



ABN: 97 084 464 193

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BIOXYNE LIMITED

ABN 97 084 464 193

**Financial Statements
for the Year ended 30 June 2015**



Bioxyne Limited
2015 Financial Report

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Bioxyne Limited Corporate Governance Statement

The Board of Directors of Bioxyne Limited (“Bioxyne” or “the Company”) is responsible for the corporate governance of the Company. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and accountable to.

Bioxyne has adopted the best practice recommendations established by ASX Corporate Governance Council. The board considers and applies these recommendations to the extent there is sound reason to do so given the circumstances of the Company.

The suite of corporate governance material that the Company abides by is available under Investor tab of the Bioxyne website www.bioxyne.com.

Principle 1: Lay solid foundation for management and oversight

Role of Board and management

The Company has formal policies and procedures that are distributed to all employees, consultants and Directors. It does not have a formal statement of matters that are delegated to management specifically. The Board of Directors is of the opinion that in a Company of this size, fewer than 20 employees, such a statement would be unnecessarily formal. Also, as the chief executive (as appointed) and chief financial officer attend all board meetings, the distinction between the Board and management is not sufficient to warrant a formal statement of the segregation of duties. However, the guiding principles for the role and the conduct of the board are set out in section 8 of the Company’s constitution. In addition, when directors are appointed, the letter of appointment deals with the Company’s disclosure and share trading policies as well as ASX disclosure requirements. The constitution is available under the ASX Announcements in the investor section of the Company’s website.

Principle 2: Structure the board to add value

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the Annual Report is included in the Directors’ Report on pages 8-15. Directors of Bioxyne are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

In the context of director independence “materiality” is considered from both the company and the individual director’s perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the Company’s loyalty.

In accordance with the definition of independence above and the materiality thresholds set, the following directors of Bioxyne are considered to be independent.



Bioxyne Limited Corporate Governance Statement (Continued)

Name	Position
Anthony Ho	Non-executive director
George Xavier Cameron-Dow	Non-executive director (Appointed 21 July 2014)
Patrick Douglas Ford	Non-executive director
Jeremy Curnock Cook	Non-executive director (Resigned 21 July 2014)

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek Independent professional advice at the Company's expense.

The term in office of each director as at the date of this report is as follows:

Name	Term in office
Anthony Ho	2 years, 11 months
George Xavier Cameron-Dow	14 months
Patrick Douglas Ford	10 years and 4 months

Board Committees

The board has two committees:

- Audit and Risk Management Committee
- Remuneration Committee

The Company does not have a separate nominations committee. Nominations for appointment as a director are considered by the full Board.

Performance Evaluation

The Company does not have a formal annual assessment of the performance of the Board, Committees and the Directors. The Board has a continuous informal evaluation process to ensure adherence of the Company's Corporate Governance Policies.

Currently, the Company does not have any employees and the current CFO / Company Secretary is engaged on a consulting basis and is evaluated by the board on an ongoing basis.

Conflict of Interests

There was no conflict of interest during the reporting period.

Principle 3: Promoting ethical and responsible decision making

The Company has a written code of conduct that is distributed to all employees and directors. The document has not been released publicly. The Company's share trading policy for directors and employees is posted on the Company's web site.

The Company is committed to attracting and retaining executives capable of managing the Company's operations. The Company has no employees. Directors and support personnel are engaged on the basis of their qualifications, skills and expertise for the management of the affairs of the Company. At this stage the Company's operation is not of a size and scale to consider a diversity policy.



Bioxyne Limited **Corporate Governance Statement (Continued)**

Principle 4: Safeguarding the integrity of financial reporting

Audit and Risk Management Committee

The board has an established audit committee. The committee has a formal audit charter approved by the board. The charter is available under Corporate Governance in the investor section of the Company's website.

It is the board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the audit committee.

The audit committee reviews the efficiency and effectiveness of the external auditors on a regular basis and determines from those reviews the performance of the external auditors. The Company requires that the external auditors rotate their audit engagement partners every five years. The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the Audit and Risk Management Committee are:

- Patrick Ford
- George Cameron-Dow

Qualifications of Audit and Risk Management Committee members

Mr Ford holds a Commerce degree and is a stockbroker with experience of financial and accounting matters.

