



BIOXYNE LIMITED

ABN 97 084 464 193

The Companies Announcements Office
The Australian Stock Exchange Limited
SYDNEY

Date: 30 August 2016

APPENDIX 4E

The results for announcement to the market are as follows:-

1. The reporting period is twelve months to 30 June 2016. The previous reporting period was twelve months to 30 June 2015.
2. Key information relating to the above reporting periods is as follows:-

	30 June 2016	30 June 2015	Percentage Change
	\$	\$	
Revenue from ordinary activities	2,025,335	1,653,274	+23%
Profit from ordinary activities after tax attributable to members	223,846	201,039	+11%
Net Profit attributable to members	223,846	201,039	+11%
Proposed dividend	-	-	-
Net tangible assets per issued security	0.01	0.01	NMF

- 3 to 9. See attached financials.
10. No acquisition or disposal of any entity occurred during the financial year.
11. There are no associates or joint venture entities.
12. The Company is not a foreign entity.
13. See commentary and the attached financials.
14. The financial statements are subject to completion of the audit.



COMMENTARY ON RESULTS FOR THE YEAR

REVENUE

The company continued to derive revenues from the sale of the Company's patented probiotic *Lactobacillus fermentum* VRI-003 (PCC®) in the international market in FY 2016. Sales for FY 2016 of \$1,924,454 increased significantly by 29% over the prior year (2015: \$1,492,109). The increase in sales and marketing visits to our major customer and global manufacturer and distributor provided a focus to meeting market requirements.

Royalty income also increased by 113% year on year to \$47,353 (2015: \$22,155).

EXPENDITURE

Operating expenses were consistent with the increased level of sales and marketing initiatives. This took into account the strengthening of the management team from February 2016 plus additional technical costs associated with the planned clinical trial scheduled for September 2016. See below.

The Company's announced 2016 goals are to further develop its core asset, the probiotic *Lactobacillus fermentum* VRI-003 (PCC®).

Incremental expenditures incurred through the second half of the year included:

- Scientific support with the appointment of Dr Peter French and marketing consultants;
- Preparing for the launch of two PCC®-based products in Australia in second half of calendar year 2016 – Progastrim® and proTract® for Atopic Dermatitis – including listing on the Australian Register of Therapeutic Goods;
- Preparation for the registration of PCC® in China;
- Preparation for a clinical trial to examine the effect of PCC® to influence the composition of the gut microbiome and improve gut health in healthy adult human volunteers. Related Research & Development expenditure of \$123,120 was incurred;
- Increased marketing support costs of our major partners of Nu-Skin and Christian Hansen.

BALANCE SHEET

The net assets of the group grew to \$1,551,255 as at 30 June 2016 (2015: \$1,283,666).

During the year the three Non-Executive Directors of the Company exercised their options which increased cash reserves by \$43,743 and is reflected in the cash inflows from financing activities.

The carrying value of the Company's investment in Mariposa Health Inc. (MHI) is carried at cost of \$325,000. The proposed listing of MHI on a US Exchange is ongoing. The process is long and detailed. MHI advised the Company that it has appointed a new high profile investment bank to complete the listing process.

MHI further advised that it has defaulted on a bridging Promissory Note (PN) to a third party due to the non-performance of the outgoing investment bank in accordance with a signed mandate. MHI has reserved its rights for legal remedy. MHI confirmed that the new investment bank is completing a capital raising for working capital and to repay the PN.

The directors believe that the proper determination of the fair value of the investment in Mariposa Health Inc. is when it begins trading on a US Exchange. The directors are of the view that the carrying value of the investment is not impaired as at 30 June 2016.



This Appendix 4E is subject to finalisation of the audit of the financial statements.

CASHFLOW

The Company reported a net positive operating cash inflow for the year of \$392,595 (2015: outflow \$166,722).

A payment of \$101,259 made in the June 2015 quarter for accumulated prior year's royalties was reversed and added to the total accumulated royalties owed in relation to sales of PCC®. Total royalties owed to 30 June 2016 were \$171,831.



