



ABN 46 139 461 733

16th February 2016

AstiVita Ongoing Initiatives 2016

AstiVita announced today an after tax loss of \$345,000 compared to a loss of \$186,000 for the corresponding half.

	2016	2015	2014	2013
	\$'000	\$'000	\$'000	\$'000
1 st half trading loss	(345)	(186)	(768)	(1,252)

AstiVita has been working on the following initiatives which we anticipate will lead to a stronger performance in 2016.

- We have changed a number of suppliers in the past 6 months including the release of vanities and tapware product ranges in December 2015.
- We have undertaken a complete review of our telemarketing operations and should see an increased number of new customers by the end of 2016.
- Our major customer has selected an increased range of product from AstiVita and combined with their increase in sales levels we expect a positive impact on our sales in 2016.
- It is expected that AstiVita will further reduce operating costs towards the end of 2016 through cost sharing arrangements with another company moving into the warehouse adjacent to AstiVita at Acacia Ridge.

The Board has considered the ongoing performance and current future tax benefits arising from past losses and in light of the above, formed a belief that AstiVita will recover and return to profit in the future.

Further, I will continue to support the company and the company has redrawn \$820,000 in the past 6 months into the business through the non-recourse loan facility extended to \$3.5 million to support AstiVita's change in suppliers and new product ranges. I have confidence in the recovery of the business and I have purchased 758,271 shares in the past 6 months.

The Board apologies to its shareholders the delays and length of time the initiatives are taking but are all very determined to see the company return to profitability.

Lev Mizikovsky
Non-executive Chairman

**Appendix 4D – Interim Financial
Report for Half Year Ended
31 December 2015**



AstiVita Limited ABN 46 139 461 733

Name of Entity: **ASTIVITA LIMITED**
 ABN: **46 139 461 733**
 Current period: **1 July 2014 to 31 December 2015**
 Previous corresponding period: **1 July 2013 to 31 December 2014**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

				\$'000
Revenue from ordinary activities	down	30.61%	to	3,605
Loss after tax from continuing activities attributable to members	increased by	85.48%	to	(345)
Net Loss attributable to members	increased by	85.48%	to	(345)

Dividends Paid and Proposed

The Board considers that no interim dividend will be paid

NET TANGIBLE ASSETS PER SHARE

	Half-year Ended 31 December 2015	Half-year Ended 31 December 2014
Net tangible assets per share	10.41 cents	17.19 cents

EARNINGS PER SHARE

Basic earnings per share	(1.11 cents)	(0.59 cents)
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CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF YEAR

Subsidiaries

No changes to control over subsidiaries during the half year

Associates and joint venture entities

The Group has no associates or joint ventures

AstiVita Limited

ABN: 46 139 461 733

Interim Financial Statements

For the Half Year Ended 31 December 2015

ABN: 46 139 461 733

ASX Code: AIR

AstiVita Limited

ABN: 46 139 461 733

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Directors' Report

For the Half Year Ended 31 December 2015

Your Directors present their report on AstiVita Limited ("AstiVita") for the half year ended 31 December 2015.

Directors

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

Names	Position
L Mizikovsky	Non-executive Chairman
R Dudurovic	Non-executive Director
R Lynch	Non-executive Director
G Acton	Non-executive Director

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

Principal activities and significant changes in nature of activities

During the half year the principal continuing activities of AstiVita Limited consisted of sale of household products under one entity. The main household products are:

- Bathroom products;
- Photovoltaic ("PV") panels
- Energy efficient hot water systems
- Italian kitchen appliances.

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

Review of Operations and Results

The Result

AstiVita incurred an after tax loss of \$345,000 for the six months ended 31 December 2015 compared to a loss of \$186,000 in corresponding prior half. The 2015 result includes \$95,000 in advertising and marketing costs which were not incurred in the previous half year.

The customer website strategy is gaining momentum and we expect continued growth in our web sales.

Over the past six months Astivita has reinvigorated its product range changing a number of suppliers, releasing a complete new range of vanities and tapware in December 2015. The positive impact of these new product ranges should occur in the first half of 2016.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the half year.

Directors' Report

For the Half Year Ended 31 December 2015

Dividends

The Board considers that no interim dividend will be paid.

Events after the reporting date

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

ASIC class order 98/100 rounding of amounts

The Company has applied the relief available to it in ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2015 has been received and can be found on page of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.