Mr. Cameron-Dow Master of Management (cum laude) Wits, SEP Stanford (USA), FAICD, FAIM

At the date of this report, the Company does not have an appointed Chief Executive Officer.

In place of an attestation by the CEO, Mr Jarrod White, the CFO, has made a declaration required by the section 295A of the Corporation Act and recommended under Recommendation 4.1 and Recommendation 7.2 of the ASX Principles.

The declaration states to the board in writing that to the best of his knowledge the integrity of the financial statements accord with relevant accounting standards, present a true and fair view, and are founded on a sound system of risk management and internal compliance and controls which operates efficiently and effectively in all material respects.

External Audits

RSM Bird Cameron Partners was appointed as the Company's auditor at the AGM held on 23 June 2008. Auditor reports directly to the Audit & Risk Management Committee and has unrestricted access to the board members. Additionally, the auditor attends the AGM and answers any questions raised by shareholders in relation to the conduct of the audit. The auditor's role is to report to shareholders that the financial statements give a true and fair view of the Company's financial position and are in compliance with Australian Accounting Standards.



Bioxyne Limited Corporate Governance Statement (Continued)

Principle 5: Timely disclosure of material matters

The Company has a continuous disclosure policy, which is available under Corporate Governance in the Investor section of the Company's website. This policy facilitates compliance with the Company's obligations under the ASX listing rules and to ensure accurate disclosure to shareholders and the investment markets.

Principle 6: Respect the rights of the shareholders

The Company recognises the importance of effective communication with its shareholders. At the date of this report all material market sensitive matters affecting the Company were released through the ASX to shareholders. Matters that are not necessarily market sensitive but of interest to shareholders are released by regular shareholders' update letters.

Participation at shareholders' meetings is encouraged and shareholders are invited to attend. Where they are unable to attend, shareholders are encouraged to exercise their vote on resolutions by proxy.

The Company auditor attends the AGM and is available to answer shareholder questions about the conduct of the audit and of the auditor's report.

Principle 7: Recognition and management of risk.

The Company's Audit Committee also acts as the Risk Management committee.

Due to the current operations of the Company, a simplified version of the Risk Oversight and Management Policy has been adopted. The policy is available under Corporate Governance in the investor section of the Company's website.

Additionally, the CFO provided a statement to the board as detailed under Principle 4: Safeguarding the integrity of financial reporting.

Principal 8: Remunerate fairly and responsibly

It is the Company's objective to maximise stakeholder value from the retention of a high calibre board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration structure are:

- retention and motivation of key executives, and
- attraction of quality management to the company

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period is contained in the Remuneration Report section of the Directors' Report on page 13.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. The board is responsible for determining and reviewing compensation arrangements for the directors themselves, the Executive Director and the executive team.



Bioxyne Limited
Corporate Governance Statement (Continued)

The board has established a remuneration committee, comprising three directors. Members of the Remuneration Committee are:

- Anthony Ho
- Patrick Ford
- George Cameron-Dow

The committee does not have a formal charter as there are fewer than 20 employees and such is not regarded as necessary by the directors at this time.

Chairman's Letter

Dear fellow shareholder,

On behalf of the directors of Bioxyne Limited (the Company), I present my report on the activities of the Company for the year ended 30 June 2015.

The Company continued to export probiotics into the international market in FY 2015. Sales for FY 2014 were significantly higher than FY 2015 as our major customer was selling into China in 2014 requiring a build-up of inventory for that year. The decline in sales in FY 2015 reflected a normalised year of demand from that major customer.

The net profit after tax for the year was \$201,039 (2014: \$1,190,827). The large movement in the profit from ordinary activities after tax between 2015 and 2014 was partly attributable to the disposal of former subsidiary Hunter Immunology Pty Limited (HIL), which was completed on 24 February 2014, and recorded a profit on disposal of \$929,607.

The Company also received royalties and reported foreign exchange gains of \$153,123 (2014: \$86,503). The increase in other income was largely a result of currency gains of \$132,863 from the Company's holdings in US and Euro currencies. Royalty income reduced year on year as a result of prior year receipts also being part of an inventory build-up in FY 2014. Royalty income is receivable on a lagged basis.