Bioxyne Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2016

		2016	2015
	Notes	\$	\$
Revenue from continuing operations			
Sale of goods		1,924,454	1,492,109
Other income	3	100,881	161,165
Cost of goods sold		(858,526)	(726,584)
Expenses			
Research and Development		(123,120)	-
Business development		(73,702)	(67,941)
Marketing		(58,000)	(96,718)
Professional fees		(279,803)	(199,677)
Compliance costs		(79,946)	(80,967)
Legal fees		(38,455)	(9,537)
Employee benefits		(170,650)	(153,065)
General and administration		(116,708)	(116,334)
Finance costs		(2,579)	(1,412)
Profit before income tax		223,846	201,039
Income tax (expense)	4	-	-
Other comprehensive income for the year		-	-
Total comprehensive profit for the year		223,846	201,039
Profit is attributable to:			
Members of Bioxyne Limited		223,846	201,039
Earnings per share			
<i>From continuing operations</i>			
- Basic earnings per share	19	0.001	0.001
- Diluted earnings per share	19	0.001	0.001

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



Bioxyne Limited
Statement of Financial Position
As at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,353,604	958,469
Current tax receivables	6	71,183	19,520
Trade and other receivables	7	259,871	210,048
Total Current Assets		1,684,658	1,188,037
Non-Current Assets			
Other financial assets	8	325,000	325,000
Total Non-Current Assets		325,000	325,000
Total Assets		2,009,658	1,513,037
LIABILITIES			
Current Liabilities			
Trade and other payables	9	458,403	229,371
Total Current Liabilities		458,403	229,371
Total Non-Current Liabilities		-	-
Total Liabilities		458,403	229,371
Net Assets		1,551,255	1,283,666
EQUITY			
Contributed equity	10	57,478,121	57,426,940
Reserves	11	3,274	10,712
Accumulated losses	11	(55,930,140)	(56,153,986)
Equity		1,551,255	1,283,666

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



Bioxyne Limited
Statement of Changes in Equity
For the year ended 30 June 2016

	Notes	Contributed equity \$	Accumulated Losses \$	Reserves \$	Total \$
2015					
At 30 June 2014		57,426,940	(56,478,329)	123,304	1,071,915
Total comprehensive income for the year		-	201,039	-	201,039
Options issued during the year		-	-	10,712	10,712
Options cancelled during the year		-	123,304	(123,304)	-
At 30 June 2015		57,426,940	(56,153,986)	10,712	1,283,666
2016					
At 30 June 2015		57,426,940	(56,153,986)	10,712	1,283,666
Total comprehensive income for the year		-	223,846	-	223,846
Shares issued and transfer from share					
Option reserve on exercise of options		51,181	-	(7,438)	43,743
At 30 June 2016		57,478,121	(55,930,140)	3,274	1,551,255

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



Bioxyne Limited
Statement of Cash Flows
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts of other income (inclusive of goods and services tax)		1,918,908	1,464,029
Payments to suppliers and employees (inclusive of goods and services tax)		(1,568,594)	(1,637,425)
		350,314	(173,396)
Finance charges		(2,579)	(1,412)
Interest received		1,117	8,036
Net cash inflow/(outflow) from operating activities	15	348,852	(166,772)
Net cash inflow from investing activities		-	-
Cash flows from financing activities			
Proceeds from the issue of shares		43,743	-
Net cash inflow from financing activities		43,743	-
Net increase/(decrease) in cash and cash equivalents		392,595	(166,772)
Cash and cash equivalents at the beginning of the financial year		958,469	992,378
Foreign exchange adjustment to cash balance		2,540	132,863
Cash and cash equivalents at end of the year	5	1,353,604	958,469

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



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies

These financial statements and notes represent those of Bioxyne Limited (the “Company”)

(a) Basis of preparation

Reporting Entity

Bioxyne Limited is a company limited by shares, incorporated and domiciled in Australia.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, except for selected financial assets for which the fair value basis of accounting has been applied.

Critical accounting estimates and judgements

Critical estimates and judgements are evaluated by the Directors and incorporated into the financial report based on historical knowledge and best available current information. These estimates assume a reasonable expectation of future events and are based on trends and economic data obtained externally and within the Company.

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Comparative information is reclassified where appropriate to enhance comparability.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation

(i) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars (A\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Items included in the financial statements of the Company's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive income.