Non-executive Chairman

Dated 16 February 2016

AstiVita Limited

ABN 46 139 461 733

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015, there have been:

- i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

HANRICK CURRAN AUDIT

HANRICK CURRAN AUDIT PTY LTD
Authorised Audit Company: 338599



M. J. Green
Director

Brisbane, 16 February 2016

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AstiVita Limited

ABN: 46 139 461 733

**Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2015**

		31 December 2015	31 December 2014
	Note	\$'000s	\$'000s
Revenue - trading	3	3,605	5,195
Other income	3	20	227
Cost of sales		(2,349)	(3,980)
Employee benefits expense		(393)	(653)
Depreciation and amortisation expense		(101)	(245)
Other expenses		(1,205)	(826)
Finance costs		(70)	(87)
Profit/(Loss) before income tax		(493)	(369)
Income tax benefit		148	183
Profit/(Loss) from continuing operations		(345)	(186)
Profit/(Loss) for the half year		(345)	(186)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(345)	(186)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(1.11)	(0.59)
Diluted earnings per share (cents)		(1.11)	(0.59)

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

Statement of Financial Position

As At 31 December 2015

	31 December 2015 \$'000s	30 June 2015 \$'000s
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	365	401
Trade and other receivables	4 1,463	1,927
Inventories	5 4,176	3,549
Other assets	377	287
TOTAL CURRENT ASSETS	6,381	6,164
NON-CURRENT ASSETS		
Property, plant and equipment	229	273
Intangible assets	382	416
Deferred tax assets	3,042	2,891
TOTAL NON-CURRENT ASSETS	3,653	3,580
TOTAL ASSETS	10,034	9,744
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	130	265
Provisions	303	294
TOTAL CURRENT LIABILITIES	433	559
NON-CURRENT LIABILITIES		
Borrowings	2,843	2,023
Provisions	2	63
Deferred tax liabilities	95	93
TOTAL NON-CURRENT LIABILITIES	2,940	2,179
TOTAL LIABILITIES	3,373	2,738
NET ASSETS	6,661	7,006
EQUITY		
Issued capital	7,284	7,284
Retained earnings	(623)	(278)
TOTAL EQUITY	6,661	7,006

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

AstiVita Limited

ABN: 46 139 461 733

Statement of Changes in Equity
For the Half Year Ended 31 December 2015

	Issued Capital \$'000s	Retained earnings \$'000s	Total \$'000s
Balance at 1 July 2015	7,284	(278)	7,006
Comprehensive income for the half year			
Profit/(Loss) for the half year	-	(345)	(345)
Other comprehensive income for the half year	-	-	-
Total comprehensive income for the half year	-	(345)	(345)
Balance at 31 December 2015	7,284	(623)	6,661

	Issued Capital \$'000s	Retained earnings \$'000s	Total \$'000s
Balance at 1 July 2014	7,284	1,314	8,598
Comprehensive income for the half year			
Profit/(Loss) for the half year	-	(186)	(186)
Other comprehensive income for the half year	-	-	-
Total comprehensive income for the half year	-	(186)	(186)
Balance at 31 December 2014	7,284	1,128	8,412

Statement of Cash Flows

For the Half Year Ended 31 December 2015

	31 December 2015 \$'000s	31 December 2014 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers (including GST)	4,060	6,582
Payments to suppliers and employees (including GST)	(4,829)	(4,930)
Exchange gain	-	3
Interest received	5	9
Finance costs	-	(87)
Net cash provided by operating activities	<u>(764)</u>	<u>1,577</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment	7	-
Purchase of property, plant and equipment	(17)	(26)
Purchase of intangible assets	(12)	(42)
Net cash (used by) / provided by investing activities	<u>(22)</u>	<u>(68)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	750	-
Repayment of borrowings	-	(363)
Net cash used by financing activities	<u>750</u>	<u>(363)</u>
Net increase / (decrease) in cash and cash equivalents held	(36)	1,146
Cash and cash equivalents at beginning of half-year	<u>401</u>	<u>348</u>
Cash and cash equivalents at end of the half year	<u><u>365</u></u>	<u><u>1,494</u></u>

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

Notes to the Financial Statements

For the Half Year Ended 31 December 2015

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

This condensed interim financial report for the half year reporting period ended 31 December 2015 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of AstiVita Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within AstiVita Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of AstiVita Limited for the year ended 30 June 2015, together with any public announcements made during the half year.

Rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Accounting Policies

Except as described below in Note 1(c), the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(b) Going concern

The directors have prepared the half-year financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is deemed to be appropriate notwithstanding that the Company has incurred losses for the half-year of \$345,000 (31 December 2014: \$186,000). As at 31 December 2015, the Company has net assets of \$6,661,000 (30 June 2015: \$7,006,000).

