid rate as companies place a higher priority on data driven decision making to reduce workplace injury and create a safer work environment. We are driving OHS opportunities

and sales through multiple channels; direct via dorsaVi sales representatives, insurers, and in partnership with a number of organisations who provide complementary workplace health and safety consulting and/or solutions in key markets. We are pushing into large untapped OHS markets which require insights from movement and muscle activity data, which is leading to substantial commercial outcomes for our customers.

In the clinical market we are successfully supporting our direct to market sales team with two highly valuable and important partnerships with clinical networks in the US and UK which allows us to more rapidly grow our installed device base. We are pleased to have signed two major deals; YourPhysioPlan (YPP) in the UK and Physiotherapy Associates in the US. These partnerships provide substantial market opportunity and pathways to establish relationships within the private health market.

The sporting market continues to provide rich data to inform product development and has been essential in influencing our next generation technology which will be launched shortly. We count many professional sports teams in the Australian Football League (AFL), the English Premier League (EPL), and more recently teams in the US in the National Basketball Association (NBA) and in the National Football League (NFL).

Our people have always been our greatest asset and I am confident that our new additions and changes in our management team will continue to drive success. In December 2015, Mr Mark Heaysman was appointed as Head of US Sales and Operations, establishing a base for dorsaVi in New York. In May 2016, we welcomed Ms Megan Connell as Chief Marketing Officer being based in Australia and who has extensive experience with Cochlear in the marketing and launch of medical devices.

On behalf of the board, I would like to thank CEO Andrew Ronchi and his dedicated team for their continued commitment to the company and contributing to our success.

We thank our shareholders and all of our employees for your continued support. I look forward to a successful year ahead and delivering value for each of you, our shareholders.

Herb Elliott
Chairman

CEO'S OPERATIONAL REPORT



“dorsaVi has an experienced team on the ground in the UK, US and Australia. We are successfully expanding our global footprint and have added marquee customers in each region. 2016 has been a transformational year and I am pleased to share these highlights with you.”

Andrew Ronchi
Chief Executive Officer

INTRODUCTION

Throughout the 2016 financial year, dorsaVi has demonstrated substantial progress across its three focus geographies; the US, UK and Australia. dorsaVi has entered a transformational period where the company is attracting and retaining a number of high profile contracts and partnerships, all of which have significant commercial value. The business model across the three jurisdictions is proving successful, each with increasing revenues (123% year-on-year total revenue increase) on a lean and sustainable cost base (year-on-year expenditure down by A\$1.4M). The strong revenue growth shown in FY2016 is expected to continue in FY2017.



ViSafe (OHS)

- Launched OHS product into the UK and the US
- New contracts with major OHS clients in UK & US (Toyota, Jaguar, Transport for London, Heathrow Airport)
- Repeat & large scale OHS contracts (Transport for London, Crown and Monash/Allianz)



ViMove (Clinical)

- Beachhead Clients
 - UK: YourPhysioPlan
 - US: Physio Associates (540 sites)
- Clinical trial publication using ViMove shows 45% reduction in chronic low back pain and 73% improvement in function
- Health economic paper to follow this clinical trial paper



ViPerform (Sport)

- Multiple US elite sports (LA Lakers, New England Patriots, Golden State Warriors)
- Initial College sites (Ohio State & Marquette)

ViMove // worldwide

284,000
PHYSICAL THERAPISTS



USA
80
DEVICES

48,000
PHYSIOS



EUROPE
70
DEVICES

24,000
PHYSIOS



AUSTRALIA
150
DEVICES

Key achievements and highlights over the past year include:

ViSafe™

Workplace Solutions (OHS)

- Securing a partnership with WorkRight NW in the US, an innovative injury prevention company, and signing the first two large contracts valued at A\$230K. There is potential for multiple contracts in partnership with WorkRight NW.
- Continued momentum with new and repeat contracts with Vinci Construction (UK), Heathrow Airport (UK), Jaguar Land Rover (UK), Toyota (UK), Severn Trent Water (UK), Tesco (UK), Caterpillar (US), Sodexo (Aus), BP (Aus), Linfox (Aus), Metcash (Aus) and Monash Health in association with Allianz (Aus). Some of these contracts extend for the next twelve months and beyond.
- A major contract with Transport for London, valued at more than A\$240K, who operate the London Underground rail network. This is the third and largest contract signed with dorsaVi to identify manual handling tasks that are contributing to increased risk of musculoskeletal injury. Transport for London is seeking objective data to inform its program to reduce manual handling injury risk, and follows on from its positive earlier experience with ViSafe in the FY2015.

ViMove™

Clinical

- The signing of major US physical therapy provider Physiotherapy Associates, in a twelve-month partnership to implement 20 devices across 20 sites. Physiotherapy Associates has 540 sites and was recently acquired by Select Medical which brings the number of Select Medical sites to approximately 2,000.
- Appointment of YourPhysioPlan (YPP) as the clinical distributor for UK and Ireland with exclusive marketing rights to the Company's ViMove technology for the private physiotherapy, osteopathy and chiropractic markets with commitments to achieving significant sales targets.
- dorsaVi ViMove technology is being utilised in numerous commercial pilots with some of the world's leading pharmaceutical and medical device companies as well as leading hospitals and research groups. These initiatives will lead to further peer reviewed publications and assist in educating the next generation of clinicians on the merits of ViMove movement analysis.

ViPerform™

Sport

- Expanding on the success in the English Premier League (EPL) in the UK, dorsaVi has signed multiple National Basketball Association (NBA) and National Football League (NFL) teams in the US:
- NFL teams, New Orleans Saints, Cleveland Browns and the 2015 Super Bowl champions, New England Patriots;
 - NBA 2015 champions, Golden State Warriors. As well as LA Lakers, Houston Rockets and LA Clippers;
 - Major League Soccer (MLS) team, Toronto FC, Ohio State University and Marquette University basketball team.

dorsaVi™

Corporate

- Appointment of US Head of Sales and Operations, Mark Heaysman and Chief Marketing Officer Megan Connell.
- Successful capital raising of A\$7.18M through a Placement to sophisticated investors and a Rights Offer.

CEO'S OPERATIONAL REPORT *continued*

BUSINESS OVERVIEW

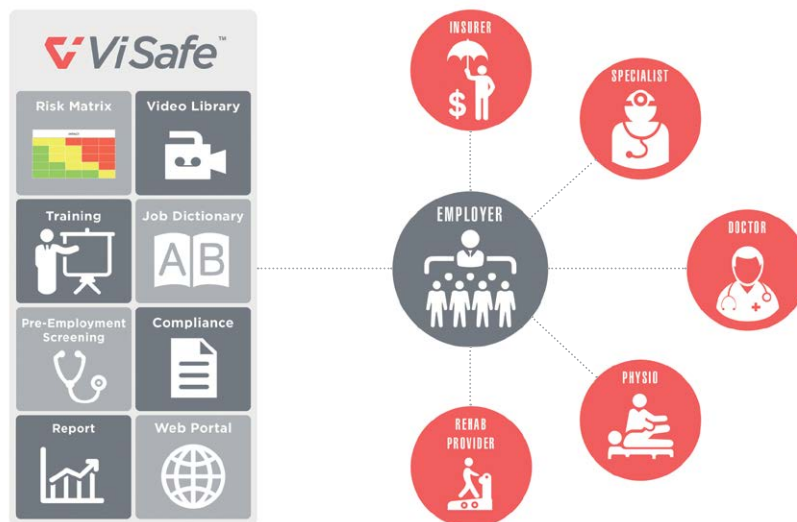
dorsaVi Workplace Solutions

dorsaVi's workplace solutions track and measure how people move in their work environment allowing companies to assess high risk movements with hard data. This allows companies to design fact-based solutions to create a safer work environment. This is a large and untapped area where annual costs in the US exceed US\$250 billion per year. The demand for data driven insights from the workplace is strong.

dorsaVi's OHS offering empowers its customers to make informed decisions and develop evidence-based solutions to improve the safety of their workplace. In addition, insurance trends globally are moving towards rewarding organisations who introduce programs which proactively reduce the growing costs of workplace injury.

The company launched ViSafe in the UK and US in the 2016 financial year and has experienced growing awareness and sales momentum. The need for data driven OHS interventions and solutions has been validated through a number of new and repeat contracts with major companies such as Transport for London, Heathrow Airport, Severn Trent Water, Monash Health and Crown Resorts.

The ViSafe product is continuing to evolve with project revenue soon to be supplemented by an annuity revenue stream through the launch of additional ViSafe services. dorsaVi's growing body of workplace movement, muscle activity and video data is a valuable asset and will be leveraged through the introduction of a number of new products. These include dorsaVi's mini sensors, a manual handling App, manual handling training, pre-employment screening and return to work guidance. Each of these offerings provide potential for additional annuity revenue streams.



Allianz Insurance and Monash Health

From carer to patient: how patient and aged carers are the new epidemic in workplace injury

In November 2015, dorsaVi formed a three-way commercial arrangement with Monash Health and major global workplace insurer Allianz Australia. This six figure contract aims to minimise the impact of workplace manual handling tasks undertaken by nursing staff.

High-risk category workers, such as nurses, home carers and personal care assistants face daily strain on their lower backs and shoulders - in particular through heavy lifting and repetitive movements. The frequency of injured nurses has been described as an epidemic in the US, where there are more than 35,000 injuries each year, which are so severe that they require time off work. Ironically, the nurses are turning into patients themselves, with the profession listed alongside labourers and freight handlers as having the highest number of musculoskeletal disorders in 2014.

Allianz Insurance is taking a solutions-based approach to reduce the number of musculoskeletal incidents. Allianz, in partnership with Monash University and dorsaVi, will deploy a formal intervention program that aims to disrupt the injury cycle with the aim of reducing injury rates and reducing the financial burden on employees and employers.

In this partnership with Monash Health, dorsaVi provided an initial ViSafe baseline assessment where 10 workers were assessed for back and shoulder movement related risk factors in three key areas: surgical theatre, Intensive Care Unit (ICU) and on the hospital ward. After validating certain priority areas and higher risk activities, dorsaVi was able to commence intervention planning.

Through an in-depth analysis of the baseline data, the dorsaVi assessment team worked with Monash Health to design potential solutions to reduce the frequency and duration of high risk movements. These new intervention options were then tested, again using ViSafe wearable sensors, to determine their impact on high risk movement. A specific assessment methodology was developed by dorsaVi for each task, according to a targeted plan. Following this testing, dorsaVi conducted a follow-up assessment focusing on the same work tasks utilising the new procedures and equipment.

ViSafe and dorsaVi's Workplace Solutions offer unique insights to where higher risk tasks exist in occupational environments. It is essential that worker's safety is at the forefront of every step we take in ensuring a safer workplace. The positive market response and new contracts formed across the three regions is a testament that our products and offerings are making a substantial difference to workplace safety.

dorsaVi Clinical

The significant growth in the number of clinical sites now sees more than 300 units deployed across clinical and sporting sites, with the most rapid increase in growth coming from the US clinical market. There has also been a large number of commercial clinical research projects initiated during the 2016 financial year, with dorsaVi technology now being used in more than 65 movement related commercial research projects across the globe. The universities and training hospitals involved in these projects are an important hub to educate and train the next generation of clinicians on the use of dorsaVi's wearable technology in the management of movement related conditions.

In the US clinical market, there has been a significant uptake of dorsaVi's devices in clinical centres and additional market opportunities arising from expanded FDA clearance. From a reimbursement perspective, clinicians using the dorsaVi technology have been able to utilise existing Current Procedural Terminology (CPT) codes at multiple sites across the US. The US based Physiotherapy Associates group, which has 540 sites, has commenced an initial pilot project rolling out ViPerform into 20 clinics across the US in a 12-month period. This pilot is ahead of schedule with over 15 clinics already offering ViPerform assessments within the first 6 months. The Physiotherapy Associates group was acquired by Select Medical, bringing the collective number of sites to more than 2,000.

Select Medical is one of the largest operators of specialty hospitals and outpatient rehabilitation clinics in the US. These types of partnerships provide significant scale and allow dorsaVi to work with thought leaders on joint initiatives which result in collaborative products that add significant value to both businesses.

An example of a joint initiative is the ViPerform AMI (Athletic Movement Index) application, that Select Medical launched in August 2016 after testing the ViPerform AMI screening application on over 800 athletes over a three-month period. This exciting new application uses dorsaVi's proprietary algorithms and the Athletic Movement Index to provide an instant report as to whether the athlete's movement patterns may increase the risk of injury and also provides a planned management and rehabilitation approach.

dorsaVi is now seeing significant interest from large pharmaceutical and medical device groups who wish to use an FDA cleared wearable device to analyse movement data to provide clinical validation for their various products. dorsaVi's background in conducting successful clinical trials provides an attractive offering for these large multinationals who rely on the measurements of movements and muscle activity in these extremely costly clinical trials.

Sporting Solutions

The sporting market continues to be an important segment providing a platform for product expansion and development, and remains a high value source of awareness and validation.

We continue to focus on expanding sales of our sporting solution, ViPerform. Over the past year we have seen adoption of the device across multiple codes overseas including NBA, NFL, EPL and National Rugby League (NRL). We continue to expand our footprint with current US sports customers including; NFL teams, New Orleans Saints, Cleveland Browns and the 2015 Super Bowl champions, New England Patriots; NBA champions, Golden State Warriors, as well as LA Lakers, LA Clippers and Houston Rockets. In addition, other key sporting groups and networks are utilising the ViPerform technology including the MLS, Ohio State University and Marquette University basketball team.

PRODUCT DEVELOPMENT

Product evolution is an important factor in ensuring dorsaVi remains ahead of the competition and continues to be the world leader in movement analysis and technologies. Our new product development has been driven by a combination of in-market testing, user feedback and technology improvements allowing the new dorsaVi sensors to meet customer needs in each of the three markets (OHS, clinical and sports).

We are pleased to report our progress in the development of the mini sensors for our devices. The ease of use, start up time and engagement with patients have all been optimised in line with significant market feedback from the 300 current users of the product. We are on the homestretch in finalising these updates and are excited to launch our new products into the workplace health and safety market in December 2016 and clinical market in February 2017.