(c) Revenue recognition

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Research and Development Tax Incentive

Research and Development Tax Incentive claims are recognised as other income in the period to which the incentive claims relate.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

(d) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

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

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associated and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

(g) Leases

Leases where the lessor retains substantially all of the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss on a straight-line basis over the period of the lease.

(h) Impairment of assets

At the end of each reporting period the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of 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.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(i) Cash and cash equivalent

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(j) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Other receivables are generally due for settlement within 30 days.

Collectability of other receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance made for doubtful debts is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue).

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within 'other expenses'. When a trade or other receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

(k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(l) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

(m) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(ii) Retirement benefit obligations

The Company does not maintain a company superannuation plan. The Company makes fixed percentage contributions for all Australian resident employees to complying third party superannuation funds. The Company's legal or constructive obligation is limited to these contributions.

Contributions to complying third party superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share - based payments

The fair value of options granted under the Employee Share Option Plan "ESOP" is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Comprehensive Income with a corresponding adjustment to equity.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

(n) Contributed equity

Costs directly attributable to the issue of new shares are shown as a deduction from the equity as a deduction proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net GST, except where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

(p) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Plant and equipment – ranging from 2 to 20 years

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



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit and loss ("FVTPL") or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company 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 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 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 Company'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 liabilities 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 interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Comprehensive Income.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

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.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(q) Trade and other receivables

Trade and other receivables are stated at their cost less an allowance for impairment of receivables.

(r) New and amended accounting standards adopted by the Company

At the date of authorisation of the financial statements the following standards and interpretations have been applied where applicable;

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial
- 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)
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

(s) New and amended accounting standards for application in future periods

The following Standards and Interpretations listed below were on issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<i>AASB 9 'Financial Instruments' (December 2014)</i> AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The directors do not anticipate that the adoption of AASB 9 will have a significant impact on the Group's financial instruments.	1 January 2018	30 June 2019
AASB 15 Revenue from Contracts with Customers AASB 15: • Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: ○ establishes a new revenue recognition model ○ changes the basis for deciding whether revenue is to be recognised over time or at a point in time ○ provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) ○ expands and improves disclosures about revenue The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2019 includes: • Change in timing of income recognition depending on performance consideration in the Group's contracts • Change in income measurement for possible variable consideration in the Group's contracts	1 January 2018	30 June 2019



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

<i>AASB 16 Leases</i> AASB 16: • Replaces AASB 117 Leases and some lease-related Interpretations • requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases • provides new guidance on the application of the definition of lease and on sale and lease back accounting • largely retains the existing lessor accounting requirements in AASB 117 • requires new and different disclosures about leases When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.	1 January 2019	30 June 2020
<i>AASB 2014-1 Amendments to Australian Accounting Standards</i> Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14. When these amendments become effective for the first time for the year ending 30 June 2017, they will not have any impact on the entity. Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements. Refer to the section on AASB 9 above.	1 January 2016	30 June 2017



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

<i>AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations</i> The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a ‘business’, as defined in AASB 3 Business Combinations, should: • apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and • provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards. When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.	1 January 2016	30 June 2017
<i>AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment. The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances: - The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or - When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.	1 January 2016	30 June 2017



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

<i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i> AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15. Refer to the section on AASB 15 above.	1 January 2017	30 June 2018
<i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i> AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9. Refer to the section on AASB 9 above.	1 January 2018	30 June 2019
<i>AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements</i> The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements. When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.	1 January 2016	30 June 2017
<i>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business. This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128 (2011). When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.	1 January 2016	30 June 2017



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

<i>AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i> These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB. Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5. When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.	1 January 2016	30 June 2017
<i>AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i> The amendments: • clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information • clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated • add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position • clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order, and • remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy. When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.	1 January 2016	30 June 2017