The Company's ability to continue as a going concern is dependent on its ability to reverse the currently occurring operating losses by restructuring operations, increasing sales, realising the value inherent in inventory on-hand, recovering trade debtors and, if necessary, obtaining replacement debt or equity funding. The Company owes a sum of \$2,843,200 to Rainrose Pty Ltd, a related party repayable by July 2018.

At the date of this report and having considered the above factors, the Directors are confident of restructuring operations and sales and generating sufficient cashflows from operations so that the company will be able to continue as a going concern. Notwithstanding this, there is significant uncertainty whether it will continue its normal business activities and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

(c) Adoption of new and revised accounting standards

During the current half year, the following standards became mandatory and have been adopted retrospectively by the Company:

Notes to the Financial Statements

For the Half Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

- AASB 2015-3 *Amendments to Australian Accounting Standards - Withdrawal of AASB 1031 Materiality*.

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses. However, the adoption of these standard had no material impact on the reported financial position or performance as discussed below.

AASB 1031 *Materiality* is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The withdrawal of this standard had no material impact on the reported financial position or performance.

(d) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 /AASB 2012-6 /AASB 2014-7 /AASB 2014-8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 15 Revenue from Contracts with Customers	30 June 2018	This standard provides guidance on the recognition of revenue from customers.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interest in Joint Operations	30 June 2017	The Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the operation constitutes a business.	This will only have impact to the entity if it has acquired a joint operation.
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	30 June 2017	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to provide guidance on calculation of depreciation or amortisation of property, plant and equipment and intangible assets.	It is not expected to have any material impact on the entity.
AASB 2015-1 Annual improvements (2012-2014 cycle)	30 June 2017	Clarifications are made to AASB 5, AASB 7, AASB 119 and AASB 134	It is not expected to have any material impact on the entity.

Notes to the Financial Statements

For the Half Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(d) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2015-2 Disclosure Initiative - Amendment to AASB 101	30 June 2017	This amendment provides clarification regarding the disclosure requirements in AASB 101.	Minimal impact on reported financial position or performance is expected, if the entity chose to streamline or simplify some notes in the financial statements.

2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

An allowance for inventory obsolescence of \$753,000 (30 June 2015: \$1,400,000) has been recognised by the Company at 31 December 2015. The allowance was determined after taking into account the sales history and age of various products on hand at 31 December 2015, in accordance with the methodology established and used by the Company at 30 June 2015.

An allowance for doubtful debts of \$59,000 (30 June 2015: \$84,000) has been recognised by the company at 31 December 2015. The allowance was determined after taking into account historical collection rates, specific knowledge of the debtor, past bad debt experience and contractual performance against allowed credit terms. All of these matters were considered in accordance with the methodology established and used by the Company at 30 June 2015.

A provision for warranty costs of \$243,000 (30 June 2015: \$243,000) has been recognised by the Company at 31 December 2015. The provision is in accordance with the methodology established and used by the Company at 30 June 2015. The provision is based on past claims and expected future costs, having regard to recent trends and available information.

Deferred tax assets of \$3,042,000 (30 June 2015: \$2,891,000) have been recognised by the company at 31 December 2015. The Company has exercised judgments in determining the probability of future taxable profits being generated against which the recognised tax losses will be able to be offset.

Notes to the Financial Statements

For the Half Year Ended 31 December 2015

3 Revenue and Other Income

	31 December 2015 \$'000s	31 December 2014 \$'000s
Revenue		
- Bathroom products	1,277	1,571
- Solarpower products & REC's income	1,711	2,227
- Kitchen appliances	608	623
- Renewable energy certificates	-	762
Interest	5	9
Other items	4	3
	<u>3,605</u>	<u>5,195</u>
Other Income		
- Other	20	227
	<u>20</u>	<u>227</u>
Total Revenue	<u>3,625</u>	<u>5,422</u>

4 Trade and other receivables

	31 December 2015 \$'000s	30 June 2015 \$'000s
CURRENT		
Trade receivables	1,522	2,011
Provision for impairment	(59)	(84)
	<u>1,463</u>	<u>1,927</u>
Total current trade and other receivables	<u>1,463</u>	<u>1,927</u>

5 Inventories

	31 December 2015 \$'000s	30 June 2015 \$'000s
CURRENT		
At cost:		
Finished goods	4,723	4,582
Less: Provision for obsolescence	(753)	(1,400)
Goods in transit	206	367
	<u>4,176</u>	<u>3,549</u>

Notes to the Financial Statements

For the Half Year Ended 31 December 2015

6 Dividends

No interim dividend will be payable.