Andrew Ronchi
Chief Executive Officer



dorsaVi Ltd and Controlled Entities
ABN: 15 129 742 409

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

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DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity consisting of dorsaVi and the entities it controlled, for the financial year ended 30 June 2016 and auditor's report thereon.

DIRECTORS

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

Herbert James Elliott – Non-executive Chairman:

Chairman of dorsaVi Ltd and chairs the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Ashraf Attia – Non-executive Director:

Mr. Attia serves on the Audit & Risk Committee. He was appointed to the Board on 14 July 2008.

Michael Panaccio – Non-executive Director:

Dr. Panaccio serves on the Audit & Risk Committee and the Nomination and Remuneration Committee. He was appointed to the Board on 16 May 2008.

Gregory John Tweedly – Non-executive Director:

Mr. Tweedly chairs the Audit & Risk Committee and serves on the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Andrew Ronchi – Chief Executive Officer, Director:

Dr. Ronchi was appointed to the Board on 18 February 2008.

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

PRINCIPAL ACTIVITIES

The principal activity of dorsaVi Ltd and its controlled entities during the financial year was distribution of innovative motion analysis technologies. These technologies are commercialised via license, sale or fixed fee consultancy. There has been no significant change in the nature of these activities during the financial year.

RESULTS

The consolidated loss after income tax attributable to the members of dorsaVi Ltd was \$5,237,102 (2015: \$8,036,161).

REVIEW OF OPERATIONS

dorsaVi Ltd has been listed on the ASX since December 2013.

The Company consists of four entities:

- dorsaVi Ltd, the listed Parent company;
- dorsaVi Europe Ltd, a wholly owned subsidiary incorporated and domiciled in the UK;
- dorsaVi USA, Inc., a wholly owned subsidiary incorporated and domiciled in the US; and
- Australian Workplace Compliance Pty Ltd, a wholly owned subsidiary domiciled in Australia.

Revenue for the 2016 financial year was \$3,238,138 (2015: \$1,850,416) predominantly driven by 123% (2015: 157%) growth in sales revenue to \$3,019,928 (2015: \$1,358,218).

The loss from continuing operations after income tax for the 2016 financial year was \$5,237,102 (2015: \$8,036,161), a reduction of 35% on the 2015 financial year.

dorsaVi Ltd has continued to focus on building its sales revenue and customer base in each of its three geographic locations and, at the same time, reducing cost. Whilst sales revenue grew by 123% year on year, total expenditure reduced by \$1,381,420 (13% year on year) mainly due to: a reduction in employee benefits expense; reduced expenditure on US establishment costs; lower advertising and conference expenditure; a more stable regulatory environment resulting in less new regulatory expenditure; and reductions in travel expenses.

OHS SERVICES

dorsaVi continued the launch of the OHS ViSafe product into the UK and US during the 2016 financial year. The strong need for this product was validated by major corporates signing up for ViSafe assessments with a high proportion of these corporations signing on for repeat and larger contracts. Significant new and repeat customers included Transport for London (TFL), Vinci Construction, Crown Resorts, Monash Health in association with Allianz, Sodexo and Caterpillar. There were also project wins with organisations such as Heathrow Airport, Severn Trent Water, Linfox, Tesco, Metcash, Jaguar Land Rover and Toyota, undertaking initial and repeat OHS assessments.

Revenue for OHS Consultancy, utilising ViSafe technology, was \$1,737,388 for the 2016 financial year up 99% over the 2015 financial year (\$872,339) reflecting continued growth in the Australian market, and significant expansion in both the UK and US markets.

CLINICAL AND SPORTS PRODUCT

By 30 June 2016 the Company had 300 devices in the market globally. This represented a 76% increase over the 170 devices in the market at 30 June 2015.

Revenue from the licensing and sale of devices was \$1,282,540 for the 2016 financial year up 164% over the 2015 financial year (\$485,879).

The directors expect revenue in Australia, Europe and the US to continue to grow year on year. Factors impacting and driving this growth include: the effectiveness of the global marketing plan; additional sales generation in the OHS market in the Europe and US markets; shortening of the sales lead times; and the adoption of new product development.

Cost of sales increased in the 2016 financial year to \$848,855 (2015: \$114,177) in line with expectations and largely as a result of the increase in OHS assessments.

Employee benefits expense for the 2016 financial year was \$4,762,296 (2015: \$5,260,764), a 9.5% decrease year on year. The employee headcount at 30 June 2016 was 28 (2015: 33), which represented a 15% decrease year on year. Employee benefits expense represented 50% of the total expenses for the Company for the 2016 financial year (2015: 48%).

Advertising and conference expenses for the 2016 financial year were \$288,047 (2015: \$1,013,938), which represented a 72% reduction year on year. Significant advertising expenses were incurred in the prior year for the corporate and product line rebrand and to build and launch a new website. Conference expenses were incurred during the 2015 financial year as part of the product launch platform in the UK and the US.

Regulatory expenses for the 2016 financial year were \$212,405 (2015: \$506,052). The prior year included significant expenses incurred in obtaining FDA clearance for the increased use of the ViMove and ViPerform products in the US market as well as State based regulatory compliance establishment costs incurred in the US.

Travel expenses for the 2016 financial year were \$392,388 (2015: \$932,546) reflecting: the growing maturity of the international businesses; a reduction in attendance at conferences; a more refined geographic targeting of potential customers; and the increased use of technologies that reduce the need for travel.

The material business risks that are likely to have an effect on the financial prospects of the Company include;

- Over time, dorsaVi may be subjected to increased competition if potential competitors develop new technologies or make scientific or systems advances that compare with or compete with dorsaVi's products
- In the medical sector (but not the Elite Sports or OHS sectors), sales and adoption rates of dorsaVi's system are, in part, likely to be influenced by the availability and level of reimbursement from government and/or insurance payers. Whilst the dorsaVi's products already benefit from reimbursement in some circumstances, there is no guarantee that the use of dorsaVi's products will receive further reimbursement

- General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the dorsaVi's activities, as well as on its ability to fund those activities. In particular, much of its future income is expected to come from the US and European markets and therefore dorsaVi's activities will be affected by currency exchange fluctuations.
- dorsaVi is not currently profitable. Proceeds from the initial float in the 2014 financial year and subsequent capital raisings were and are primarily being used to fund, both, the commercial rollout of dorsaVi's products and continued product development. There is no guarantee that the commercial rollout will result in profitability for the Company. If the commercial roll out is slower or less successful than planned, dorsaVi may need to raise additional capital in the future.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following changes in the state of affairs occurred during the period:

- On 9 July 2015, dorsaVi Ltd announced that it had signed two leading National Football League (NFL) teams, the New Orleans Saints and Cleveland Browns as well as Major League Soccer (MLS) team, Toronto FC, and National Basketball Association (NBA) champion, Golden State Warriors, to use the Company's ViPerform technology.
- On 17 August 2015, dorsaVi Ltd announced that it had signed its largest commercial contract covering an 18-month period with Crown Resorts to provide workplace safety assessments using the Company's ViSafe technology.
- On 17 August 2015, dorsaVi Ltd issued 500,000 fully paid ordinary shares in accordance with the Company's 2013 Employee Share Ownership Plan (ESOP). The Company provided a non-recourse interest-free loan to assist the executive to subscribe for the shares. These shares were issued at a market price of \$0.26 per share. These shares carry a full entitlement to dividends and capital returns. dorsaVi Ltd has the discretion to determine if dividends paid can be applied against the non-recourse loan. These shares are not subject to restrictions such that the employee is able to trade the shares if the balance of principle outstanding has been paid on the loan. The employee may make payment to the Company at any time after the execution date.
- On 18 August 2015, dorsaVi Ltd announced that it had signed the New England Patriots, the 2015 NFL Super Bowl champions, as well as the Ohio State University and Marquette University to use the Company's ViPerform technology.
- On 20 August 2015, dorsaVi Ltd announced that French company, Sodexo, had leased the Company's ViSafe technology for 12 months to test and assess its workers involved in manual handling activities and tasks at remote sites in Australia.
- On 21 August 2015, dorsaVi Ltd announced that international architecture firm, Designinc, had engaged the Company to provide support, over three years, in the review and maintenance of Designinc's Integrated Management System.
- On 2 September 2015, dorsaVi Ltd issued 15,384,616 fully paid ordinary shares to various institutional and sophisticated investors under a private placement. The shares were issued at \$0.26 per share and raised \$4,000,000 before costs.
- On 24 September 2015, dorsaVi Ltd issued 12,230,000 fully paid ordinary shares as part of a 1 for 10 non-renounceable pro-rata rights offer to shareholders as at 1 September 2015. The shares were issued at \$0.26 per share and raised \$3,179,800 before costs.
- On 29 September 2015, dorsaVi Ltd announced the signing of a three-year distribution agreement with leading UK physiotherapy network, YourPhysioPlan (YPP). YPP obtained exclusive marketing rights for the Company's ViMove technology for private physiotherapy, osteopathy and chiropractic markets in the UK and Ireland and committed to achieving significant sales targets.
- On 30 September 2015, dorsaVi Ltd granted 750,000 options with an expiry date of 30 September 2020 in accordance with the terms and conditions of the dorsaVi ESOP. The strike price per option is \$0.2768 which is equal to the 5-day volume weighted average price (VWAP) of dorsaVi Ltd's ordinary shares prior to the date of grant. 250,000 of the options vested on 30 September 2015. The balance vest equally on 30 September 2016 and 2017.
- On 19 November 2015, dorsaVi Ltd announced that it had entered into a three-way commercial agreement with Monash Health and major global workplace insurer, Allianz, covering an 8-month period to assist Monash Health in minimising the impact of workplace manual handling tasks undertaken by nursing staff.
- Twenty-four month escrows of 53,385,500 shares (subject to ASX imposed escrow agreements) and 18,835,119 shares (subject to voluntary escrow agreements) were released on 11 December 2015.
- On 11 December 2015, the Company announced the resignation of John Kowalczyk, President of dorsaVi USA Inc., effective 4 January 2016. At the same time the Company announced the appointment of Mark Heaysman as Head of Sales and Operations, dorsaVi USA Inc.

- On 11 December 2015, dorsaVi Ltd cancelled 1,000,000 options previously issued to John Kowalczyk and granted him 277,778 options with an expiry date of 11 December 2016. The strike price per option was \$0.3844 which is equal to the 20 day VWAP of dorsaVi Ltd's ordinary shares ending on the date of grant (11 December 2015). The options vested on date of grant.
- On 25 January 2016, the Company signed its third and largest contract with Transport for London (TFL), the operator of the London Underground rail network for the identification of manual handling tasks that are contributing to the increased risk of musculoskeletal injury for TFL employees. This contract, worth in excess of £100,000, will monitor TFL employees with dorsaVi's revolutionary technology, ViSafe, to provide objective data for the TFL program of reducing manual handling injury risk.
- On 3 February 2016, the Company announced that it had signed Jaguar Land Rover and Toyota, in the United Kingdom, to undertake ViSafe workplace assessments.
- On 24 February 2016, dorsaVi Ltd announced the signing of an agreement with a leading US provider of rehabilitation services across more than 540 clinics in 29 States, Physio Corporation (MyPhysio) to begin offering dorsaVi wearable devices to assess sports medicine patients. Terms of the agreement include the requirement to implement 20 ViPerform units across 20 sites within the first 12-months.
- On 23 March 2016, dorsaVi Ltd announced the resignation of Dave Wildermuth, Chief Marketing Officer, effective 15 April 2016.
- On 24 March 2016, dorsaVi Ltd granted 200,000 options with an expiry date of 24 March 2021 in accordance with the terms and conditions of the dorsaVi Ltd ESOP. The strike price per option is \$0.40 which is equal to the 5-day volume weighted average price (VWAP) of dorsaVi Ltd's ordinary shares prior to the date of grant (24 March 2016). 100,000 of the options vested on 24 March 2016 with the balance vesting over the following 24 months if performance requirements are met.
- On 8 June 2016, dorsaVi Ltd granted 50,000 options with an expiry date of 8 June 2021 in accordance with the terms and conditions of the dorsaVi Ltd ESOP. The strike price per option is \$0.34 which is equal to the 5-day volume weighted average price (VWAP) of dorsaVi Ltd's ordinary shares prior to the date of grant (8 June 2016). The options vest in equal proportions over 24 months commencing June 2016.

AFTER BALANCE DATE EVENTS

With the exception of the following, no matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

- The Company has entered into a partnership with a leading US-based sports injury expert to develop an Athletic Movement Index (AMI) to be used on the ViPerform platform to optimise athletic performance.

LIKELY DEVELOPMENTS

The following likely developments in the business of the Company are expected to influence its financial results in the near term:

- The Company expects continued growth in total revenue, year on year, in the Australian, Europe and US markets from its OHS consultancy and Clinical revenue streams.
- The Company also expects to increase, year on year, the annuity revenue proportion of total OHS and Clinical revenue.
- The Company expects to release new product during the 2017 financial year that will optimise device functionality and result in lowered cost of sales.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

DIVIDEND PAID, RECOMMENDED AND DECLARED

No dividends were paid, declared or recommended since the start of the financial year.

SHARE OPTIONS

Options over unissued ordinary shares granted by dorsaVi Ltd during or since the financial year end to executives were as follows:

Executives	Options granted during the year
Zoe Whyatt	750,000
John Kowalczyk	277,778

There were no options over unissued ordinary shares granted to directors during or since the financial year end. Further details regarding options granted as remuneration are provided in the Remuneration Report below.

SHARES UNDER OPTION

Unissued ordinary shares of dorsaVi Ltd under option at the date of this report are as follows:

Date options granted	Number of unissued ordinary shares under option	Issue price of shares	Expiry date of the options
2 September 2014	100,000	\$0.40	1 September 2019
30 September 2015	250,000	\$0.28	30 September 2020
30 September 2015	250,000	\$0.28	30 September 2021
30 September 2015	250,000	\$0.28	30 September 2022
11 December 2015	277,778	\$0.38	11 December 2016
24 March 2016	200,000	\$0.40	24 March 2021
8 June 2016	50,000	\$0.34	8 June 2021

No option holder has any right under the options to participate in any other share issue of the Company.

