TETSUWAN PTY LTD

AND CONTROLLED ENTITIES

ACN: 139 730 500

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Special purpose financial report
for the year ended 30 June 2017

Directors' report

The directors of Tetsuwan Pty Ltd ("The Group" or "Consolidated Entity") submit herewith the annual financial report of the company for the financial year ended 30 June 2017.

Directors

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

Mr Jeromy Michael Young (Appointed 29 September 2009)
Mr Ian James Overliese (Appointed 29 September 2009)
Sir Hossein Yassaie (Appointed 01 September 2016)
Mr Robert Song (Appointed 19 June 2017)
Mr Neil Gregory Chatfield (Appointed 11 September 2017)
Mr Christopher John Tait (Appointed 11 September 2017)

The above named directors held office during and since the end of the financial year unless otherwise stated.

Principal activities

The principal activities of the company during the financial year were the manufacture and wholesale of video equipment.

Review of operations

The consolidated loss of the Group for the financial year after providing for income tax amounted to $4,887,604 (2016: loss $2,611,574).

Changes in state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Subsequent events

There have been no other matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly effect, the operation of the Company or Group, the result of those operations, or the state of affairs of the Company or Group in future financial years.

Future developments

Disclosures of information regarding likely developments in the operations of the Company or Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company or Group. Accordingly, this information has not been disclosed in this report.

Environmental regulation

The operations of the Company or Group are subject to a number of environmental regulations. To the best of the directors' knowledge, all activities are performed in accordance with the requirements of relevant environmental regulations.

Dividends

The Company has not paid or declared any dividends during the financial year.

Directors' report (cont'd)

Indemnification of Officers

The Group paid $11,778 in insurance premiums during the financial year for any person who is or has been an officer of Tetsuwan Pty Ltd or any other Group entity.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all of those proceedings. The company was not a party to any proceedings during the year.

Signed in accordance with a resolution of directors.

On behalf of the Directors

Jeromy Young
Director

Melbourne, 6/3/18

Deloitte.

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Independent Auditor's Report to the members of Tetsuwan Pty Ltd

Qualified Opinion

We have audited the consolidated financial report of Tetsuwan Pty Ltd (the "Entity") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration as set out on pages 7 to 28.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial report presents fairly, in all material respects, the Group's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 3 and the directors' reporting requirements.

Basis for Qualified Opinion

Physical stock takes of inventory were not conducted by the Group at 30 June 2016. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at 30 June 2016. Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the cost of goods sold reported in the consolidated statement of profit or loss and other comprehensive income and the net cash flows from operating activities reported in the consolidated statement of cash flows for the years ended 30 June 2016 and 30 June 2017.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not further modified in respect of this matter.

Deloitte.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report included in the Group's financial report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Directors' Responsibilities for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the directors' reporting requirements and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jane Fisher
Partner
Chartered Accountants
Melbourne, 6 March 2018

Directors' declaration

As detailed in Note 3 to the financial statements, the company is not a reporting entity because in the opinion of the Directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the needs of the members.

The directors declare that:

(a) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and

(b) the attached financial statements and notes thereto are in compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors.

Jeromy Young
Director

Melbourne, 6/3/18

Statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Notes	Consolidated 2017 $	2016 $
Revenue	4	31,090,981	30,264,364
Cost of goods sold		(14,909,211)	(15,162,097)
Gross profit		**16,181,770**	**15,102,267**
Other income	4	321,022	378,600
Employee benefits expense		(6,040,101)	(6,405,024)
Research and development expense		(4,347,840)	(3,495,885)
Depreciation and amortisation		(213,303)	(182,308)
Administration expense		(959,195)	(908,395)
Marketing expense		(6,032,590)	(5,395,815)
Occupancy expense		(548,766)	(559,792)
Other expenses from ordinary activities		(4,164,831)	(2,267,676)
Legal and professional services		(676,994)	(318,869)
Borrowing costs expense		(157,933)	(102,228)
Loss before tax		**(6,638,761)**	**(4,155,125)**
Income tax (expense)/benefit		**1,751,157**	**1,543,551**
Loss for the year		**(4,887,604)**	**(2,611,574)**
Other comprehensive income/(loss)for the year		**185,384**	**42,680**
Total comprehensive loss for the year		**(4,702,220)**	**(2,568,894)**

Notes to the financial statements are included on pages 12 to 28.