Operating expenses were consistent with the reduced level of sales activities and the Company continues to operate with a lean management structure. The disposal of Hunter Immunology in FY 2014, has benefited the Company in significantly reducing IP professional and legal fees in FY 2015.

The cash outflow for FY 2015 as reported on page 20 was \$166,772. This included a payment in the June 2015 quarter of \$101,000 for accumulated prior year's royalties.

As noted in our Appendix 4E released on 31 August 2015 our auditors RSM Bird Cameron had previously indicated that they would issue a qualification in their audit report in relation to our investment in Mariposa Health Limited.

We are pleased to note that since then additional clarifications were provided to RSM and they have provided an unqualified audit opinion for the 2015 statutory financial statements and annual report.

Your directors are committed to growing the Company's business, and have invested resources in marketing and business development associated with the review of the Company's probiotic business and identification of other future potential businesses.

We are grateful for the ongoing support of our shareholders and service providers.

Yours sincerely,



Anthony Ho
Non-executive Chairman
30 September 2015



Directors' Report

Your directors present their report on Bioxyne Limited (ASX: BXN) for the year ended 30 June 2015.

Directors

The following persons were directors of Bioxyne Limited during the financial year and up to the date of this report:

Anthony Ho	Non-executive Chairman
George Xavier Cameron-Dow	Non-executive Director (appointed 21 July 2014)
Patrick Douglas Ford	Non-executive Director
Jeremy Curnock Cook	Non-executive Director (resigned 21 July 2014)

Chief Executive Officer

No CEO was appointed during the financial year and the day to day management of the Company was undertaken by the CFO and chairman, with Board input and oversight.

Company Secretary

Mr Jarrod Travers White

Chief Financial Officer

Jarrod Travers White, B. Bus, CA, CTA

Mr White was appointed CFO on 18 February 2013.

Mr White is a Chartered Accountant and Director of Traverse Accountants Pty Ltd. Mr White has been associated with Bioxyne Limited since its relisting in 2012. He is currently the external consultant providing corporate, financial, and taxation services to the Company.

In conjunction with his Corporate Advisory roles Mr White has been appointed Company Secretary and Chief Financial Officer of several other listed entities that operate on the Australian Securities Exchange and London Stock Exchange and has a strong knowledge of corporate governance and compliance.

Information on Directors as at Report Date

Anthony Ho, B. Comm., CA, FAICD, FCIS, FGIA (Non-Executive Chairman)

Mr Ho was appointed on 30 October 2012.

Mr Ho is a Chartered Accountant and has extensive corporate financial management experience, having held Finance Director/CFO roles with a number of ASX listed companies. Mr. Ho also chairs audit committees in a number of ASX listed companies.

Directorships of Listed Companies Now and in the last 3 years

Mr Ho is currently the non-executive chairman of Greenland Minerals & Energy Limited (ASX: GGG), a non-executive director and chairman of the Audit Committee of Apollo Minerals Limited (ASX: AON) and Hastings Rare Metals Limited (ASX: HAS).

Mr. Ho was previously the non-executive chairman of Esperance Minerals Limited, St George Community Housing Limited and Metal Bank Limited. He was also a former non-executive director of Brazin Limited, Dolomatrix International Limited and Quality Improvement Council Limited.



Directors' Report (Continued)

George Cameron-Dow, MMgt (cum laude) Wits, SEP Stanford (USA), FAICD, FAIM (Non-Executive Director)

Mr Cameron-Dow was appointed on 21 July 2014.

Mr. Cameron-Dow is a founding director of an investment fund management firm, Fleming Funds Management Pty Limited and corporate advisory firm, Fleming Capital Pty Limited. He brings extensive corporate experience having held executive and non-executive director positions with a number of private and ASX listed companies, being a director of JSE listed industrial group Consol Limited.