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

<i>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> AASB 2015-8 amends the mandatory application date of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. It also defers the consequential amendments that were originally set out in AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.	1 January 2017	30 June 2018
<i>AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs</i> AASB 2015-9 inserts scope paragraphs into AASB 8 Operating Segments and AASB 133 Earnings per Share in place of application paragraph text in AASB 1057. In July and August 2015, the AASB reissued AASB 8, AASB 133 and most of the Australian Accounting Standards that incorporate IFRSs to make editorial changes. The application paragraphs in the previous versions of AASB 8 and AASB 133 covered scope paragraphs that appear separately in the corresponding IFRS 8 and IAS 33. In moving those application paragraphs to AASB 1057 when AASB 8 and AASB 133 were reissued in August, the AASB inadvertently deleted the scope details from AASB 8 and AASB 133. This amending Standard puts the scope details into those Standards, and removes the related text from AASB 1057. There is no change to the requirements or the applicability of AASB 8 and AASB 133. When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.	1 January 2016	30 June 2017
<i>AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i> This Standard defers the mandatory application date of amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The amendments have been deferred as the IASB is planning to address them as part of its longer term Equity Accounting project. However, early application of the amendments is still permitted. Refer to the section on AASB 2014-10 above.	1 January 2016	30 June 2017



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

1 Summary of significant accounting policies (continued)

<i>AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses.</i> AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost. When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.	1 January 2017	30 June 2018
<i>AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i> AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.	1 January 2017	30 June 2018
<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> The amendments clarify the application of IFRS 15 in three (3) specific areas to reduce the extent of diversity in practice that might otherwise result from differing views on how to implement the requirements of the new standard. They will help companies: 1 Identify performance obligations (by clarifying how to apply the concept of ‘distinct’); 2 Determine whether a company is a principal or an agent in a transaction (by clarifying how to apply the control principle); 3 Determine whether a licence transfers to a customer at a point in time or over time (by clarifying when a company’s activities significantly affect the intellectual property to which the customer has rights). The amendments also create two (2) additional practical expedients available for use when implementing IFRS 15: 1 For contracts that have been modified before the beginning of the earliest period presented, the amendments allow companies to use hindsight when identifying the performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations. 2 Companies applying the full retrospective method are permitted to ignore contracts already complete at the beginning of the earliest period presented. The AASB is expected to publish the equivalent Australian amendments in quarter 2 of 2016. When these amendments are first adopted for the year ending 30 June 2019, there will be no material impact on the financial statements.	1 January 2018	30 June 2019



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Research and development expenditure

The Group has expensed all research and development expenditure incurred during the year, where applicable, as the costs relate to the initial expenditure for research and development of biopharmaceutical products and the generation of future economic benefits are not considered certain. It was considered appropriate to expense the research and development costs as they did not meet the criteria to be capitalised under AASB 138 Intangible assets.

(i) Consideration received for divestment and subsequent measurement of Mariposa investment

On the 17th June 2015, the shares held in Mariposa Health Limited ('MHL') were exchanged for 213,138 shares in Mariposa Health Inc ('MHI'), a USA Delaware Corporation so that MHL became a subsidiary of MHI.

The directors are of the view that the underlying value of MHI resides within its intellectual property rights to the HI-1640V patents, including patient and trial data which is not recognised as an asset by MHI or its controlled entities. The directors are of the belief that there are no indicators of impairment in respect of the company's investment carried at a cost of \$325,000, given MHI is continuing towards a capital raising to enable it to undertake further feasibility assessments of its technology.

In addition to the above, part of the total consideration paid to BXN for the disposal of HIPL included a deferred consideration of \$1million, payable on achievement of agreed milestones over the next 5 years from 24 February 2014. This has not been recognised in the financial statements. The deferred consideration will be recognised as and when it is received.

The deferred consideration also includes an obligation to pay royalties, which is agreed to be 6.5% of the gross revenue received by the company, MHL or related entities in respect to the sale of the sublicensing or Intellectual property rights, including any sale proceeds or Sub-Royalties.

To the extent that products are manufactured based on the intellectual property, royalties are calculated as 2% of Gross revenue.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

	2016	2015
	\$	\$
3 Other income		
Research and development tax Incentive	53,252	-
Interest received	1,117	8,036
Other income – royalties and foreign exchange	46,512	153,129
	100,881	161,165
4 Income tax benefit		
(a) Income tax benefit		
Deferred tax	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	223,846	201,039
Tax at the Australian tax rate of 30% (2015 - 30%)	67,154	60,312
Tax effect of amounts which are not (taxable) in calculating taxable income	(16,365)	(97,320)
Utilisation of prior year tax losses	(50,789)	-
Carried forward tax benefit not recognised	-	37,008
Total income tax expense	-	-
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	26,324,227	26,493,525
Potential tax benefit @ 30%	7,897,268	7,948,057
5 Current assets - Cash and cash equivalents		
Cash at bank and in hand	1,353,604	958,469
	1,353,604	958,469