SHARES ISSUED ON EXERCISE OF OPTIONS

To the date of this report, there have been no shares issued during or since the end of the year as a result of the exercise of an option over unissued shares.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Herbert James Elliott, AC, MBE, MA (Cantab) – Non-executive Chairman

Herb Elliott is the Chairman of dorsaVi Ltd and chairs the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Herb has been a chairman of Telstra Foundation Limited (March 2002 to December 2010). Herb is a former director of Ansell Limited (February 2001 to October 2006). Herb is a former director of Fortescue Metals Group Limited (ASX: FMG). He was a director of Fortescue from October 2003 and was company chairman from 2007 to 2011. He was the inaugural chairman of the National Australia Day Committee, a Commissioner of the Australian Broadcasting Commission and deputy chairman of the Australian Sports Commission.

Herb was also a director of the World Olympians Association and was a gold medallist (1500 metres athletics) at the Rome 1960 Olympics. Previous executive roles include president of PUMA North America. Herb is an honorary Doctor of the Queensland University of Technology.

Ashraf Attia, BSc (Eng)(Hons), MSc (Biomed. Eng), Dip (Mktg), FAICD – Non-executive Director

Ash Attia serves on the Audit & Risk Committee. He was appointed to the Board on 14 July 2008.

Ash has had senior management experience in multinational operations for over 25 years within the medical devices, biotechnology and diagnostics industries. He was most recently the Managing Director, Asia Pacific of St Jude Medical/Thoratec, a company with global revenues of over 5.5 billion, which manufactures and sells cardiac assist devices for use by patients with heart failure. Ash has also consulted to several organisations in the areas of business development, strategic marketing, sales and marketing management, and distribution strategies.

No other directorships of listed companies were held during the three years to 30 June 2016.

Michael Panaccio, BSc (Hons), MBA, PhD, FAICD – Non-executive Director

Michael Panaccio serves on the Audit & Risk Committee and the Nomination and Remuneration Committee. He was appointed to the Board on 16 May 2008.

Michael is one of the founders of Starfish Ventures Pty Ltd, an Australian based venture capital manager. He was formerly an Investment Manager with JAFCO Investment (Asia Pacific). Prior to joining JAFCO, Michael was Head of the Department of Molecular Biology at the Victorian Institute of Animal Sciences. Michael has been a director of numerous technology businesses in Australia and the US including SIRTEx Medical Ltd, Protagonist Inc and Energy Response Pty Ltd.

He resigned as a director of ImpediMed Ltd (ASX: IPD) on the 8th August 2016. No other Directorships of listed companies were held during the three years to 30 June 2016. Michael is also a director of Starfish Ventures Pty Ltd, Protagonist Pty Ltd, MuriGen Therapeutics Pty Ltd, Armaron Bio Ltd and Ofidium Pty Ltd.

Gregory John Tweedly, B. Com, CPA, GAICD – Non-executive Director

Greg Tweedly chairs the Audit & Risk Committee and serves on the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Greg is a Director of Melbourne Health and was a Director and CEO of the Victorian WorkCover Authority (WorkSafe) from 2003 to 2012. Prior to joining WorkSafe Greg was an executive with the Transport Accident Commission from 1996 to 2002 in various senior roles including Chief Operating Officer. He was formerly a Director of the Emergency Services and Telecommunications Authority, Director of the Institute of Safety Compensation and Recovery Research, a Director of the Personal Injury Education Foundation, a Director and Chair of the Victorian Trauma Foundation, Chair of the Heads of Workers' Compensation Authorities of Australia and New Zealand and Member of SafeWork Australia and its predecessor organisation.

No other directorships of listed companies were held during the three years to 30 June 2016.

Andrew Ronchi, B. App. Sci. (Physio), PhD (RMIT Eng), GAICD – Chief Executive Officer, Director

Andrew Ronchi was appointed to the Board on 18 February 2008.

Before co-founding dorsaVi, Andrew was a practising physiotherapist both at an AFL club and in private practice. He is a founding partner in two physiotherapy centres, the largest of these employing 28 staff (including 13 physiotherapists). Prior to the formation of dorsaVi, Andrew undertook a PhD in Computer and Systems Engineering, investigating the reliability and validity of transducers for measuring lumbar spine movement. As CEO of dorsaVi Ltd, Andrew is responsible for all aspects of the Company's operations.

No other directorships of listed companies were held during the three years to 30 June 2016.

Brendan Case, MComLaw (Melb), BEc, CPA, Grad Dip App Fin, Dip FP, FCIS

Brendan Case has served as dorsaVi Ltd's secretary since October 2013 and has more than 20 years of company secretarial, corporate governance and finance experience. He is a former Associate Company Secretary of National Australia Bank Limited (NAB), former secretary of NAB's Audit and Risk Committees and has held senior management roles in risk management and regulatory affairs.

DIRECTORS' MEETINGS

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

	Board of Directors		Audit & Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Mr Herb Elliott	13	13	-	-
Mr Ashraf Attia	13	13	4	4
Dr Michael Panaccio	13	13	4	4
Mr Greg Tweedly	13	13	4	4
Dr Andrew Ronchi	13	13	-	-

	Nomination & Remuneration Committee	
	Eligible to attend	Attended
Mr Herb Elliott	1	1
Mr Ashraf Attia	1	1
Dr Michael Panaccio	1	1
Mr Greg Tweedly	1	1

DIRECTORS' INTEREST IN SHARES OR OPTIONS AS AT 30 JUNE 2016

Names of Holders	Ordinary Shares of dorsaVi Ltd
Michael Panaccio	68,055,830
Andrew James Ronchi	8,313,949
Ashraf Attia	208,440
Herbert James Elliott	82,500
Gregory John Tweedly	68,750

The directors have no interests in options over shares in dorsaVi Ltd as at the date of this report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has insured its Directors, Secretary and executive officers for the financial year ended 30 June 2016. Under the Company's Directors and Officers Liability Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium.

The Company also indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company where the Company requested the officer to accept appointment as Director.

To the extent permitted by law and subject to the restrictions in section 199A and 199B of the *Corporations Act 2007*, the Company indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

ASIC INSTRUMENT ON ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial statements have been rounded to the nearest dollar.

INDEMNIFICATION AND INSURANCE OF AUDITORS

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any auditors of the consolidated entity.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

NON-AUDIT SERVICES

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the board of directors. Non-audit services were provided by the auditors of entities in the consolidated group during the year, namely Pitcher Partners Melbourne, network firms of Pitcher Partners, and other non-related audit firms, as detailed below. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

	2016 \$	2015 \$
(a) Amounts paid and payable to Pitcher Partners Melbourne for non-audit services:		
Taxation & Other Compliance Services	24,595	36,306
Total remuneration for non-audit services	24,595	36,306

REMUNERATION REPORT (AUDITED)

The Directors present the consolidated entity's 2016 Remuneration Report, which details the remuneration information for dorsaVi Ltd's Non-Executive Directors, Executive Directors, and other Key Management Personnel.

A. Details of the Key Management Personnel

Directors	Period of Responsibility	Position
Herb Elliott	Full Year	Chairman, Non-Executive Director
Ashraf Attia	Full Year	Independent, Non-Executive Director
Michael Panaccio	Full Year	Non-Executive Director
Greg Tweedly	Full Year	Independent, Non-Executive Director
Executive Director		
Andrew Ronchi	Full Year	Chief Executive Officer/Director
Executives		
Jerome Whelan	Resigned 12 October 2015	Chief Financial Officer
Damian Connellan	Appointed 13 October 2015	Chief Financial Officer
David Wildermuth	Resigned 15 April 2016	Chief Marketing Officer
Megan Connell	Appointed 24 May 2016	Chief Marketing Officer
Meagan Blackburn	Appointed 1 July 2015	Chief Innovation Officer
Muhammad Umer	Appointed 15 April 2016	Software Architect
Matthew May	Full Year	Sales Manager, Australia
Zoë Whyatt	Full Year	Chief Operating Officer, Europe
John Kowalczyk	Resigned 31 December 2015	President of dorsaVi USA
Mark Heaysman	Full Year	Chief Operating Officer, USA

B. Remuneration Policies

Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors is responsible for making recommendations to the Board on the remuneration arrangements for each Non-Executive Director (NED), Executive Director/Chief Executive Officer (CEO) and each Executive reporting to the CEO. The current members of the Nomination & Remuneration Committee are: Herb Elliott, Michael Panaccio, Ashraf Attia and Greg Tweedly.

The Nomination & Remuneration Committee assess the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality, high performing directors and executive team. In determining the level and composition of executive remuneration, the Nomination & Remuneration Committee may also engage external consultants to provide independent advice.

The primary responsibility of the Nomination & Remuneration Committee is to review and recommend to the Board:

- Executive remuneration and incentive policies and practices;
- The Executive Director's total remuneration having regard to remuneration and incentive policies;
- The design and total proposed payments from any executive incentive plan and reviewing the performance hurdles for any equity based plan;
- The remuneration and related policies of Non-Executive Directors for serving on the board and any committee (both individually and in total); and
- Any other responsibilities as determined by the Nomination & Remuneration Committee or the Board from time to time.

Remuneration Strategy

The remuneration strategy of dorsaVi Ltd is designed to attract, motivate and retain Employees, Executives and Non-Executive Directors in Australia, the United States and Europe by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Company.

To this end, the key objectives of the Company's reward framework are to:

- Align remuneration with the Company's business strategy;
- Offer an attractive mix of remuneration benchmarked against the applicable market's region and country practices;
- Provide strong linkage between individual and Company performance and rewards;
- Offer remuneration based on internal equity with other employees and individual skill matching the role requirements with their experience and responsibilities;
- Align the interests of executives and shareholders and share the success of the Company with the employees; and
- Support the corporate mission statement, values and policies through the approach to recruiting, organizing and managing people.

Remuneration Structure

In accordance with best practice corporate governance, the structure of the non-executive directors and executive remuneration is separate and distinct.

Non-Executive Director Remuneration Structure

The ASX Listing Rules specify that an entity must not increase the total aggregate amount of remuneration of Non-Executive Directors without the approval of holders of its ordinary securities.

The Board, and since its inception the Nomination & Remuneration Committee, considers the level of remuneration required to attract and retain Directors with the necessary skills and experience for the Company's Board. This remuneration is reviewed with regard to market practice and Directors' duties and accountability.

The constitution provides that the Non-Executive Directors are entitled to remuneration for their services as determined by the Board up to an aggregate limit of \$500,000 (which may be increased with Shareholder approval). The Company has obtained advice about remuneration levels for Directors of listed companies and, based on that advice, set the following annual non-executive Directors' fees:

- Chairman: \$75,092 plus superannuation;
- Other Directors: \$50,000 plus superannuation; and
- Further fees for acting as chairman of a committee: \$5,000 plus superannuation per committee.

The Company determines the maximum amount for remuneration, including thresholds for share-based remuneration for Executives, by resolution. The remuneration received by the Non-Executive Directors for the year ended 30 June 2016 is detailed in Table 1 of this section of the report.

Non-executive directors receive fees and do not receive options or bonus payments.

Executive Remuneration Structure

The Company provides a remuneration package that incorporates both cash based remuneration and share-based remuneration. The contracts for service between the Company and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment thereby aligning director and shareholder interests.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary and superannuation); and
- Variable remuneration – short term incentives (STI) in the form of an annual incentive plan and long term equity incentive (LTI)

Fixed Remuneration

Objective

Fixed remuneration is reviewed annually by the Board/Nomination & Remuneration Committee. The process consists of a review of the Company and individual performance, relevant comparative remuneration from external and internal sources and where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and allowances (such as motor vehicle allowance). It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration – short-term incentive (STI)

Objective

The key objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets.

Structure

Any STI payments granted depends on the extent to which specific targets set at the beginning of the financial year or on appointment are met. The Key Milestones or Key Performance Indicators (KPI's) cover individual, team and organisational financial measures of performance. Typically included are measures such as: achieving sales/revenue targets and/or growth, and meeting Company compliance requirements. These measures were chosen as they represent the key drivers for the short-term success of dorsaVi.

The Company has predetermined benchmarks that must be met in order to trigger payments under the STI scheme. Either on an annual or financial year basis, after consideration of performance against the Key Milestones or KPIs, the Nomination & Remuneration Committee, in line with their responsibilities determine the amount, if any, of the STI to be paid to each Executive. This process usually occurs within one month after the trigger date.

The annual STI payments available for executives across the Company are subject to the approval of the Nomination & Remuneration Committee.

Variable Remuneration – long-term incentive (LTI)

Objective

The objectives of providing long term incentives are: to motivate and retain key dorsaVi employees; to attract quality employees; to create commonality of purpose between dorsaVi and its employees; to add wealth for all shareholders of the Company through the motivation of dorsaVi's employees; and by allowing dorsaVi's employees to share the rewards of the success of dorsaVi through the acquisition of, or entitlements to, shares and options.

Structure

The Board offers LTIs to reward the performance of employees, which is in alignment with shareholders' interests and the long term benefit of the Company. LTI awards are made under the Employee Share Option Plan (ESOP) and are delivered in the form of share options or loan for shares. Each option entitles the holder to one fully paid ordinary share of dorsaVi Ltd at an exercise price to be determined in an employee's employment agreement or by determination by the Nomination & Remuneration Committee.

Where an LTI participant ceases employment prior to vesting in their award, the options are forfeited unless the Nomination & Remuneration Committee applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

Options were granted, under the ESOP plan, during the 2016 Financial Year to Zoe Whyatt. See Table 6.

Shares were issued, in accordance with the ESOP plan, during the 2016 Financial Year to Mark Heaysman (500,000 at an average market price of 26 cents). See Table 7.

Employment Agreements

The Company has entered into Employment Agreements with all executives, including the CEO. The Company may terminate the Executive's Employment Agreements by providing at least one month's written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). The Company may terminate the contract at any time without notice if serious misconduct has occurred.