7 Contingencies

In the opinion of the Directors, the Company did not have any contingent liabilities at 31 December 2015 (31 December 2014:None). At 31 December 2014, the Company commenced legal action in New Zealand against former New Zealand Distributor with a view to recovering AstiVita Brand Name, and restoring associated revenues from the New Zealand Market. No Contingent assets have been recognised in respect of this litigation.

8 Events Occurring After the Reporting Date

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

Notes to the Financial Statements

For the Half Year Ended 31 December 2015

9 Related Parties

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

Amounts receivable from related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables. Balances are settled within normal trading terms or as per agreement with the Board. No provisions for doubtful debts have been recognised on these outstanding balances, nor have any bad debt expenses been incurred.

(a) The Company's main related parties are as follows:

(i) Key management personnel ("KMP"):

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

Tamawood Limited and its controlled entities ("Tamawood") and ERC Traders Pty Ltd are deemed to be related parties of AstiVita by virtue of Mr L Mizikovsky and G Acton Non-executive Directors of Tamawood Limited, having a controlling interest in AstiVita. Transactions between the Company and the above related parties are disclosed below.

Transactions with Associates, KMP and their related parties, excluding remuneration, are shown below. Amounts disclosed below are rounded to the nearest dollar.

(b) Loans to/from related parties

At the Annual General Meeting in November 2013, the shareholders unanimously approved an unsecured loan facility of up to \$2,000,000 with further advances above this amount available at the discretion of Rainrose Pty Ltd, an entity controlled by the Non-executive Chairman. As at 31 December 2015 the loan amounted to \$2,843,200. The loan is due for repayment in July 2018.

	Opening balance	Closing balance	Interest not charged	Interest paid/payable	Impairment
Loans from Rainrose Pty Ltd					
Half Year ended 31/12/2015	2,023,200	2,843,200	-	69,957	-
Year ended 30/06/2015	3,108,200	2,023,200	-	155,553	-

(c) Transactions with related parties

(i) Sale of goods and services

	31 December 2015	31 December 2014
	\$	\$
<i>Key management personnel:</i>		
Mr L Mizikovsky		
- Sales to an entity controlled by Mr L Mizikovsky	15,503	-
Tamawood Limited		
Sales to Tamawood Ltd	591,150	1,039,140

Notes to the Financial Statements

For the Half Year Ended 31 December 2015

(ii) Purchase of goods and services

	31 December 2015	31 December 2014
	\$	\$
<i>Key management personnel:</i>		
Mr L Mizikovsky - Non-executive Chairman		
- Rental payments for premises to an entity controlled by Mr L Mizikovsky	217,724	244,550
<i>Related parties:</i>		
Mr G Acton		
- Administration services provided by an entity controlled by Mr G Acton	13,525	22,860
Tamawood Ltd		
- Advertising and IT Services	16,861	34,620
Resiweb Ltd		
- IT Services	12,500	-

(iii) Outstanding balances

	31 December 2015	30 June 2015
	\$	\$
Mr L Mizikovsky		
- Amounts receivable for sales	-	254,203
Tamawood Limited		
- Amounts receivable for sales	79,026	110,342
- Amounts payable for purchases	-	3,948
Rainrose Pty Ltd		
- Amounts receivable	373	-
Resiweb Ltd		
- Amounts payable for purchases	2,750	-

10 Company Details

The registered office of the company is:

AstiVita Limited
172 Ingram Road
Acacia Ridge
QLD 4110

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Non-executive Chairman

Dated 16 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASTIVITA LIMITED

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of AstiVita Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AstiVita Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AstiVita Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter – Accounting Estimates

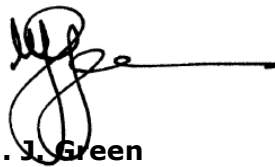
Without modifying our conclusion, we draw attention to Note 2 to the half-year financial report which describes the critical accounting estimates and judgements about valuation of inventory, receivables and deferred income tax assets and provisions for warranty costs. The matters described in Note 2 indicate the existence of a significant inherent material uncertainty regarding the valuation of the related items. This significant inherent uncertainty means that there is a significant risk of a material adjustment to the reported value of the related items in subsequent accounting periods and therefore the related items may be realised at amounts that differ from the estimates recorded at 31 December 2015 and may not be realised in the normal course of business or at the amounts stated in the financial report.

Emphasis of matter – Going Concern

Without modifying our conclusion, we draw attention to Note 1 to the half-year financial report which indicates that the company incurred a net loss of \$345,000 during the half-year ended 31 December 2015. This condition, along with other matters set forth in Note 1, indicates the existence of a significant material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

HANRICK CURRAN AUDIT

HANRICK CURRAN AUDIT PTY LTD
Authorised Audit Company: 338599



M. J. Green
Director

Brisbane, 16 February 2016