Directorships of Listed Companies Now and in the last 3 years

Mr. Cameron-Dow is currently a non-executive director of ASX listed Windward Resources Limited (ASX: WIN). Mr. Cameron-Dow was previously the managing director of the then ASX listed Xceed Capital Limited and a past director of ASX listed biotechnology company's Calzada Limited (now PolyNovo Limited)(ASX: PNV), and Optiscan Imaging Limited (ASX: OIL), and ASX listed Naracoota Resources Limited (ASX: NRR).

Patrick Ford, B. Comm. (Non-Executive Director)

Mr Ford was appointed on 17 May 2005.

Mr Ford is the chairman of the Audit Committee.

Mr Ford is a Sydney based stockbroker and Director, Equities of Veritas Securities Limited and also provides consulting services through his private company Diskdew Pty Ltd. He has an extensive experience of capital raising and advisory services to the Australian Biotechnology sector. He holds a Bachelor of Commerce degree from University of Canberra.

Directorships of Listed Companies Now and in the last 3 years

Mr Ford is currently Non-Executive Chairman of Bora Bora Resources Limited (ASX: BBR).

Directors throughout the Financial Year

Jeremy Curnock Cook, BA (Hons), MA

Mr Curnock Cook resigned on 21 July 2014.



Directors' Report (Continued)

Principal Activities and Strategy

The Company's core activity is the manufacture, marketing and distribution of consumer dietary supplements based on the proprietary probiotic strain of *Lactobacillus Fermentum PCC*. The Company has a global distribution agreement with Denmark's Chr Hansen to manufacture, market, supply and distribute its proprietary probiotic strain for over the counter supplement products.

Dividends

No dividends were paid to members during the financial year (2014: \$Nil).

Review of operations

Ongoing Activities

The Company continued to export probiotics into the global markets in FY 2015. Increased marketing and business development costs were incurred in the financial year as part of a review of the Company's probiotic business.

Operating Results

The net profit after tax for the year was \$201,039 (2014: \$1,190,827). The large movement in the profit from ordinary activities after tax between 2015 and 2014 was partly attributable to the disposal of former subsidiary Hunter Immunology Pty Limited (HIL), which was completed on 24 February 2014, with recorded a profit on disposal of \$929,607.

For additional comments on the Company's operation during the year, please refer to the Chairman's letter on page 7.

Matters Subsequent to Balance Date

No other matter or circumstance has arisen since 30 June 2015 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.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this financial statements because the directors believe it could potentially result in unreasonable prejudice to the Company.

Environmental regulation

The Company's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board considers that adequate systems are in place to manage the Company's obligations and is not aware of any breach of environmental requirements as they relate to the Company.



Directors' Report (Continued)

Indemnification of officers

During the financial year the Company paid premiums in respect of a contract insuring Directors, Chief Financial Officers and Company Secretary of Bioxyne and Executive Officers against a liability incurred to the extent permitted by the Corporations Act, 2001. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the insurance contract.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Audit and non-audit services

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2015 \$	2014 \$
RSM Bird Cameron Partners		
Audit of financial reports	35,000	51,000
Other services	-	-
Total remuneration for audit and other services	35,000	51,000

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	3,000,000	10/12/2014	10/12/2017	0.021
Total	3,000,000			

Meetings of directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

	A	B
Full Meetings of Directors		
Mr Anthony Ho	13	13
Mr George Cameron-Dow	12	12
Mr Patrick Ford	13	13
Mr Jeremy Curnock Cook	-	1

A = Number of meetings attended

B = Number of meetings held during the time the director held office during the year



Directors' Report (Continued)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 16.

Auditor

RSM Bird Cameron Partners was appointed as the Company's auditor at the AGM held on 23 June 2008 and continues as auditors of Bioxyne for the period under review.



Remuneration report

This report outlines the remuneration arrangements in place for directors and executives of the Company.

Remuneration philosophy

The performance of the Company depends upon the quality of its directors and executives, and the ability of the Company to attract, motivate and retain highly skilled directors and executives.

Remuneration committee

The Remuneration Committee of Directors is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Salaries are reviewed periodically by the Committee but there is no specific link to Company performance as the Company has, until recently, been engaged mainly in research and development and linking remuneration to R&D outcomes would be inappropriate. In future, remuneration will be linked to the success in widening distribution of the probiotic.