The notice periods for key management personnel are as follows:

Name	Notice Period
Andrew Ronchi	6 months
Damian Connellan	3 months
Matthew May	3 months
Muhammad Umer	3 months
Mark Heaysman	3 months
Meagan Blackburn	8 weeks' notice until 3 years of continuous employment. One additional week for each completed year of continuous employment up to a maximum of 12 weeks' notice.
Zoë Whyatt	8 weeks' notice until 3 years of continuous employment. After 3 completed years the Executive must give not less than 12 weeks' notice.
Megan Connell	8 weeks' notice

CEO Remuneration

Under Andrew Ronchi's employment agreement his fixed remuneration is \$250,000 per annum plus superannuation giving a total of \$273,750 inclusive of superannuation. In addition, Andrew Ronchi is also eligible to receive a bonus of up to \$100,000 per annum where key performance indicators and targets (as agreed with the Company) are achieved. As at 30 June 2016 no bonus amounts have been paid to Andrew Ronchi and no amounts are payable.

Upon termination of Andrew Ronchi's employment contract, he will be subject to a restraint of trade for a maximum of 12 months.

C. Details of key management personnel remuneration

(a) Non-Executive Directors' remuneration: Table 1

	Short-Term				Post employment			Long-term	Share-based payments	TOTAL	Total performance related	Options as % of total	
	Salary fees	Cash bonus	Non-monetary	Other	Super-annuation	Retirement benefits	Termination benefits	Incentive plans	Options		\$	%	%
2016	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Non-Executive Directors													
Herb Elliott	67,583	-	-	-	6,420	-	-	-	-	74,003	-	-	-
Ashraf Attia	45,000	-	-	-	3,919	-	-	-	-	48,919	-	-	-
Michael Panaccio (i)	49,163	-	-	-	-	-	-	-	-	49,163	-	-	-
Greg Tweedly	49,500	-	-	-	4,311	-	-	-	-	53,811	-	-	-
	211,246	-	-	-	14,650	-	-	-	-	225,896	-	-	-

(i) Michael Panaccio provides his services via Starfish Technology Fund II, LP.

	Short-Term				Post employment			Long-term	Share-based payments	TOTAL	Total performance related	Options as % of total	
	Salary fees	Cash bonus	Non-monetary	Other	Super-annuation	Retirement benefits	Termination benefits	Incentive plans	Options		\$	%	%
2015	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Non-Executive Directors													
Herb Elliott	75,092	-	-	-	5,945	-	-	-	-	81,037	-	-	-
Ashraf Attia	49,992	-	-	-	-	-	-	-	-	49,992	-	-	-
Michael Panaccio (i)	54,625	-	-	-	-	-	-	-	-	54,625	-	-	-
Greg Tweedly (ii)	60,087	-	-	-	-	-	-	-	-	60,087	-	-	-
	239,796	-	-	-	5,945	-	-	-	-	245,741	-	-	-

(i) Michael Panaccio provided his services via Starfish Technology Fund II, LP

(ii) Greg Tweedley provided his services via Silverlake Pty Ltd.

(b) Executives' remuneration: Table 2

2016	Short-Term				Post employment			Long-term	Share-based payments	TOTAL	Total performance related	Share based payment as % of total
	Salary fees \$	Cash bonus \$	Non-monetary \$	Other \$	Super-annuation \$	Retirement benefits \$	Termination benefits \$	Incentive plans \$	Options \$	\$	%	%
Executive Director												
Andrew Ronchi	231,250	-	-	-	19,308	-	-	-	-	250,558	-	-
Executives												
Jerome Whelan	52,307	-	-	-	4,801	-	-	-	-	57,108	-	-
Damian Connellan (ii)	110,800	-	-	-	-	-	-	-	-	110,800	-	-
David Wildermuth (v) (viii)	221,539	78,264	-	523	23,685	-	-	-	-	324,011	24.2	-
Megan Connell (iii) (xi)	10,897	-	-	-	1,035	-	-	-	-	11,932	-	-
Meagan Blackburn (i)	144,442	-	-	-	13,722	-	-	-	-	158,164	-	-
Muhammad Umer (iv)	31,250	-	-	-	2,969	-	-	-	863	35,082	-	2.5
Matthew May	196,004	-	-	-	18,620	-	-	-	2,466	217,090	-	1.1
Zoë Whyatt (vii)	162,800	-	-	-	4,884	-	-	-	26,152	193,836	-	13.5
John Kowalczyk (v) (viii) (ix)	251,728	-	-	42,557	11,534	-	-	-	15,326	321,145	-	4.8
Mark Heaysman (x)	180,000	20,000	-	67,939	17,652	-	-	-	71,504	357,095	5.6	20.0
	1,593,017	98,264	-	111,019	118,210	-	-	-	116,311	2,036,821	4.8	5.7

(i) Appointed 1 July 2015.

(ii) Appointed 13 October 2015.

(iii) Appointed 24 May 2016.

(iv) Appointed 15 April 2016.

(v) Other benefits for US based employees include the payment of certain health and disability related insurance premiums as is customary in the US market. This arrangement started in Q1 2014/2015.

(vi) Share based payments comprise loan shares granted under the dorsaVi Ltd's ESOP and are backed by an interest free, no-recourse loan. For accounting purposes these are valued the same as options.

(vii) Converted into AUD from GBP at the exchange rate at the average rate throughout 2015/2016 (1 GBP = 2.0350 AUD).

(viii) Converted into AUD from USD at the exchange rate at the average rate throughout 2015/2016 (1 USD = 1.3731 AUD).

(ix) Other benefits include post-employment costs associated with resignation of John Kowalczyk.

(x) Relocation allowance included in other benefits.

(xi) Employed 3 days per week.

2015	Short-Term				Post employment			Long-term	Share-based payments	TOTAL	Total performance related	Share based payment as % of total
	Salary fees \$	Cash bonus \$	Non-monetary \$	Other \$	Super-annuation \$	Retirement benefits \$	Termination benefits \$	Incentive plans \$	Options \$	\$	%	%
Executive Director												
Andrew Ronchi	250,000	30,000	-	-	26,600	-	-	-	-	306,600	9.8	-
Executives												
Daniel Ronchi (vi) (ix)	101,344	-	-	-	9,628	-	-	-	1,988	112,960	-	1.8
Jerome Whelan (vi)	180,000	40,000	-	-	20,900	-	-	-	3,548	244,448	16.4	1.5
Jarrold Sculli (vi)	4,655	161	-	-	145	-	-	-	-	4,961	3.2	-
Sarah Riseley (iv) (ix)	75,242	9,999	-	-	7,148	-	-	-	-	92,389	10.8	-
Meagan Blackburn (iv) (vii) (ix)	114,750	-	-	-	-	-	-	-	-	114,750	-	-
Zoë Whyatt (vii)	188,870	-	-	-	-	-	-	-	-	188,870	-	-
John Kowalczyk (v) (viii)	240,540	60,135	-	5,011	27,703	-	-	-	176,402	509,791	12.8	34.6
Mark Heaysman (i)	152,812	-	-	-	14,517	-	-	-	50,451	217,780	-	23.2
David Wildermuth (ii) (v) (viii)	152,339	-	-	3,776	18,401	-	-	-	87,729	262,245	1.4	33.5
Matthew May (iii) (vi)	126,900	-	-	-	12,056	-	-	-	2,645	141,601	-	1.9
	1,587,452	140,295	-	8,787	137,098	-	-	-	322,763	2,196,395	6.4	14.7

(i) Appointed 1 July 2014.

(ii) Appointed 3 November 2014.

(iii) Appointed 17 November 2014.

(iv) Employed 4 days per week.

(v) Other benefits for US based employees include the payment of certain health and disability related insurance premiums as is customary in the US market. This arrangement started in Q1 2014/2015.

(vi) Share based payments comprise loan shares granted under the dorsaVi Ltd's ESOP and are backed by an interest free, no-recourse loan. For accounting purposes these are valued the same as options.

(vii) Converted into AUD from GBP at the exchange rate at the average rate throughout 2014/2015 (1 GBP = 1.8887 AUD).

(viii) Converted into AUD from USD at the exchange rate at the average rate throughout 2014/2015 (1 USD = 1.2027 AUD).

(ix) Part Year KMP to 10 March 2015 due to change in KMP structure and reporting lines.

D. Relationship between remuneration and Company performance

(a) Remuneration not dependent on satisfaction of performance condition

The non-executives remuneration policy is not directly related to Company performance. The Board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the Company for shareholders.

(b) Remuneration dependent on satisfaction of performance condition

A portion of the Executive Remuneration is based on attainment of performance conditions. Performance-based remuneration includes short-term cash bonus and long-term incentive plan. Performance-based remuneration granted to key management personnel has regard to Company performance over a twelve month to 2-year period.

The following table summarises the performance conditions for KMP with a performance-linked bonus: Table 3.

KMP	Performance conditions
Andrew Ronchi	Key Milestones as determined by and at the discretion of the Board
Damian Connellan	Key Milestones as determined by and at the discretion of the Board
Megan Connell	Key Milestones as determined by and at the discretion of the Board
Meagan Blackburn	Key Milestones as determined by and at the discretion of the Board
Muhammad Umer	Key Milestones as determined by and at the discretion of the Board
Matthew May	Key Milestones as determined by and at the discretion of the Board
Zoe Whyatt	Key Milestones as determined by and at the discretion of the Board
Mark Heaysman	Key Milestones as determined by and at the discretion of the Board

These performance conditions were selected to promote the creation of shareholder wealth during the period.

The following table sets out the terms and conditions of each grant of the performance-linked bonus affecting compensation in current and future years: Table 4

2017

As at the date of this report there are no performance linked bonuses payable for any key management personnel. The Board is currently investigating the design and implementation of a revised performance linked incentive scheme which will reflect the current and future performance of the Company.

2016	Total Potential Performance Link Bonus \$	Awarded/ Available %	Forfeited %	Estimated Maximum total value of Bonus
Andrew Ronchi	100,000	0%	100%	-
John Kowalczyk	137,310 ⁽ⁱ⁾	0%	100%	-
David Wildermuth	102,983 ⁽ⁱⁱ⁾	76%	24%	78,264
Mark Heaysman	25,000	80%	20%	20,000
Matthew May	20,000	0%	100%	-

(i) USD 100,000 converted at US/AUD rate 1.3731. This bonus was forfeited on termination.

(ii) USD 75,000 converted at US/AUD rate 1.3731.

(c) Consequences of Company's performance on shareholder wealth

The following table summarises Company performance and key performance indicators: Table 5

Company Performance	2016	2015	2014
Revenue	3,238,138	1,850,416	767,418
% increase in revenue	75%	141%	42%
Loss before tax	(5,915,567)	(8,684,709)	(4,121,606)
% (increase)/decrease in loss before tax	32%	(111%)	(90%)
Change in share price	4%	(41%)	10%
Dividend paid to shareholders	-	-	-
Return of capital	-	-	-
Total remuneration of KMP	2,450,850	2,442,136	1,213,960
Total performance based remuneration	98,264	140,295	79,512

E. Key management personnel's share-based compensation

(a) Details of compensation Options

In 2016 the Company agreed to grant Zoe Whyatt an Option under the Company's Employee Share Ownership Plan 2013 to purchase 250,000 ordinary shares of the Company. These options vested on granting and are exercisable over a five-year period ended 30 September 2020.

The exercise price of the options is \$0.2768 which is equal to the volume weighted average price of the Company's ordinary shares on the five trading days prior to 30 September 2015. As a condition of the option grant, Zoe Whyatt executed an individual stock option agreement in the form provided by the Company at the time such option was authorized by the Company's Board of Directors.

In accordance with that agreement the Company, if Zoe Whyatt remains an employee at the relevant dates, will grant a further 250,000 options on 31 October 2016 and 250,000 options on 31 October 2017. The exercise price of each of these options will be the volume weighted average price of the Company's fully paid ordinary shares for the 5 days ending on the date of each grant. Each of these options will vest equally on the last day of the month for 12 months from the date of grant. Each of these options will be exercisable during the five years commencing on the date of each grant.

Table 6

2016	Grant Date	Granted Number	Value per option at grant date \$	Vest Number During the Year	Year in which option may be vested	Value Vest %	Exer- cised During the year	Number Lapsed during the year	For- feited %	Exercise Price \$	Terms and conditions for each grant		
											Expiry Date	First Exercise Date	Last Exercise Date
Executives													
John Kowalczyk (i)	8-Apr-14	1,000,000	0.3000	-	2015 ⁽ⁱ⁾	38.9%	-	1,000,000	100%	0.51	11-Dec-15	N/A	N/A
John Kowalczyk (ii)	11-Dec-15	277,778	0.1000	277,778	2015 ⁽ⁱⁱ⁾	100.0%	-	-	-	0.38	11-Dec-16	11-Dec-16	11-Dec-16
David Wildermuth (iii)	21-Oct-14	900,000	0.2568	318,750	2015 ⁽ⁱⁱⁱ⁾	35.4%	-	-	-	0.40	14-Jul-16	N/A	N/A
Zoe Whyatt	30-Sep-15	250,000	0.2768	250,000	2016	100.0%	-	-	-	0.28	30-Sep-20	30-Sep-15	30-Sep-20
Zoe Whyatt	30-Sep-15	250,000	0.2768	-	2017	-	-	-	-	0.28	30-Sep-21	30-Sep-16	30-Sep-21
Zoe Whyatt	30-Sep-15	250,000	0.2768	-	2018	-	-	-	-	0.28	30-Sep-22	30-Sep-17	30-Sep-22
Mark Heaysman (iv)	3-July-14	250,000	0.0367	-	2017	-	-	-	-	0.46	3-July-19	-	-
Mark Heaysman (iv)	17-Aug-15	500,000	0.1700	-	2020	-	-	-	-	0.26	17-Aug-20	-	-
Matthew May (iv)	5-Nov-14	20,000	0.2719	20,000	2019	100%	-	-	-	0.40	5-Nov-19	-	-
Muhammad Umer (iv)	25-Feb-15	30,000	0.2254	30,000	2020	100%	-	-	-	0.36	25-Feb-20	-	-
Jerome Whelan (iv) (v)	6-May-14	100,000	0.1841	-	2017	-	-	100,000	100%	0.49	6-May-17	-	-
		3,727,778		896,528				- 1,100,000					

(i) The options available to this employee were forfeited on 11 December 2015 as the employee resigned from the Company.