Statement of financial position
at 30 June 2017

	Notes	Consolidated 2017 $	Restated* 2016 $
Current assets			
Cash and cash equivalents		1,548,402	1,079,825
Trade and other receivables	5	3,726,700	6,355,402
Inventories	6	3,981,603	4,637,713
Other assets	7	743,594	704,741
Total current assets		**10,000,299**	**12,777,681**
Non-current assets			
Property, plant and equipment	8	468,142	618,971
Trade and other Receivables	5	46,596	39,085
Intangible assets	9	13,770,832	11,427,187
Deferred tax asset		3,931,944	1,835,821
Total non-current assets		**18,217,514**	**13,921,064**
Total assets		**28,217,813**	**26,698,745**
Current liabilities			
Trade and other payables	10	6,762,474	8,568,780
Current tax liability		335,343	878,904
Borrowings	11	1,110,247	46,644
Provisions	13	332,759	247,541
Total current liabilities		**8,540,823**	**9,741,869**
Non-current liabilities			
Borrowings	11	7,405,680	5,233,415
Other financial liabilities	12	5,063,277	-
Deferred tax liability		2,626,741	2,422,481
Provisions	13	52,775	70,243
Total non-current liabilities		**15,148,473**	**7,726,139**
Total liabilities		**23,689,296**	**17,468,008**
Net assets		**4,528,517**	**9,230,737**
Equity			
Issued capital	15	8,886,734	8,886,734
Foreign currency translation reserve		195,156	9,772
Retained earnings/(Accumulated losses)		(4,553,373)	334,231
Total equity		**4,528,517**	**9,230,737**

*Restated to correct prior period comparatives – refer note 18
Notes to the financial statements are included on pages 12 to 28.

Statement of changes in equity
for the year ended 30 June 2017

	Issued Capital (Ordinary shares) $	Issued Capital (Class A shares) $	Retained Earnings/ Accumulated Losses* $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2015	8,595,222	291,512	4,349,152	(32,908)	13,202,978
Restatement to correct prior period comparatives	-	-	(1,403,347)	-	(1,403,347)
Balance at 1 July 2015	8,595,222	291,512	2,945,805	(32,908)	11,799,631
Loss for the year	-	-	(2,611,574)	-	(2,611,574)
Other comprehensive income	-	-	-	42,680	42,680
Total comprehensive loss for the year	-	-	(2,611,574)	42,680	(2,568,894)
Balance at 30 June 2016	**8,595,222**	**291,512**	**334,231**	**9,772**	**9,230,737**
Balance at 1 July 2016	8,595,222	291,512	334,231	9,772	9,230,737
Loss for the year	-	-	(4,887,604)	-	(4,887,604)
Other comprehensive income	-	-	-	185,384	185,384
Total comprehensive loss for the year	-	-	(4,887,604)	185,384	(4,702,220)
Balance at 30 June 2017	**8,595,222**	**291,512**	**(4,553,373)**	**195,156**	**4,528,517**

*Restated to correct prior period comparatives – refer note 18
Notes to the financial statements are included on pages 12 to 28.

Statement of cash flows
for the year ended 30 June 2017

	Note	Consolidated 2017 $	Restated* 2016 $
Cash flows from operating activities			
Receipts from customers		34,203,360	28,302,688
Payments to suppliers and employees		(38,528,287)	(29,412,770)
Interest paid		-	(86,492)
Income tax paid		(545,914)	(703,949)
Net cash used in operating activities	14(b)	**(4,870,841)**	**(1,900,523)**
Cash flows from investing activities			
Payment for plant and equipment & Intangible assets		(2,406,119)	(3,654,947)
Net cash used in investing activities		**(2,406,119)**	**(3,654,947)**
Cash flows from financing activities			
Repayment of lease liability		(45,259)	(46,290)
Proceeds from/(repayments of) related party borrowings		-	(164,694)
Proceeds from borrowings		8,339,197	5,129,760
Interest paid		(564,829)	-
Net cash generated by financing activities		**7,729,109**	**4,918,776**
Net increase/(decrease) in cash and cash equivalents		452,149	(636,694)
Cash and cash equivalents at the beginning of the financial year		1,079,825	1,716,519
Exchange differences on cash and cash equivalents		16,428	-
Cash and cash equivalents at the end of the financial year	14(a)	**1,548,402**	**1,079,825**

*Restated to correct prior period comparatives – refer note 18
Notes to the financial statements are included on pages 12 to 28.