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

	2016	2015
	\$	\$
6 Current assets – Current tax receivables		
R&D Tax Incentive Receivable	53,252	-
GST receivable	17,931	19,520
	71,183	19,520
7 Current assets – Trade and other receivables		
Trade debtors	205,972	172,073
Accrued Income	17,006	-
Prepayments	36,893	37,975
	259,871	210,048
8 Other financial assets		
Non-current		
Available-for-sale financial assets	325,000	325,000
	325,000	325,000
(a) Available-for-sale financial assets		
Unlisted investments, at cost:		
- shares in other corporations	325,000	325,000
Total available-for-sale investments at cost	325,000	325,000
9 Current liabilities - Trade and other payables		
Trade creditors	215,065	130,749
Accrued Expenses	239,026	98,622
Employee Liabilities	4,312	-
	458,403	229,371



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

10 Contributed equity

(a) Share capital

	2016 Shares	2016 \$	2015 Shares	2015 \$
Ordinary Shares Fully Paid	202,426,101	57,478,121	200,343,101	57,426,940

(b) Movements in ordinary share capital

		Number of Shares	Issue price	\$
Opening balance	1-Jul-14	200,343,101		57,426,940
Balance	30-Jun-15	200,343,101		57,426,940
Opening balance	1-Jul-15	200,343,101		57,426,940
Exercise of Options	5-May-16	2,083,000	0.021	43,743
Transfer from share option reserve*	5-May-16	-	-	7,438
Balance	30-Jun-16	202,426,101		57,478,121

*The value of the options on initial recognition are transferred from share option reserve to share capital once exercised. Valuation based on the fair value at grant date being 10/12/2014 and was independently determined using a Black-Scholes option pricing model.

(c) Ordinary shares

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(d) Options

As at the date of this report, the following options over unissued ordinary shares were on issue:

Details	No of options	Issue date	Date of expiry	Conversion price (\$)
Options issued under employee share option plan	917,000	10/12/2014	10/12/2017	0.021
Total	917,000			

Options	2016 No.	2015 No.
Balance at beginning of year	3,000,000	14,553,886
Granted during the year	-	3,000,000
Expired during the year	-	(14,553,886)
Exercised during the year	(2,083,000)	-
Balance at end of year	917,000	3,000,000



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

10 Contributed equity (Continued)

(e) Capital risk management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern.

11 Reserves and accumulated losses

	2016	2015
	\$	\$
(a) Reserves		
Total reserves	3,274	10,712

Options reserve

Movements in reserve were as follows:

Balance 1 July	10,712	123,304
Option issued	-	10,712
Options cancelled	-	(123,304)
Transfer from share option reserve on exercise of options	(7,438)	-
Balance 30 June	3,274	10,712

(b) Accumulated losses

Movements in accumulated losses were as follows:

Opening accumulated losses	(56,153,986)	(56,478,329)
Profit for the year	223,846	201,039
Options cancelled	-	123,304
Balance 30 June	(55,930,140)	(56,153,986)

(c) Nature and purpose of reserves

The share option reserve comprises the cumulative value of employee services received for the issue of shares options. When the option is exercised, the related balance previously recognised in the share option reserve is transferred to share capital. When the share options expire, the related balance previously recognised in the share option reserve is transferred to accumulated losses.

12 Remuneration of auditors

Audit services

Audit of financial reports – RSM Australia Partners	42,750	35,000
Total remuneration for audit services	42,750	35,000

13 Commitments

Capital commitments

As at 30 June 2016, the Company has no capital commitments (2015: \$nil).



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

14 Events occurring after the balance sheet date

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- a) The Company's operations in future financial years; or
- b) The results of those operations in future financial years; or
- c) The Company's state of affairs in future financial years.