(ii) The option grant shall vest at the same time as they were granted. These options related to prior service and were not forfeited on termination.

(iii) The options available to this employee were forfeited on 14 July 2016 as the employee resigned from the Company on 14 April 2016.

(iv) The share based compensation comprises non-recourse interest free loans granted under the Employee Share Ownership Plan to acquire shares in dorsaVi. The accounting treatment for non-recourse loans is consistent with accounting for options. The exercise period is from grant date up to the fifth year anniversary.

(v) Jerome Whelan resigned 12 October 2015.

As at 30 June 2016, no options have been exercised, and accordingly no shares have been issued as a result of options previously issued.

2015	Grant Date	Granted Number	Value per option at grant date \$	Vest Number During the Year	Year in which option may be vested	Vest %	Value Exercised During the year	Number Lapsed during the year	Forfeited %	Exercise Price \$	Terms and conditions for each grant				
											Expiry Date	First Exercise Date	Last Exercise Date		
Executives															
John Kowalczyk															
	8-Apr-14	1,000,000	0.3000	388,888	2015 ⁽ⁱ⁾	38.90%	-	-	-	0.51	7-Apr-19	8-Apr-17	8-Apr-19		
David Wildermuth															
	21-Oct-14	900,000	0.2568	-	2015 ⁽ⁱⁱ⁾	-	-	-	-	0.40	14-Jul-16	21-Oct-18	21-Oct-19		
Mark Heaysman (iii)															
	3-July-14	250,000	0.0367	-	2017	-	-	-	-	0.46	3-July-19	-	-		
Matthew May (iii)															
	5-Nov-14	20,000	0.2719	20,000	2019	100%	-	-	-	0.40	5-Nov-19	-	-		
Muhammad Umer (iii)															
	25-Feb-15	30,000	0.2254	30,000	2020	100%	-	-	-	0.36	25-Feb-20	-	-		
Daniel Ronchi (iii)															
	25-Feb-15	50,000	0.2254	50,000	2020	100%	-	-	-	0.36	25-Feb-20	-	-		
Jerome Whelan (iii)															
	6-May-14	100,000	0.1841	-	2017	-	-	-	-	0.49	6-May-17	-	-		
2,000,000			388,888												

- (i) The option grant shall vest over a three-year period, with one-third of the shares subject to such option vesting as of the first anniversary of effective date (being 8 April 2014) and the remaining shares vesting monthly over the following two years, contingent upon continued employment with the Company.
- (ii) The option grant shall vest over a four-year period, with one-quarter of the shares subject to such option vesting as of the first anniversary of effective date (being 3 November 2014) and the remaining shares vesting monthly over the following three years, contingent upon his continued employment with the Company.
- (iv) The share based compensation comprises non-recourse interest free loans granted under the Employee Share Ownership Plan to acquire shares in *dorsaVi*. The accounting treatment for non-recourse loans is consistent with accounting for options. The exercise period is from grant date up to the fifth year anniversary.
- (iv) Daniel Ronchi is no longer defined as Key Management Personnel effective 10 March 2015, as he reports directly to Chief Marketing Officer.
- (v) Jerome Whelan resigned 12 October 2015.

F. Key management personnel's equity holdings

(a) Number of options held by key management personnel

As at 30 June 2016 Zoe Whyatt holds an option under the Company's Employee Share Ownership Plan 2013 to purchase 750,000 ordinary shares of the Company.

(b) Number of shares held by key management personnel (consolidated)

The relevant interest of each key management personnel in the share capital of the Company as notified the ASX as at 30 June 2016 is as follows:

Table 7

2016	Balance 1/07/15	Received as Remuneration	Net change Other	Balance 30/06/16
Non-Executive Directors				
Herb Elliott	75,000	-	7,500 ⁽ⁱ⁾	82,500
Ashraf Attia	189,491	-	18,949 ⁽ⁱ⁾	208,440
Michael Panaccio	60,969,845	-	6,085,985 ⁽ⁱ⁾	67,055,830
Michael Panaccio (relevant interest)	19,573,274	-	(18,573,274) ⁽ⁱⁱ⁾	1,000,000
Greg Tweedly	62,500	-	6,250 ⁽ⁱ⁾	68,750
Executive Director				
Andrew Ronchi	8,246,482	-	67,467 ⁽ⁱ⁾	8,313,949
Executives				
Jerome Whelan	100,000	-	(100,000) ⁽ⁱⁱⁱ⁾	-
Damian Connellan	-	-	-	-
Megan Connell	-	-	-	-
Meagan Blackburn	-	-	253,982 ^(v)	253,982
Muhammad Umer	-	-	795,442 ^(v)	795,442
Matthew May	20,000	-	-	20,000
Zoë Whyatt	63,496	-	-	63,496
Mark Heaysman	367,289	500,000 ^(iv)	301,683 ^(v)	1,168,972
	89,667,377	500,000	(11,136,016)	79,031,361

(i) Acquired shares through the Company's 1 for 10 non-renounceable pro-rata rights issue.

(ii) Release of shares in December 2015 previously under voluntary restriction agreements.

(iii) Jerome Whelan resigned during the year, his loan was discharged and his shares returned.

(iv) Employee Loan Shares

(v) Acquired off market and through the Company's 2015 Private Placement and 1 for 10 non-renounceable pro-rata rights issue.

(vi) Became part of the KMP during the year.

G. Loans to key management personnel

(a) Aggregate of loans made

There were no loans made to key management personnel during the 2016 financial year (2015: \$nil). There were no outstanding loans to key management personnel as at 30 June 2016 (30 June 2015: \$nil).

H. Other transactions with key management personnel

(a) Transactions with key management personnel of the entity or its parent and their personally related entities

Pro-Active Industries Pty Ltd is a related party of dorsaVi Ltd, as a director of dorsaVi Ltd controls it. During the year, Pro-Active Industries Pty Ltd paid and was reimbursed for expenses incurred on behalf of dorsaVi Ltd. Total value of these goods and services was \$NIL (2015: \$18,509). The goods and services supplied were in the normal course of business and on normal terms and conditions. The balance outstanding at balance date was \$NIL (2015: \$11).

During the year ended 30 June 2016, dorsaVi Ltd paid \$20,011 (2015: \$19,946) to Simon Heaysman, paid \$2,224 (2015: \$12,337) to Dane Heaysman (both inclusive of expense claim reimbursements) and paid \$97,754 (2015: \$NIL) to Safety Assess Pty Ltd a related company of Dane Heaysman. These amounts were paid to these parties in their capacity as ViSafe Assessors on various ViSafe projects throughout the financial year. These individuals and company are related to dorsaVi through their relationship to their father, Mr Mark Heaysman.

(b) Transactions with other related parties

Starfish Ventures Pty Ltd is a related party as it is connected with a director of dorsaVi Ltd. During the year ended 30 June 2016, Starfish Ventures Pty Ltd charged rent to dorsaVi Ltd. Total value of these rental charges was \$105,995 (2015: \$69,102). The rent was charged to dorsaVi on normal terms and conditions. The balance outstanding at balance date was \$20,772 (2015: \$10,174) included in Trade Payables at Note 14.

During the year ended 30 June 2016, dorsaVi Ltd paid \$49,163 (2015: \$54,625) to Starfish Technology Fund II, LP on behalf of Michael Panaccio for director's fees.

During the year ended 30 June 2016, dorsaVi Ltd paid \$nil (2015: \$60,081) to Silverlake Pty Ltd on behalf of Greg Tweedly for director's fees.

I. Use of remuneration consultants

During the year the Board directly engaged remuneration consultants, Egan Associates, to provide advice in relation to executive remuneration incentives. The consideration paid for these services was \$1,260. Egan Associates reported directly to the Chairman and the Board is satisfied that the advice was not subject to any KMP influence or input.

J. Voting and comments made at the Company's 2015 Annual General Meeting (AGM)

At the Company's most recent AGM, resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

— End of the remuneration report —

Signed in accordance with a resolution of the directors



Herb Elliott
Director & Chairman
Melbourne
Date: 25 August 2016



Andrew Ronchi
Director & CEO
Melbourne
Date: 25 August 2016



AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of dorsaVi Ltd.

In relation to the independent audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct.

This declaration is in respect of dorsaVi Ltd and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'F Russo'.

F V RUSSO
Partner
Date 25 August 2016

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS
Melbourne

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue and other income			
Sales revenue	4	3,019,928	1,358,218
Other income	4	218,210	492,198
		3,238,138	1,850,416
Less: Expenses			
Cost of sales	5	(841,416)	(109,965)
Advertising expenses		(228,395)	(682,492)
Conference expenses		(59,652)	(331,446)
Consultancy expenses		(443,696)	(781,798)
Depreciation and amortisation expenses	5	(115,935)	(87,588)
Device development expenditure		(118,300)	(78,727)
Employee benefits expenses	5	(4,762,296)	(5,260,764)
Finance costs	5	(3,094)	(1,199)
Occupancy expenses	5	(274,997)	(166,303)
Pilot study expenses		-	(7,441)
Professional fees		(617,489)	(459,635)
Regulatory expenses		(212,405)	(506,052)
Software expenses		(177,208)	(248,036)
Travel expenses		(392,388)	(932,546)
Other expenses		(906,434)	(881,133)
		(9,153,705)	(10,535,125)
Loss before income tax benefit		(5,915,567)	(8,684,709)
Income tax benefit	6	678,465	648,548
Loss from continuing operations		(5,237,102)	(8,036,161)
Other comprehensive expenses			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign subsidiaries net of tax		191,699	(326,570)
Other comprehensive expenses for the year		191,699	(326,570)
Total comprehensive loss		(5,045,403)	(8,362,731)
Loss per share for loss from continuing operations attributable to equity holders of the parent entity:			
Basic loss per share	21	(3.63 cents)	(6.60 cents)
Diluted loss per share	21	(3.63 cents)	(6.60 cents)

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	8	6,029,185	5,743,513
Receivables	9	1,820,958	1,058,975
Inventories	10	246,781	137,956
Other current assets	11	136,056	227,522
Total current assets		8,232,980	7,167,966
Non-current assets			
Intangible assets	12	1,059,871	524,664
Plant and equipment	13	310,242	324,700
Total non-current assets		1,370,113	849,364
Total assets		9,603,093	8,017,330
Current liabilities			
Payables	14	714,005	1,066,532
Borrowings	15	-	38,252
Provisions	16	279,114	255,111
Total current liabilities		993,119	1,359,895
Non-current liabilities			
Provisions	16	18,892	40,719
Total non-current liabilities		18,892	40,719
Total liabilities		1,012,011	1,400,614
Net assets		8,591,082	6,616,716
Equity			
Share capital	17	30,709,796	23,855,099
Reserves	18	93,496	78,697
Accumulated losses	18	(22,212,210)	(17,317,080)
Total equity		8,591,082	6,616,716

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2016

Consolidated Entity	Share capital \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2014	23,835,099	83,889	(9,299,326)	14,619,662
Loss for the year	-	-	(8,036,161)	(8,036,161)
Exchange differences on translation of foreign operations, net of tax	-	(326,570)	-	(326,570)
Total comprehensive income for the year	-	(326,570)	(8,036,161)	(8,362,731)
Transactions with owners in their capacity as owners:				
Issue of shares	20,000	-	-	20,000
Employee share ownership plan	-	339,785	-	339,785
Options lapsed	-	(18,407)	18,407	-
	20,000	321,378	18,407	359,785
Balance as at 30 June 2015	23,855,099	78,697	(17,317,080)	6,616,716
Balance as at 1 July 2015	23,855,099	78,697	(17,317,080)	6,616,716
Loss for the year	-	-	(5,237,102)	(5,237,102)
Exchange differences on translation of foreign operations, net of tax	-	191,699	-	191,699
Total comprehensive income for the year	-	191,699	(5,237,102)	(5,045,403)
Transactions with owners in their capacity as owners:				
Issue of shares	7,179,800	-	-	7,179,800
Cost of raising capital	(381,538)	-	-	(381,538)
Redemption of Employee share ownership plan	56,435	-	-	56,435
Employee share ownership plan	-	165,072	-	165,072
Options lapsed	-	(341,972)	341,972	-
	6,854,697	(176,900)	341,972	7,019,769
Balance as at 30 June 2016	30,709,796	93,496	(22,212,210)	8,591,082

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2016

	<i>Notes</i>	2016 \$	2015 \$
Cash flow from operating activities			
Receipts from customers		2,567,599	1,146,188
Payments to suppliers and employees		(9,376,574)	(9,967,539)
Grants received		86,455	118,755
Interest received		129,165	254,224
Finance costs		(3,094)	(1,199)
Income tax refunded		648,548	559,583
Net cash used in operating activities	<i>19 (b)</i>	(5,947,901)	(7,889,988)
Cash flow from investing activities			
Payment for plant and equipment		(14,545)	(70,641)
Payment for business acquisition		-	(120,000)
Payment for intangibles		(568,327)	(172,555)
Net cash used in investing activities		(582,872)	(363,196)
Cash flow from financing activities			
Proceeds from share issue		7,179,800	20,000
Cost of raising capital		(381,538)	-
Proceeds from Employee share ownership plan		56,435	-
Proceeds from finance		-	63,813
Repayments of borrowings		(38,252)	(25,561)
Net cash provided by financing activities		6,816,445	58,252
Reconciliation of cash			
Cash at beginning of the financial year		5,743,513	13,938,445
Net increase/(decrease) in cash held		285,672	(8,194,932)
Cash at end of the year	<i>19 (a)</i>	6,029,185	5,743,513

The above statement should be read in conjunction with the accompanying notes.

dorsaVi Ltd and Controlled Entities
ABN: 15 129 742 409

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2016

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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers dorsaVi Ltd and controlled entities as a consolidated entity. dorsaVi Ltd is a company limited by shares, incorporated and domiciled in Australia. dorsaVi Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the directors on the date of the director's report.