1) General information

Tetsuwan Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The registered office and principal place of business of the company is:
29 Nott Street
Port Melbourne VIC 3207

2) Application of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2016.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 1048 Interpretation of Standards
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective date
AASB 9 *Financial Instruments*	1 July 2019
AASB 15 Revenue from Contracts with Customers, 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15,* 2015-8 *Amendments to Australian Accounting Standards – Effective date of AASB 15,* 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*	1 July 2019
AASB 16 *Leases*	1 July 2020
AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*	1 July 2019
Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 July 2019

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

Standard/amendment	Effective date
Annual Improvements to IFRS Standards 2015–2017 Cycle	1 July 2020

The group has not yet determined the potential effect, if any, of the new and amending standards and interpretations on the group's financial report.

3.) Significant accounting policies

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. For the purpose of preparing the financial statements, the Company is a for-profit entity.

Statement of compliance

The financial statements have been prepared in accordance with the *directors' reporting requirements*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statements of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Additional Australian Disclosures'.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the asset or liability.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described below, the director is required to make judgments, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Long service leave

Management's judgement is applied in determining the following key assumptions used in the calculation of long service leave at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

3.) Significant accounting policies (cont'd)

Plant and equipment
Useful lives and residual value of plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

Provision for obsolete stock
Management's judgement is applied in determining the provision for inventories obsolescence. If the estimated selling price of inventory is lower than the cost of the inventory, the difference is recognised in the provision for obsolescence.

Provision for doubtful debts
Management's judgement is applied in determining the provision for doubtful debts. If the estimated recoverable amount of the debtor is less than the amount of revenue recognised, the difference is recognised in the provision for doubtful debts.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents
Cash and cash equivalents include cash on hand and deposits held at call with banks. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(b) Employee Benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

(c) Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(d) Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.) Significant accounting policies (cont'd)

(d) Financial assets (cont'd)
A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement 'permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

AFS financial assets
Listed shares and listed redeemable notes held by the Company that are traded in an active market are classified as AFS and are stated at fair value. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured).

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3.) Significant accounting policies (cont'd)

(d) Financial assets (cont'd)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Impairment of financial assets

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.) Significant accounting policies (cont'd)

(e) Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL.
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:
• it has been incurred principally for the purpose of repurchasing it in the near term;
• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:
• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
• it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Embedded derivatives
Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Other financial liabilities
Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(f) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

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

3.) Significant accounting policies (cont'd)

(g) Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(h) Income tax

The Group forms a tax-consolidated Group under Australian taxation law, of which Tetsuwan Pty Ltd is the head entity. As a result, the entities within the Group are subject to income tax through their membership of the tax-consolidated Group. The consolidated current and deferred tax amounts for the tax-consolidated Group are allocated to the members of the tax-consolidated Group using the 'standalone taxpayer' within Group' approach, with deferred taxes being allocated by reference to the carrying amounts in the financial statements of each member entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity, as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

The tax sharing agreement entered into between members of the tax-consolidated Group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated Group. The effect of the tax sharing agreement is that the Company's liability for tax payable by the tax consolidated Group is limited to the amount payable to the head entity under the tax funding arrangement.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3.) Significant accounting policies (cont'd)

(h) Income tax (cont'd)

Deferred tax (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Intangibles impairment testing

Development costs

Capitalised development costs are recognised in line with the recognition policy laid out at point (p). Subsequent to initial recognition, these intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

For the purposes of impairment testing, the intangible assets have been allocated to the Group's cash generating unit that is expected to benefit from the synergies of the combination. A cash-generating unit to which the intangible has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management judgements are applied to expected future cash flows from the cash-generating unit and determines suitable growth, discount and terminal rates in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget encompassing the next 4 financial periods.

Any impairment loss is recognised directly in profit or loss in the statement of profit or loss and comprehensive income.