15 Reconciliation of profit after income tax to net cash outflow from operating activities

	2016	2015
	\$	\$
Profit for the year	223,846	201,039
Non-cash employee benefits expense - share based payments	-	10,712
Foreign exchange gain	(2,540)	(132,863)
<i>Change in operating assets and liabilities</i>		
(Increase) in trade and other receivables	(104,156)	(51,149)
Decrease in prepayments	1,082	2,706
(Decrease) Increase in trade and other payables	230,620	(197,217)
Net cash inflow / (outflow) from operating activities	348,852	(166,772)

16 Segment information

Bioxyne operates in the bio-technology industry in Australia. The principal operations are to research, develop, market and distribute probiotic products. Sales are made internationally.

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 30 June 2016 and 30 June 2015.

Segment revenues and results

	Segment revenue		Segment profit	
	2016	2015	2016	2015
	\$	\$	\$	\$
Probiotics	2,024,218	1,645,238	1,165,692	918,654
Other	1,117	8,036	1,117	8,036
Total for continuing operations	2,025,335	1,653,274	1,166,809	926,690
Central administration costs and directors salaries			(817,264)	(724,239)
Research and Development costs			(123,120)	-
Finance costs			(2,579)	(1,412)
Profit before tax - continuing operations			223,846	201,039



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

16 Segment information (Continued)

Segment revenues and results

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015: Nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 1. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets

	2016 \$	2015 \$
Probiotics	1,629,834	1,168,517
Total segment assets	1,629,834	1,168,517
Unallocated	379,824	344,520
Consolidated total assets	2,009,658	1,513,037

Segment liabilities

Probiotics	403,476	229,371
Total segment liabilities	403,476	229,371
Unallocated	54,927	-
Consolidated total liabilities	458,403	229,371

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, 'other financial assets' and current and deferred tax assets. Goodwill is allocated to reportable segments;
- Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial, liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

16 Segment information (continued)

Geographical information

	Australia		USA		Europe		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
External sales	-	-	1,924,454	1,492,109	47,353	22,155	1,971,807	1,514,264
Other revenues from external customers	53,528	139,010	-	-	-	-	53,528	139,010
Segment revenue	53,528	139,010	1,924,454	1,492,109	47,353	22,155	2,025,335	1,653,274

Assets and liabilities

	Australia		USA		Europe		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	1,786,680	1,340,964	205,972	172,073	17,006	-	2,009,658	1,513,037
Segment liabilities	360,886	98,622	97,517	130,749	-	-	458,403	229,371

17 Key management personnel compensation

(a) Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
A.P. Ho	Chairman/Non-Executive Director
P.D. Ford	Non-Executive Director
G.X. Cameron-Dow	Non-Executive director
P. W. French	Executive Director (Appointed 15 February 2016)

(b) Option holdings of key management personnel

Directors	Opening balance	Options exercised	Other Movements	Balance 30/06/2016	Exercisable	Not exercisable
A Ho	1,000,000	(1,000,000)	-	-	-	-
P Ford	900,000	(900,000)	-	-	-	-
G Cameron-Dow	550,000	(183,000)	(367,000)	-	-	-
P French	-	-	-	-	-	-
Total	2,450,000	(2,083,000)	(367,000)	-	-	-



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

17 Key management personnel compensation (continued)

(c) Shareholdings of key management personnel

	Opening balance	Options Exercised	Net other change	Balance 30/06/2016
Directors				
A Ho	8,590,000	1,000,000	500,000	10,090,000
P Ford	8,000,000	900,000	250,000	9,150,000
G Cameron-Dow	-	183,000	-	183,000
P French	-	-	-	-
Total	16,590,000	2,083,000	750,000	19,423,000

(d) Details of remuneration

**Short term employee
benefits**

	Cash salary and fees	Non- monetary benefits	Other fees	Post- employment benefits	Share based payments	Total
2016						
Name	\$	\$	\$	\$	\$	\$
Directors						
A Ho	65,700	-	15,000	-	-	80,700
P Ford	40,950	-	15,000	2,850	-	58,800
G Cameron-Dow	40,000	-	15,000	3,800	-	58,800
P French	45,000	-	-	4,275	-	49,275
Total	191,650	-	45,000	10,925	-	247,575

18 Financial risk management

(a) Financial risk management

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

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Company does not speculate in financial assets.

Credit risk

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The receivable balances are monitored on an ongoing basis. The Company's exposure to bad debts is not significant.