Compliance with IFRS

The consolidated financial statements of dorsaVi Ltd also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Significant accounting estimates

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

(b) Going concern

The financial report has been prepared on a going concern basis.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which the parent entity controls. The Company controls an entity when it is exposed, 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.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued***(d) Revenue**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered to have passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the provision of services to a customer is recognised upon performance of the service. Accrued income arising from recognised revenue is transferred to trade receivables when project milestones are achieved and tax invoices are raised. Certain customers may be invoiced in advance of the provision of services and this unearned income is recognised as a liability until the service is performed.

Revenue from fixed price contracts is recognised by reference to the stage of completion. The stage of completion is determined using inputs from dorsaVi's project management methodology, including effort expended and effort to complete.

Revenue from grants is recognised in accordance with the recognition and measurement requirements of AASB 120 "Accounting for Government Grants and Disclosure of Government Assistance".

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

Device rental income is recognised on a straight-line basis over the term of the rental term.

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity.

(g) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment loss.

Plant and equipment

Plant and equipment is measured on a cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rates	Depreciation basis
Testing equipment at cost	10-66.67%	Diminishing value
Leased devices at cost	20%	Straight line
Office equipment at cost	10-66.67%	Diminishing value
Furniture, fixtures and fittings at cost	10-20%	Diminishing value
Tooling at cost	10%	Straight line

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases are recognised as an expense on a straight-line basis over the term of the lease.

(i) Intangibles

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less any accumulated impairment losses.

Patents

Patents, trademarks and licenses are recognised at cost and depreciated on a straight line basis over their effective lives, which is estimated to be 20 years.

Research

Expenditure on research activities is recognised as an expense when incurred.

Development

Development costs are capitalised when the entity can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development expenditure is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using a straight-line method to allocate the cost of the intangible asset over its estimated useful life, which range from 5 to 10 years. Amortisation commences when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

(j) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use. Refer to Note 2 for a description of how management determines value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount such as property, plant and equipment, in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Standard. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued***(k) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax balances

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

dorsaVi Ltd (parent entity) and its wholly owned subsidiary, (Australian Workplace Compliance Pty Ltd), have applied tax consolidation legislation and formed a tax-consolidated group from 1 July 2014. The parent entity and subsidiary in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiary recognise current or deferred tax amounts arising in respect of their own transactions, events and balances;
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of the subsidiary in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

(l) Provision

Provisions are recognised when the consolidated entity 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.

(m) Employee benefits**(i) Short-term employee benefit obligations**

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled within twelve months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations**Defined contribution superannuation plan**

The consolidated entity makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

(iv) Share-based payments

The consolidated entity operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is measured at the market bid price at grant date. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(v) Bonus plan

The consolidated entity recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

(n) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred.

(o) Financial instruments**Classification**

The consolidated entity classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation

Financial liabilities are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment.

For loans and receivables, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss reduces the carrying amount of the asset and is recognised in profit or loss. The impairment loss is reversed through profit or loss if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued***(p) Foreign currency translations and balances****Functional and presentation currency**

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

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re statement are recognised as revenues and expenses for the financial year.

Foreign subsidiaries

Entities that have a functional currency different to the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

(q) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

ASIC Instrument on rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial statements have been rounded to the nearest dollar.

(s) Accounting standards issued but not yet effective at 30 June 2016

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the consolidated entity. The consolidated entity has decided not to early adopt any of these new and amended pronouncements. The consolidated entity's assessment of the new and amended pronouncements that are relevant to the consolidated entity but applicable in future reporting periods is set out below.

- AASB 9: Financial Instruments (December 2014), AASB 2014-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), AASB 2014-8: Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will replace AASB 139: Financial Instruments: Recognition and Measurement. The key changes that may affect the consolidated entity on initial application of AASB 9 and associated amending Standards include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;

- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost to be based on an expected loss approach.

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

- AASB 15: Revenue from Contracts with Customers, AASB 2014-5: Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15 and AASB 2016-3: Amendments to Australian Accounting Standards – Clarifications to AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue.

These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. To give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

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

AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services.

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

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
 - property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
 - lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and would account for each type of lease in a manner consistent with the current approach under AASB 117.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the consolidated entity's accounting for its operating leases, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of non-financial assets other than goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

Value in use calculations are based on projected cash flows approved by management covering a maximum five-year period. Management's determination of cash flow projections are based on past performance and its expectations of the future.

(b) Income tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(c) Employee benefits

The calculation of long term employment benefits requires estimation of the retention of staff, future wage levels and timing of the settlement of employee entitlements. The estimates are based on historical trends.

(d) Share based payments

Calculation of share based payments requires estimation of the timing of the exercise of the underlying equity instrument. The estimates are based on historical trends.

NOTE 3: FINANCIAL RISK MANAGEMENT

The consolidated entity is exposed to a variety of financial risks comprising:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

The Board of directors has overall responsibility for identifying and managing operational and financial risks.

The consolidated entity holds the following financial instruments:

	2016 \$	2015 \$
Financial assets		
Cash and cash equivalents	6,029,185	5,743,513
Trade receivables	989,262	305,342
Other receivables	805,089	727,026
Related party receivables	26,607	26,607
	7,850,143	6,802,488
Finance liabilities		
Trade payables	469,601	726,745
Related party payables	1,000	1,000
Premium finance liability	-	38,252
Other payables	243,404	338,787
	714,005	1,104,784

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk through the operation of wholly owned subsidiaries in the United Kingdom and the United States of America.

Whilst operations in these geographical regions are in their infancy, the Company has not established a hedging policy to mitigate adverse currency risk.

Sensitivity

If foreign exchange rates were to increase/decrease by 10% from rates used to determine fair values of all financial instruments as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on loss for the year and equity is as follows:

	2016 \$	2015 \$
+/- 10%		
Impact on loss after tax	134,407	244,358
Impact on equity	134,407	244,358

NOTE 3: FINANCIAL RISK MANAGEMENT *continued***(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Company's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2016 Financial Instruments	Interest Bearing \$	Non-interest bearing \$	Total carrying amount \$	Weighted average effective interest rate
Financial assets				
Cash	1,964,185	-	1,964,185	1.75% Floating
Flexi Deposit	2,000,000	-	2,000,000	2.55% Fixed
Floating Deposit	2,000,000	-	2,000,000	2.72% Floating
Term Deposit	25,000	-	25,000	2.95% Fixed
Term Deposit	40,000	-	40,000	2.65% Fixed
Trade receivables	-	989,262	989,262	0.00%
Other receivables	-	805,089	805,089	0.00%
Related party receivables	-	26,607	26,607	0.00%
	6,029,185	1,820,958	7,850,143	
Financial liabilities				
Trade payables	-	469,601	469,601	0.00%
Other payables	-	243,404	243,404	0.00%
Related party payables	-	1,000	1,000	0.00%
	-	714,005	714,005	

2015 Financial Instruments	Interest Bearing \$	Non-interest bearing \$	Total carrying amount \$	Weighted average effective interest rate
Financial assets				
Cash	5,668,261	-	5,668,261	2.05% Floating
Rolling Deposit	25,000	-	25,000	3.35% Fixed
Rolling Deposit	40,000	-	40,000	2.87% Fixed
Term Deposit	10,252	-	10,252	0.16% Fixed
Trade receivables	-	305,342	305,342	0.00%
Other receivables	-	727,026	727,026	0.00%
Related party receivables	-	26,607	26,607	0.00%
	5,743,513	1,058,975	6,802,488	

2015 Financial Instruments	Interest Bearing \$	Non-interest bearing \$	Total carrying amount \$	Weighted average effective interest rate
Financial liabilities				
Trade payables	-	726,745	726,745	0.00%
Other payables	-	338,787	338,787	0.00%
Related party payables	-	1,000	1,000	0.00%
Premium finance liability	38,252	-	38,252	6.90% Fixed
	38,252	1,066,532	1,104,784	

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

Sensitivity

If interest rates were to increase/decrease by 100 basis points for the year from actual rates, then the impact on loss for the year and equity is as follows:

	2016 \$	2015 \$
+/- 100 basis points		
Impact on loss after tax	42,204	40,205
Impact on equity	42,204	40,205

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

The Company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of known and existing customers and reputable organisations.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

(ii) Trade receivables

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

The ageing analysis of trade and other receivables is provided in Note 9.

As the consolidated entity undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit terms.

(iii) Other receivables

Other receivables relate to Research and Development tax concessions receivable from the Australian Taxation Office and do not pose a material credit risk.

(d) Liquidity risk

The Company's approach to managing liquidity risk is to ensure, as far as possible, that, at all times, it has sufficient liquidity to meet its liabilities. The Company has cash reserves and expects to settle all financial liabilities within six months of year end.

NOTE 3: FINANCIAL RISK MANAGEMENT *continued***(e) Fair value**

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

NOTE 4: REVENUE AND OTHER INCOME

	2016 \$	2015 \$
Sales revenue from continuing operations		
Device and consumables sales	621,600	189,499
Device rental income	660,940	296,380
Consulting income	1,737,388	872,339
	3,019,928	1,358,218
Other income		
Grant income	86,455	118,755
Interest income	129,165	254,224
Foreign exchange gain	2,590	119,219
	218,210	492,198
	3,238,138	1,850,416

NOTE 5: LOSS FROM CONTINUING OPERATIONS

	2016 \$	2015 \$
Losses before income tax has been determined after:		
Cost of sales	841,416	109,965
Finance costs	3,094	1,199
Depreciation	82,815	69,943
Amortisation of patents and intangibles	33,120	17,645
Employee benefits expense		
- Share based payments	165,072	339,785
- Other employee benefits	4,597,224	4,920,979
	4,762,296	5,260,764
Operating lease rental	274,997	166,303
Research and development expense	1,507,701	1,441,218

NOTE 6: INCOME TAX

	2016 \$	2015 \$
(a) Components of tax benefit		
Current tax	(678,465)	(648,548)
(b) Prima facie tax refundable		
The prima facie tax refundable on loss before income tax is reconciled to the income tax benefit as follows:		
Prima facie income tax refundable on loss before income tax at 30% (2014: 30%)	(1,774,671)	(2,605,413)
Add tax effect of:		
- Accounting R&D expenditure	452,310	432,365
- Other non-allowable items	5,664	11,940
- Share based payments expense	49,522	101,936
- Tax losses not recognised	1,308,309	2,194,433
- Unrealised foreign exchange	156,229	-
- Deferred tax assets not recognised	-	22,823
	1,972,034	2,763,497
Less tax effect of:		
- Amortisation of capital raising costs	108,549	92,857
- R&D tax offset	678,465	648,548
- Effect of foreign tax rates	82,245	65,227
- Deferred tax assets not recognised	6,569	-
	875,828	806,632
Income tax benefit attributable to loss	(678,465)	(648,548)
(c) Deferred tax assets not brought to account		
Temporary differences	109,570	116,139
Operating tax losses	4,813,704	3,505,395
	4,923,274	3,621,534

NOTE 7: DIVIDENDS

There were no dividends paid during the period.

NOTE 8: CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
Cash at bank and on hand	1,964,185	5,668,261
Deposits at call	4,065,000	75,252
	6,029,185	5,743,513

NOTE 9: RECEIVABLES

	2016 \$	2015 \$
CURRENT		
Trade receivables	1,007,893	328,124
Provision for doubtful debts	(18,631)	(22,782)
	989,262	305,342
Accrued income	126,624	78,478
R&D tax offset refundable	678,465	648,548
	805,089	727,026
Amounts receivable from:		
- Superspine Forrest Hill Unit Trust	26,607	26,607
	1,820,958	1,058,975

Trade receivables ageing analysis at 30 June is:

	Gross 2016 \$	Impairment 2016 \$	Gross 2015 \$	Impairment 2015 \$
Not past due	816,733	-	277,159	-
Past due 31-60 days	47,051	-	16,311	-
Past due 61-90 days	22,739	-	8,595	-
Past due more than 91 days	121,370	(18,631)	26,059	(22,782)
	1,007,893	(18,631)	328,124	(22,782)

Trade receivables are non-interest bearing with 30 day terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Trade receivables not impaired are expected to be received.

NOTE 10: INVENTORIES

	2016 \$	2015 \$
CURRENT		
<i>At cost</i>		
Finished goods	231,461	137,956
Work in progress	15,320	-
	246,781	137,956

NOTE 11: OTHER ASSETS

	2016 \$	2015 \$
Prepayments	136,056	227,522

NOTE 12: INTANGIBLE ASSETS

	2016 \$	2015 \$
Patents, at cost	597,084	457,842
Less accumulated amortisation	(71,383)	(45,288)
Development expenditure, at cost	429,085	-
Less accumulated amortisation	(7,025)	-
Goodwill, at cost	112,110	112,110
	1,059,871	524,664

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year:

	Goodwill		Patents		Intangibles	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Opening balance	112,110	-	412,554	257,644	-	-
Additions	-	112,110	139,242	172,555	429,085	-
Amortisation expense	-	-	(26,095)	(17,645)	(7,025)	-
Closing balance	112,110	112,110	525,701	412,554	422,060	-

Development expenditure capitalised during the year relates to product that had progressed from the research phase to where it has been determined that the product will be developed for progressive release to the market (refer note 1 (i)).