An impairment loss recognised is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of the intangible is included in the determination of the profit or loss on disposal.

3.) Significant accounting policies (cont'd)

(j) Interest-bearing loans and borrowings
All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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

Borrowing costs are recognised as an expense when incurred.

(k) Inventories
Inventories are measured at the lower cost and net realisable value. Inventories are valued at weighted average costing. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity.

(l) Leases
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Company as lessee
Assets held under finance leases are recognised at their fair value determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Plant and equipment
Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Depreciation
Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computers	3 years
Property, plant & equipment	4-7 years
Motor Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

3.) Significant accounting policies (cont'd)

(n) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Consolidated Entity; and
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

(o) Trade and other receivables

Trade receivables, which generally have 10-30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the company will not be able to collect the debt.

(p) Intangible assets

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development or from the development phase of an internal project is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible 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 intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first metes the recognition criteria above. When no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.) Significant accounting policies (cont'd)

(q) Comparative Figures

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

(r) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.
  The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

	2017	2016
4. Revenue	**$**	**$**
Continuing operations		
Sales of goods	31,090,981	30,264,364
Non-operating activities		
Interest income	551	362
Other income	320,471	378,238
	321,022	**378,600**

5. Trade and other receivables

	2017	2016
Current		
Trade receivables	3,841,243	6,469,945
Allowance for doubtful debts	(114,543)	(114,543)
	3,726,700	**6,355,402**
Non-Current		
Amounts receivable from related parties	**46,596**	**39,085**

6. Inventories

	2017	2016
Finished goods at cost	419,919	976,172
Raw Materials	3,703,970	4,040,420
Provision for obsolete stock	(142,286)	(378,879)
	3,981,603	**4,637,713**

7. Other assets

	2017	2016
Security deposits	183,693	182,455
Prepayments	559,900	522,286
	743,594	**704,741**

	2017	2016
	$	$
8. Plant and equipment		
Computer hardware at cost	366,741	353,844
Less: Accumulated depreciation	(206,183)	(124,801)
	160,558	**229,043**
Plant and equipment at cost	276,518	287,135
Less: Accumulated depreciation	(128,849)	(116,959)
	147,669	**170,176**
Motor vehicle at cost	282,612	297,819
Less: Accumulated depreciation	(122,697)	(78,067)
	159,915	**219,752**
Total plant and equipment	**468,142**	**618,971**
9. Intangible assets		
Product Development	**13,770,832**	**11,427,187**

		Restated
	2017	2016
10. Trade and other payables	$	$
Current		
Trade payables	5,232,453	7,899,696
Sundry creditors and accruals	1,530,021	669,084
	6,762,474	**8,568,780**

	2017	2016
	$	**$**

11. Borrowings

Current

Fair value at amortised cost:		
Lease liability (i)	110,247	46,644
Short term loan (ii)	1,000,000	-
	1,110,247	**46,644**

Non-current

Fair value at amortised cost:		
Lease liability (i)	-	103,655
Short term loan (ii)	-	2,129,760
Convertible notes (note 12.1)	7,405,680	3,000,000
	7,405,680	**5,233,415**

(i) Secured by the assets leased. The borrowings are debt with a fixed interest rate with repayment periods not exceeding 5 years. (See note 16)

(ii) Unsecured fixed interest and fixed short term loans. Interest of 11%-15% per annum is charged on outstanding loan balances (2016: 11%-15%).

12. Other financial liabilities

Non-Current

Designated at fair value through profit and loss		
Derivative financial liability (note 12.1)	5,063,277	-
	5,063,277	**-**

12.1 Convertible notes

On 3 May 2017 the Parent Company issued 12.9 million of AUD denominated convertible notes with an aggregated principal amount of $12.9 million. Conversion may occur at any time until 2nd of May 2019 and is at the discretion of the note holder. Interest of 10% per annum is payable semi annually in arrears until the notes are converted or redeemed.

Convertible note (borrowing)	7,876,232	3,000,000
Capitalised raise expenses	(470,552)	-
Derivative financial liability (i)	5,063,277	-
	12,468,957	**3,000,000**

(i) The derivative liability is represented at the present value utilising level 3 inputs of the fair value hierarchy based on available information. The derivative is present due to the fact the convertible notes do not convert to a fixed number of ordinary shares in the Parent Company.