There is considerable concentration of credit risk within the Company as it only has one major customer at this stage of its development.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

18 Financial risk management (continued)

(a) Financial risk management (continued)

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Company trades only with recognised third parties, there is no requirement for collateral security.

The maximum exposure to credit risk at balance date is as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	1,353,604	958,469
Trade debtors	205,972	172,073
Research and development tax incentive receivable	53,252	-
Other current assets	71,830	57,495

Liquidity risk

The Company's policy is to maintain a comfortable level of liquidity through the continual monitoring of cash reserves and the raising of additional capital as required.

(b) Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of the settlement period of all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

	Weighted average interest rate	Non-interest bearing	Floating interest rate	Fixed interest rate maturing within 1 year	Total
	2016 %	2016 \$	2016 \$	2016 \$	2016 \$
Financial Assets	0.00				
Cash and cash equivalents		-	1,353,604	-	1,353,604
Receivables		294,161	-	-	294,161
Total financial assets		294,161	1,353,604	-	1,647,765
Financial Liabilities					
Trade and other payables		458,403	-	-	458,403
Total financial liabilities		458,403	-	-	458,403



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

18 Financial risk management (Continued)

	Carrying amount	Contractual cash flow due 1 to 3 months	Contractual cash flow due 3 months to 1 year	Contractual cash flow due 1 to 5 years
	2016	2016	2016	2016
	\$	\$	\$	\$
Financial Assets				
Accounts Receivables	205,972	205,972	-	-
Other Receivables	88,189	34,937	53,252	-
Total	294,161	240,909	53,252	-
Financial liabilities				
Accounts payable	215,065	215,065	-	-
Other payables	243,338	243,338	-	-
Total	458,403	458,403	-	-

(c) Net fair values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. The effect on profit and equity as a result changes in the value of the Australian Dollar to the US Dollar and Euro with all other variables remaining constant, is not expected to be significant.

19 Earnings per share

	2016	2015
	\$	\$
Basic Earnings per share (cents per share)	0.001	0.001
Diluted Earnings per share (cents per share)*	0.001	0.001
Weighted average number of shares		
Basic earnings per share calculation	200,661,881	200,343,101
Diluted earnings per share calculation*	200,741,551	200,343,101

Profit for the period used in earnings per share

From continuing operations	223,846	201,039
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**Includes 917,000 options deemed to be issued for no consideration in respect of employee options (2015 weighted average number of options outstanding not included in diluted EPS calculations as the options are anti-dilutive in nature)*



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

20 Share based payments

(a) Fair value of share options granted in the year

No options were granted in the 2016 financial year.

b) Options at year end

Details	No of options	Issue date	Date of expiry	Conversion price (\$)
Options issued under employee share option plan	917,000	10/12/2014	10/12/2017	0.021
Total	917,000			

c) Movements in options during the year

	2016 No.	2015 No.
Options		
Balance at beginning of year	3,000,000	14,553,886
Granted during the year	-	3,000,000
Expired during the year	-	(14,553,886)
Exercised during the year	(2,083,000)	-
Balance at end of year	917,000	3,000,000

21 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 17.

(b) Transactions with other related parties

During the period:

- \$25,950 was paid to Diskdew Pty Ltd, a company of which Patrick Ford is a director of, for portion of director's fees and consulting services;
- \$15,000 was paid or accrued to SG Corporate Pty Ltd, a company of which George Cameron-Dow is a director of for consulting services'.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2016

22 Economic dependency

The Company has only one major customer in the US, which accounts for majority of the Company's external sales.

23 Company details

Corporate Head Office and Principal Place of Business

C/- Traverse Accountants Pty Ltd
Suite 305, Level 3
35 Lime Street
Sydney NSW 2000
Telephone: (02) 8296 0000



Bioxyne Limited
Directors Declaration
For the year ended 30 June 2016

Declaration by Directors

The directors of the Company declare that, in the opinion of the directors:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including
 - (i) giving a true and fair view of the financial position and performance of the consolidated entity; and
 - (ii) complying with Australian Accounting Standards, including the Interpretations, and the Corporations Regulations 2001;
- (b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1; and
- (c) the directors have been given the declarations required by s.295A of the Corporations Act 2001.
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors:

A handwritten signature in black ink, appearing to read "Anthony Ho".

Anthony Ho
Non-Executive Chairman
30 August 2016