NOTE 13: PLANT AND EQUIPMENT

	2016 \$	2015 \$
Plant and Equipment		
Testing equipment at cost	107,986	104,675
Accumulated depreciation	(68,944)	(54,065)
	39,042	50,610
Leased devices at cost	227,867	174,055
Accumulated depreciation	(59,195)	(21,871)
	168,672	152,184
Office equipment at cost	190,902	183,167
Accumulated depreciation	(126,453)	(100,969)
	64,449	82,198
Furniture, fixtures and fittings at cost	10,544	10,544
Accumulated depreciation	(3,624)	(2,799)
	6,920	7,745
Tooling at cost	45,949	42,450
Accumulated depreciation	(14,790)	(10,487)
	31,159	31,963
Total plant and equipment	310,242	324,700

(a) Reconciliations

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year:

	2016 \$	2015 \$
Testing equipment		
Opening carrying amount	50,610	62,202
Additions	3,311	5,842
Depreciation expense	(14,879)	(17,434)
Closing carrying amount	39,042	50,610
Leased devices		
Opening carrying amount	152,184	51,771
Transfers from inventory	53,812	117,875
Depreciation expense	(37,324)	(17,462)
Closing carrying amount	168,672	152,184
Office equipment		
Opening carrying amount	82,198	59,873
Additions	7,735	44,799
Additions through acquisition of entity	-	7,890
Depreciation expense	(25,484)	(30,364)
Closing carrying amount	64,449	82,198
Furniture, fixtures and fittings		
Opening carrying amount	7,745	8,676
Depreciation expense	(825)	(931)
Closing carrying amount	6,920	7,745
Tooling		
Opening carrying amount	31,963	15,715
Additions	3,499	20,000
Depreciation expense	(4,303)	(3,752)
Closing carrying amount	31,159	31,963
Total plant and equipment		
Opening carrying amount	324,700	198,237
Additions	14,545	70,641
Additions through acquisition of entity	-	7,890
Transfers from inventory	53,812	117,875
Depreciation expense	(82,815)	(69,943)
Closing carrying amount	310,242	324,700

NOTE 14: PAYABLES

	2016 \$	2015 \$
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	469,601	726,745
Unearned income	24,502	46,758
Sundry creditors and accruals	218,902	292,029
Loan from related parties	1,000	1,000
	714,005	1,066,532

NOTE 15: BORROWINGS

	2016 \$	2015 \$
CURRENT		
<i>Unsecured liabilities</i>		
Premium finance liability	-	38,252

(a) Terms and conditions relating to the above premium finance liability

In 2014 the Company entered into an insurance funding arrangement with Macquarie Finance for the general liability insurance of dorsaVi Ltd. The finance facility expired on 25 March 2016 and was not extended. There were no finance facilities in place at 30 June 2016.

NOTE 16: PROVISIONS

	2016 \$	2015 \$
CURRENT		
Employee benefits	279,114	255,111
NON CURRENT		
Employee benefits	18,892	40,719
(a) Aggregate employee benefits liability	298,006	295,830
(b) Number of employees at year end	28	33

NOTE 17: SHARE CAPITAL

The Company's share capital is as follows:

Ordinary Shares	Parent Equity 2016		Parent Equity 2015	
	No of Shares	\$	No of Shares	\$
Beginning of the financial year	121,800,000	23,855,099	121,450,000	23,835,099
Issued during the financial year				
- Employee share scheme (A)	500,000	-	350,000	-
- Other shares issued (B)	-	56,435	-	20,000
- Shares issued in capital raising (C)	27,614,616	7,179,800	-	-
- Cost of raising capital	-	(381,538)	-	-
End of the financial year	149,914,616	30,709,796	121,800,000	23,855,099

- (A) *Shares issued under the Employee Share Ownership Plan:*
500,000 ordinary shares were issued to employees of the Company at an average market price of 26 cents. In the prior year 350,000 ordinary shares were issued to employees of the Company at an average market price of 49 cents. All these shares are subject to non-recourse loans. Refer to note 22, Share Based Payments.
- (B) *Shares issued under the Employee Share Ownership Plan:*
During the year a number of employees, previously issued shares under the Employee Share Ownership Plan (ESOP) repaid their non-recourse loans and took possession of their share entitlement.
- (C) *Shares issued in a capital raising:*
In September 2015 the Company:
- Issued 15,384,616 fully paid ordinary shares to institutional and sophisticated investors at \$0.26 per share raising \$4,000,000 before costs; and
 - Issued 12,230,000 fully paid ordinary shares as part of a 1 for 10 renounceable pro-rata rights offer to shareholders at \$0.26 per share raising \$3,179,800 before costs.

Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

When managing capital, management's objective is to ensure the Company continues as a going-concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

During 2016, management paid dividends of \$nil (2015: \$nil).

Employee Share Ownership Plan (ESOP)

The consolidated entity continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the consolidated entity. Refer to Note 22, Share Based Payments, for detailed disclosures.

NOTE 18: RESERVES AND ACCUMULATED LOSSES

	Notes	2016 \$	2015 \$
Share-based payment reserve	18(a)	228,367	405,267
Foreign currency translation reserve	18(b)	(134,871)	(326,570)
		93,496	78,697
Accumulated losses	18(c)	(22,212,210)	(17,317,080)

(a) Share-based payment reserve**(i) Nature and purpose of reserve**

This reserve is used to record the fair value of options and shares issued to employees as part of their remuneration. The balance is transferred to share capital when options are granted and balance is transferred to retained earnings when options lapse.

(ii) Movements in reserve

	2016 \$	2015 \$
Balance at beginning of year	405,267	83,889
Movement taken to comprehensive income during the year:		
- Employee Share Ownership Plan	165,072	339,785
- Options lapsed	(341,972)	(18,407)
Balance at end of year	228,367	405,267

(b) Foreign currency translation reserve

	2016 \$	2015 \$
Balance at beginning of year	(326,570)	-
Movement taken to comprehensive income during the year	191,699	(326,570)
Balance at end of year	(134,871)	(326,570)

(c) Accumulated losses

	2016 \$	2015 \$
Balance at beginning of year	(17,317,080)	(9,299,326)
Net loss attributable to members of dorsaVi Ltd	(5,237,102)	(8,036,161)
Reversal of share based payment reserve	341,972	18,407
Balance at end of year	(22,212,210)	(17,317,080)

NOTE 19: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2016 \$	2015 \$
Cash at bank and on hand	1,964,185	5,668,261
Cash on deposit	4,065,000	75,252
	6,029,185	5,743,513

(b) Reconciliation of cash flow used in operations with loss after income tax

	2016 \$	2015 \$
Loss from ordinary activities after income tax	(5,237,102)	(8,036,161)
Adjustments and non-cash items		
Amortisation	33,120	17,645
Depreciation	82,815	69,943
Share Based Payments	165,072	339,785
Movement in debtor provision	(4,151)	22,782
Foreign Currency Translation through Reserve	191,699	(326,570)
Changes in Assets and liabilities		
Increase in receivables	(679,769)	(281,094)
Decrease/(increase) in other assets	43,319	(185,710)
Increase in inventories	(162,636)	(66,049)
(Decrease)/increase in payables	(352,527)	573,282
Increase in R&D tax offset receivable	(29,917)	(88,965)
Increase in provision	2,176	71,124
	(710,799)	146,173
Cash flows used in operating activities	(5,947,901)	(7,889,988)

NOTE 20: COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2016 \$	2015 \$
Payable		
- Not later than one year	99,802	19,175
Aggregate lease expenditure contracted for at 30 June	99,802	19,175

Description of leasing arrangement:

- Operating lease of premises in Australia - Month by Month Agreement
- Operating lease of premises in Europe - Expires 20 June 2017
- Operating lease of premises in USA - No premises at 30 June 2016

(b) Contingent asset and liabilities

There are no contingent assets or contingent liabilities at balance date.

NOTE 21: LOSS PER SHARE

	2016 \$	2015 \$
Reconciliation of loss used in calculating loss per share:		
Loss from continuing operations	(5,237,102)	(8,036,161)
Loss used in calculating basic earnings per share	(5,237,102)	(8,036,161)
Loss used in calculating diluted earnings per share	(5,237,102)	(8,036,161)

	2016 No of Shares	2015 No of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	144,346,723	121,737,644
Effect of dilutive securities:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	144,346,723	121,737,644

NOTE 22: SHARE BASED PAYMENTS**(a) Employee share plan**

The Board established an Employee Share Ownership Plan (ESOP). This plan was established by the Company to facilitate the acquisition of Shares and Options by those employed, or otherwise engaged by, or holding a position of office in, dorsaVi.

The key objective of the plan is to provide an incentive for employees to align their interests with those of the shareholders. Other objectives of the ESOP include:

- to attract, motivate and retain quality employees and Directors of dorsaVi;
- to create a commitment and united purpose between the employees and Directors and dorsaVi; and
- to add wealth for all shareholders of dorsaVi through the motivation of dorsaVi's employees and Directors.

This plan allows for dorsaVi to offer employees non-recourse and interest-free loans to acquire fully paid shares. On 20 September 2013, the Company's shareholders approved the giving of such financial assistance.

Only a person who is an Eligible Person may be invited and authorised by the Board to participate in this plan. An Eligible person means:

- an employee of dorsaVi or a subsidiary of dorsaVi; or
- a Director of dorsaVi or a subsidiary of dorsaVi who holds a salaried employment or office in dorsaVi or a subsidiary of dorsaVi; or
- a contractor engaged by dorsaVi or a subsidiary of dorsaVi and whom the Company has determined is an Eligible Person to participate in this plan.

There is no maximum limit on the number of Securities that may be acquired by Eligible Persons under the ESOP. However, the Board intends to restrict further issues of Securities to no more than 5% of the Company's issued share capital. This limit will be maintained unless shareholder approval is subsequently sought to increase this level.

Post 30 June 2015

Between 1 July 2015 and 30 June 2016, 500,000 Shares were granted under the ESOP at an average market price of 26 cents, subject to a non-recourse loan. These shares carry a full entitlement to dividends and capital returns. There is no ability for the Company to offset dividends paid against the non-recourse loan.

The ESOP Shares are subject to restriction agreements imposing loan repayment obligations, and, that the holders of Shares are not able to trade them within 12 months of issuance. After 12 months, 1/3rd of the issued shares can be traded. Contingent upon continued employment with the Company and meeting loan repayment obligations, the remaining shares become available for trading at a monthly rate of 1/36th of the shares issued over the subsequent 24 months.

NOTE 22: SHARE BASED PAYMENTS *continued***(b) Employee option plan**

Under the company's Employee Share Ownership Plan 2013, dorsaVi agreed to grant options of 1,277,778 ordinary shares of the Company during the period 1 July 2015 to 30 June 2016. Of the options granted, 150,000 are subject to vesting conditions in accordance with each option agreement. During the year a total of 1,000,000 options were cancelled.

Details of shares and options granted are as follows:

2016									
Grant date	Expiry date	Exercise price	Balance at 1/7/2015	Granted during the year	Exercised during the year	Expired during the year	Balance at 30/6/2016	Exercisable at the end of the year	
8-Apr-2014	11-Dec-2015	\$0.51	1,000,000	-	-	1,000,000	-	-	
6-May-2014	6-May-2017	\$0.49	100,000	-	-	100,000	-	-	
3-July-2014	3-July-2019	\$0.46	250,000	-	-	-	250,000	250,000	
2-Sep-2014	1-Sep-2019	\$0.40	100,000	-	-	-	100,000	58,333	
21-Oct-2014	14-Jul-2016	\$0.40	900,000	-	-	-	900,000	318,750	
5-Nov-2014	5-Nov-2019	\$0.40	20,000	-	-	-	20,000	20,000	
25-Feb-2015	25-Feb-2020	\$0.36	80,000	-	-	-	80,000	80,000	
17-Aug-2015	17-Aug-2020	\$0.26	-	500,000	-	-	500,000	500,000	
30-Sep-2015	30-Sep-2020	\$0.28	-	250,000	-	-	250,000	250,000	
30-Sep-2015	30-Sep-2021	\$0.28	-	250,000	-	-	250,000	-	
30-Sep-15	30-Sep-2022	\$0.28	-	250,000	-	-	250,000	-	
11-Dec-2015	11-Dec-2016	\$0.38	-	277,778	-	-	277,778	277,778	
24-Mar-2016	24-Mar-2021	\$0.40	-	200,000	-	-	200,000	100,000	
8-Jun-2016	8-Jun-2021	\$0.34	-	50,000	-	-	50,000	2,083	
TOTAL			2,450,000	1,777,778	-	1,100,000	3,127,778	1,856,944	

(b) Employee option plan

2015								
Grant date	Expiry date	Exercise price	Balance at 1/7/2014	Granted during the year	Exercised during the year	Expired during the year	Balance at 30/6/2015	Exercisable at the end of the year
8-Apr-2014	8-Apr-2017	\$0.51	1,000,000	-	-	-	1,000,000	-
6-May-2014	6-May-2017	\$0.49	200,000	-	-	100,000	100,000	100,000
3-July-2014	3-July-2019	\$0.46	-	250,000	-	-	250,000	250,000
2-Sep-2014	1-Sep-2019	\$0.40	-	100,000	-	-	100,000	-
2-Sep-2014	1-Sep-2019	\$0.40	-	100,000	-	100,000	-	-
21-Oct-2014	30-Oct-2019	\$0.40	-	900,000	-	-	900,000	-
5-Nov-2014	5-Nov-2019	\$0.40	-	20,000	-	-	20,000	20,000
25-Feb-2015	25-Feb-2020	\$0.36	-	80,000	-	-	80,000	80,000
TOTAL			1,200,000	1,450,000	-	200,000	2,450,000	450,000

Other additional information associated with these share and option grants include:

- The weighted average remaining contractual life for share options outstanding at the end of the period was 2.8 years.
- The weighted average value of the Options at grant date was \$0.33. This excluded any consideration of the impact of the exercise (or vesting) conditions.
- The fair value was determined using the binomial tree method and the Black-Scholes option-pricing models.
- The share price at grant date ranged from: \$0.26 to \$0.51
- Expected price volatility of the Company's shares: 80%
- Dividends: \$nil
- Risk free interest rate: 1.81% to 2.15%

(c) Expenses recognised from share-based payment transactions

The expense recognised in relation to the share-based payment transactions was recorded within employee benefits expense in the statement of comprehensive income were as follows:

	2016 \$	2015 \$
Options issued under employee share plan	80,062	278,537
Shares issued under employee share plan	85,010	61,248
Total expenses recognised from share-based payment transactions	165,072	339,785

NOTE 23: DIRECTORS' AND EXECUTIVE COMPENSATION**Compensation by category**

	2016 \$	2015 \$
Short-term employment benefits	1,802,300	1,982,275
Post-employment benefits	118,210	137,098
Share-based payments	116,311	322,763
	2,036,821	2,442,136

NOTE 24: SUBSIDIARIES OF THE COMPANY & RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of dorsaVi Ltd and its controlled entities listed below:

	Country of incorporation	Ownership interest held by DVL	
		2016 %	2015 %
dorsaVi Europe Ltd	UK	100	100
dorsaVi USA, Inc.	USA	100	100
Australian Workplace Compliance Pty Ltd	AUS	100	100

dorsaVi Europe Ltd was incorporated on 3 February 2014.

dorsaVi USA, Inc. was incorporated on 19 May 2014.