	2017	2016
	$	**$**
13. Provisions		
Current		
Employee benefits – Annual Leave	271,556	247,541
Employee benefits – Long Service Leave	61,203	-
	332,759	**247,541**
Non-current		
Employee benefits – Long Service Leave	**52,775**	**70,243**

14. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents included cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents 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

Cash at bank	1,548,402	1,079,825
Total cash and cash equivalents	**1,548,402**	**1,079,825**

(b) Reconciliation of (loss)/profit for the year to the net cash flows from operating activities

	2017	2016
	$	**$**
Profit / (Loss) for the year	(4,887,604)	(2,611,574)
Unrealised foreign currency expense	94,276	42,680
Depreciation and amortisation	213,303	182,308
Interest on financing activities	668,838	-
<u>Changes in net assets and liabilities:</u>		
(Increase)/decrease in assets:		
Trade receivables	2,628,702	(2,382,956)
Inventories	656,110	1,046,234
Other assets	(33,646)	(96,383)
Deferred tax asset	(2,096,122)	(1,546,830)
Increase/(decrease) in liabilities:		
Trade and other payables	(1,843,146)	4,054,291
Provisions	67,750	112,377
Current tax liabilities	(543,561)	(703,949)
Deferred tax liability	204,259	3,279
Net cash used in operating activities	**(4,870,841)**	**(1,900,523)**

	2017 number	2016 number	2017 $	2016 $
15. Issued capital				
Fully paid ordinary shares	16,958	16,958	8,595,222	8,595,222
Fully paid Class A shares	2,760	2,760	291,512	291,512
	19,718	**19,718**	**8,886,734**	**8,886,734**

(a) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entities to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Class A shares carry the same rights as ordinary shares.

	2017	2016
16. Leasing commitments	$	$
(a) Finance lease and hire purchase commitments		
Minimum lease payments	110,704	155,506
Less: Future finance charges	(457)	(5,207)
Present value of minimum lease payments	110,247	150,299
Not longer than 1 year (note 11)	110,247	46,664
Longer than 1 year and not longer than 5 years (note 11)	-	103,655
(b) Operating lease commitments		
Non-cancellable operating leases contracted for but not recognized in the financial statements:		
Not longer than 1 year	164,800	160,000
Longer than 1 year and not longer than 5 years	169,744	334,544
Longer than 5 years	-	-
	334,544	494,544

17. Contingent liabilities

There are no contingent liabilities as at 30 June 2017 (2016: $nil). There are no capital commitments as at 30 June 2017 (2016: $nil).

18. Restatement of comparative information

During the financial year it was determined that a restatement was required to the comparative information relating to the incorrect recognition of income tax expense and intercompany payable account within the consolidated financial statements. The intercompany account had remained incorrectly on consolidation on the prior year within trade and other payables.

The restatement has been reflected in the Statement of Financial Position and Statement of Changes in Equity to reverse the overstatement of retained earnings and understatement of the intercompany payable for tax allocated to the head of the tax consolidated Group. There is no impact to the Statement or Profit or Loss and Other Comprehensive Income and Statement of Cash Flows.

The tables that follow, show the impact of the prior period restatement:

Statement of Financial Position

Impact on liabilities as at 1 July 2015:	As at 1 July 2015 as previously reported $	Restatement Adjustment $	As at 1 July 2015 restated $
Trade and other payables	3,111,142	1,403,347	4,514,489
Retained earnings	4,349,152	(1,403,347)	2,945,805

Statement of Financial Position

Impact on liabilities as at 30 June 2016:	As at 30 June 2016 as previously reported $	Restatement Adjustment $	As at 30 June 2016 restated $
Trade and other payables	7,165,433	1,403,347	8,568,780
Retained earnings	1,737,578	(1,403,347)	334,231

(i) Only those lines impacted by the restatement have been disclosed. Furthermore, disclosure of the impact of the restatement has been disclosed in the following notes:

- Note 10: Trade and other payables

19. Subsequent events

There have been no other matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly effect, the operation of the company or group, the result of those operations, or the state of affairs of the company or group in future financial years.