Australian Workplace Compliance Pty Ltd was purchased on 3 July 2014.

Transactions with entities with associates:

Superspine Forrest Hill Unit Trust is considered an associate of dorsaVi Ltd, as dorsaVi Ltd has a 25% ownership in the entity. During the year dorsaVi Ltd provided \$NIL (2015: \$NIL) of the start-up funding. There is a loan receivable from Superspine Forrest Hill Unit Trust of \$26,607 (2015: \$26,607) at year-end. There is also loan payable at balance date for \$1,000 (2015: \$1,000) included in Payables at Note 14.

Transactions with directors, key management personnel and other related parties:

Pro-Active Industries Pty Ltd is a related party of dorsaVi Ltd, as a director of dorsaVi Ltd controls it. During the year, Pro-Active Industries Pty Ltd paid and was reimbursed for expenses incurred on behalf of dorsaVi Ltd. Total value of these goods and services was \$NIL (2015: \$18,509). The goods and services supplied were in the normal course of business and on normal terms and conditions. The balance outstanding at balance date was \$NIL (2015: \$11) included in Trade Payables at Note 14.

During the year ended 30 June 2016, dorsaVi Ltd paid \$49,163 (2015: \$54,625) to Starfish Technology Fund II, LP on behalf of Michael Panaccio for director's fees.

During the year ended 30 June 2016, dorsaVi Ltd paid \$nil (2015: \$60,081) to Silverlake Pty Ltd on behalf of Greg Tweedly for director's fees.

Starfish Ventures Pty Ltd is a related party as it is connected with a director of dorsaVi Ltd. During the year ended 30 June 2016, Starfish Ventures Pty Ltd charged rent to dorsaVi Ltd. Total value of these rental charges was \$105,995 (2015: \$69,102). The rent was charged to dorsaVi on normal terms and conditions. The balance outstanding at balance date was \$20,772 (2015: \$10,174) included in Trade Payables at Note 14.

During the year ended 30 June 2016, dorsaVi Ltd paid \$20,011 (2015: \$19,946) to Simon Heaysman, paid \$2,224 (2015: \$12,337) to Dane Heaysman (both inclusive of expense claim reimbursements) and paid \$97,754 (2015: \$NIL) to Safety Assess Pty Ltd, a related company of Dane Heaysman. These amounts were paid to these parties in their capacity as ViSafe Assessors on various ViSafe projects throughout the financial year. These individuals and company are related to dorsaVi through their relationship to their father, Mr Mark Heaysman.

NOTE 25: AUDITOR'S REMUNERATION

Amounts paid and payable to Pitcher Partners Melbourne for:

	2016 \$	2015 \$
(i) Audit and other assurance services		
An audit or review of the financial report of the entity and any other entity in the consolidated entity	107,125	97,730
Total remuneration for audit and other assurance services	107,125	97,730
(ii) Other non-audit services		
Taxation & other Compliance Services	24,595	36,306
Total remuneration for non-audit services	24,595	36,306
Total remuneration of Pitcher Partners Melbourne	131,720	134,036

NOTE 26: PARENT ENTITY INFORMATION

(a) Summarised statement of financial position

	2016 \$	2015 \$
Assets		
Current assets	15,575,009	11,155,036
Non-current assets	1,370,113	874,971
Total assets	16,945,122	12,030,007
Liabilities		
Current liabilities	1,856,846	814,677
Non-current liabilities	18,892	40,719
Total liabilities	1,875,738	855,396
Net assets	15,069,384	11,174,611
Equity		
Contributed capital	30,709,796	23,855,099
Share-based payment reserve	228,367	405,267
Accumulated losses	(15,868,779)	(13,085,755)
Total equity	15,069,384	11,174,611

(b) Summarised statement of comprehensive income

	2016 \$	2015 \$
Loss for the year	(3,124,993)	(4,358,424)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(3,124,993)	(4,358,424)

NOTE 27: SEGMENT INFORMATION

(a) Description of segments

The consolidated entity's chief operating decision maker has identified the following reportable segments:

- Segment 1: Australia
- Segment 2: Europe
- Segment 3: United States of America

Management differentiates operating segments based on geographical areas and regulatory environments. The type of products and services from which each reportable segment derives its revenue is considered the same.

The operating segments have been identified based on internal reports reviewed by the consolidated entity's chief operating decision makers in order to allocate resources to the segment and assess its performance.

(b) Segment information

The consolidated entity's chief operating decision maker's use segment revenue and segment result to assess the financial performance of each operating segment. Due to the infancy of segment operations (i.e. both dorsaVi Europe Ltd & dorsaVi USA Inc. subsidiaries incorporated during the 2014 year), the chief operating decision makers only receive aggregated financial information for assets and liabilities. Accordingly, there are no disclosures for the individual segment's financial positions at year end.

Amounts for segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. There has been no inter-segment revenue or expenses during the year.

Segment information is reconciled to financial statements and underlying profit disclosure notes as following:

2016	Australia \$	Europe \$	USA \$	Total \$
Segment revenue				
Total segment revenue	2,056,587	727,749	453,802	3,238,138
Segment revenue from external source	2,056,587	727,749	453,802	3,238,138
Segment result				
Total segment result	(3,124,993)	(567,605)	(1,544,504)	(5,237,102)
Segment result from external source	(3,124,993)	(567,605)	(1,544,504)	(5,237,102)
<i>Items included within the segment result:</i>				
Grant income	86,455	-	-	86,455
Interest income	129,122	43	-	129,165
Interest expense	(3,094)	-	-	(3,094)
Depreciation and amortisation expense	(115,935)	-	-	(115,935)
Income tax benefit	678,465	-	-	678,465
2015	Australia \$	Europe \$	USA \$	Total \$
Segment revenue				
Total segment revenue	1,622,805	163,260	64,351	1,850,416
Segment revenue from external source	1,622,805	163,260	64,351	1,850,416
Segment result				
Total segment result	(4,196,256)	(1,211,920)	(2,627,985)	(8,036,161)
Segment result from external source	(4,196,256)	(1,211,920)	(2,627,985)	(8,036,161)
<i>Items included within the segment result:</i>				
Foreign exchange gain	88,220	3,427	27,572	119,219
Grant income	118,755	-	-	118,755
Interest income	253,665	19	540	254,224
Interest expense	(1,199)	-	-	(1,199)
Depreciation and amortisation expense	(87,588)	-	-	(87,588)
Income tax benefit	648,548	-	-	648,548

(c) Major customers

The total amount of external revenue derived from one major customer where the revenue is greater than 10% of the consolidated entity's total revenue was \$333,993 in the 2016 year (2015: \$nil). Revenue from this customer is included in the Europe segment.

NOTE 28: SUBSEQUENT EVENTS

With the exception of the following, no matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

- The Company has entered into a partnership with a leading US-based sports injury expert to develop an Athletic Movement Index (AMI) to be used on the ViPerform platform to optimise athletic performance.

DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 28 to 61 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2016 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that *dorsaVi Ltd* will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2016.

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



Herb Elliott
Director & Chairman
Melbourne
Date: 25 August 2016



Andrew Ronchi
Director & CEO
Melbourne
Date: 25 August 2016

dorsaVi Ltd
ABN 129742409
AND CONTROLLED ENTITIES



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
dorsaVi Ltd

Report on the Financial Report

We have audited the accompanying financial report of dorsaVi Ltd and controlled entities, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

dorsaVi Ltd
 ABN 129742409
 AND CONTROLLED ENTITIES



INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF
 dorsaVi Ltd

Opinion

In our opinion:

- (a) the financial report of dorsaVi Ltd and controlled entities is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity'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 and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 26 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of dorsaVi Ltd and controlled entities for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

F V RUSSO
 Partner
 25 August 2016

PITCHER PARTNERS
 Melbourne

SHAREHOLDER INFORMATION

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement can be obtained at <http://dorsavi.com/investor-relations/>

OVERVIEW

The Company's securities are listed for quotation in the form of Ordinary Shares on the Australian Securities Exchange (ASX) and trade under the symbol "DVL". The shareholder information below was applicable as at 3 August 2016.

The Company's share capital was as follows:

Type of Security	Number of Securities	Number of Holders
Ordinary Shares (Shares)	149,914,500	582
Options	877,778	5

SUBSTANTIAL HOLDERS

Names of Holders	Number of Shares Held	% of Total Shares
Starfish Technology Fund II, LP, Starfish Ventures, Michael Panaccio* and Christiana Panaccio and Micana Family Trust	68,402,330 shares	45.63%
AR BSM Pty Ltd as Trustee for the AR BSM Trust and Andrew James Ronchi	8,313,949 shares	5.55%
DR BSM Pty Ltd as Trustee for the DR BSM Trust and Daniel Ronchi	8,246,482 shares	5.50%

UNMARKETABLE PARCELS

Based on the closing market price on 3 August 2016, there were 21 shareholders holding less than a marketable parcel (i.e. a parcel of securities of less than \$500).

OPTIONS (NOT LISTED ON ASX)

There were 877,778 unquoted options on issue to purchase ordinary shares under the Company's Incentive Stock Option Agreement. The Options have been issued in accordance with the terms and conditions of the dorsaVI Ltd 2013 Share Ownership Plan.

RESTRICTED SECURITIES & ESCROW AGREEMENTS

There are no securities which are restricted or subject to escrow agreements.

VOTING RIGHTS

At a general meeting, each Shareholder present (in person or by proxy, attorney or representative) has one vote on a show of hands and one vote for each Share held when voting is done via a poll.

Proxy forms will be included in each notice of meeting sent to Shareholders. Holders of issued but unexercised options are not entitled to vote.

REQUIRED STATEMENTS

- (a) There is no current on-market buy-back of the Company's securities.
- (b) The Company's securities are not quoted on any exchange other than the ASX.

DISTRIBUTION SCHEDULE

Number of Shares	Number of Holders
1 - 1,000	13
1,001 - 10,000	195
10,001 - 100,000	226
100,001 - 1,000,000	132
1,000,001 and above	16
Total	582

DORSAVI'S TOP 20 SHAREHOLDERS

Set out below is a schedule of the 20 largest holders of each class of securities quoted.

	Name of registered holder	No. of Shares held	% of total Shares
1.	STARFISH TECHNOLOGY FUND II LP	60,597,345	40.42
2.	AR BSM PTY LTD <AR BSM A/C>	7,021,814	4.68
3.	DR BSM PTY LTD <DR BSM A/C>	7,021,814	4.68
4.	CITICORP NOMINEES PTY LIMITED	4,113,077	2.74
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,606,000	2.41
6.	BENTALE PTY LTD <ALLAMBI ROAD FAMILY A/C>	3,598,637	2.40
7.	STARFISH TECHNOLOGY FUND II NOMINEES A PTY LTD	3,029,868	2.02
8.	STARFISH TECHNOLOGY FUND II NOMINEES B PTY LTD	3,029,867	2.02
9.	GARSIND PTY LTD <RUTH ROSS SUPER FUND A/C>	1,972,925	1.32
10.	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,547,743	1.03
11.	MOZLEY PTY LTD <LONNY INVESTMENTS A/C>	1,340,218	0.89
12.	ANDREW RONCHI	1,292,135	0.86
13.	MORRMAC PTY LTD <MIMIE MACLAREN PENSION A/C>	1,244,231	0.83
14.	DANIEL RONCHI	1,224,668	0.82
15.	MR FRANCIS ROSS SELLENGER + MRS DIANA ELIZABETH SELLENGER <LOUANDI SUPER FUND A/C>	1,205,385	0.80
16.	MRS ROSALIND LAWRENCE <ROSALIND LAWRENCE PSF A/C>	1,089,923	0.73
17.	MARK STEPHEN HEAYSMAN	989,375	0.66
18.	MR WILLIAM HARRIS + MRS JANE HARRIS <HARRIS FAMILY SUPERFUND A/C>	980,000	0.65
19.	MR ROBERT HUNTER TAYLOR + MRS NORMA MARGARET TAYLOR <NO 2 A/C>	800,000	0.53
20.	MR MUHAMMAD UMER	795,442	0.53
	Total Shares held by top 20 Shareholders	106,500,467	71.04
	Total Shares held by all other Shareholders	43,414,149	28.96

CORPORATE DIRECTORY

Board of Directors and Company Secretary

Mr Herbert Elliott	Chairman
Mr Ashraf Attia	Non-Executive Director
Dr Michael Panaccio	Non-Executive Director
Dr Andrew Ronchi	Chief Executive Officer & Executive Director
Mr Gregory Tweedly	Non-Executive Director
Mr Brendan Case	Company Secretary

Executive Team

Dr Andrew Ronchi	Chief Executive Officer
Mr Damian Connellan	Chief Financial Officer
Mr Mark Heaysman	
Ms Meagan Blackburn	
Ms Zoe Whyatt	
Mr Matthew May	
Ms Megan Connell	
Mr Muhammad Umer	

Registered Office in Australia

C/- Pitcher Partners, Level 19,
15 William Street, Melbourne, VIC 3000
Phone: +61 3 8610 5000

Principal Administrative Office

Level 1, 120 Jolimont Rd,
Melbourne East, VIC 3002
Phone: 1800 367 7284

Auditor

Pitcher Partners
Level 19, 15 William Street,
Melbourne, VIC 3000
Phone: +61 3 8610 5000

Share Registry

Computershare Investor Services Pty Limited
GPO BOX 242, Melbourne, VIC 3001
Phone: + 61 3 9415 5000

Investor Relations

Ms Rebecca Wilson
Buchan Consulting
Phone: +61 3 9866 4722

Annual General Meeting Date & Place

The Annual General Meeting will be held
Tuesday, 29 November 2016 at 10:00am at:

Offices of Pitcher Partners, Level 19,
15 William Street, Melbourne, Victoria, 3000



www.dorsavi.com