Remuneration structure

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

Non-executive director remuneration

Objective

The Board of Directors recognises that the success of the Company will depend on the quality of its directors and its senior management. For this reason the Remuneration Committee reviews the remuneration arrangements for all senior employees to ensure that it attracts and keeps motivated, highly skilled and appropriately qualified directors and executives.

Structure

Bioxyne's Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined by shareholders in general meeting is then available to be split between the Directors as agreed between them. The latest determination was at the Annual General Meeting held on 28th November 2003 when shareholders approved an aggregate remuneration amount of up to \$250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned between directors is reviewed annually. The Board takes into account the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. The Chairman receives a higher fee in recognition of the additional time commitment required of a Chairman.

Remuneration Report (Continued)

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased by the directors on market). It is considered good governance for directors to have a stake in the company on whose board they sit.

Non-executive directors' remuneration is not linked to the performance of the Company.

The remuneration of non-executive directors for the period ending 30 June 2015 is detailed in Table 3 of this report.

Senior manager and executive director remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee reviews market conditions and the circumstances of the Company to ensure that the remuneration offered is sufficient to attract executives of the highest calibre.

Fixed remuneration

The fixed remuneration of all employees is reviewed by the Remuneration Committee as is considered necessary.

Equity Based Remuneration

The equity based remuneration of all employees is reviewed by the Remuneration Committee as is considered necessary.

Table 1 - Option holdings of key management personnel

Directors	Opening balance	Net other change	Options exercised	Options lapsed	Balance 30/06/2015	Exercisable	Not exercisable
A Ho	-	1,000,000	-	-	1,000,000	1,000,000	-
P Ford	1,000,000	900,000	-	(1,000,000)	900,000	900,000	-
G Cameron-Dow	-	550,000	-	-	550,000	550,000	-
J Curnock Cook	-	-	-	-	-	-	-
Total	1,000,000	2,450,000	-	(1,000,000)	2,450,000	2,450,000	-

Table 2 - Shareholdings of key management personnel

Directors	Opening balance	Granted as compensation	Net other change	Balance 30/06/2015
A Ho	8,093,500	-	496,500	8,590,000
P Ford	7,231,021	-	768,979	8,000,000
G Cameron-Dow	-	-	-	-
J Curnock Cook	4,732,794	-	(4,732,794)	-
Total	20,057,315	-	(3,467,315)	16,590,000

Directors' Report (Continued)

Table 3 – Directors and key management personnel remuneration for the year ended 30 June 2015

	Short term employee benefits					
	Cash salary and fees	Non- monetary benefits	Other fees	Post- employment benefits	Share based payments	Total
2015 Name	\$	\$	\$	\$	\$	\$
Directors						
A Ho	65,700	-	25,000	-	3,571	94,271
P Ford	43,800	-	-	-	3,214	47,014
G Cameron-Dow	41,445	-	-	-	1,964	43,409
J Curnock Cook	-	-	-	-	-	-
Total	150,945	-	25,000	-	8,749	184,694

Registered Office

Bioxyme Limited
C/- Traverse Accountants
Suite 305, Level 3
35 Lime Street
Sydney NSW 2000
Australia

Signoff

This report is made in accordance with a resolution of directors.



Anthony Ho
Non-Executive Chairman

30 September 2015

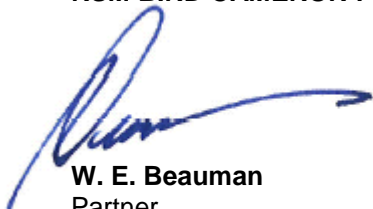
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Bioxyne Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM BIRD CAMERON PARTNERS



W. E. Beauman
Partner

Sydney, NSW
Dated: 30 September 2015



Bioxyne Limited

**Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015**

	Notes	2015 \$	2014 \$
Revenue from continuing operations			
Sale of goods		1,492,109	2,305,227
Other income	2(iv), 3	161,165	1,021,812
Cost of goods sold		(726,584)	(1,241,531)
Expenses			
Business development		(67,941)	-
Marketing		(96,718)	-
Professional fees		(199,677)	(394,694)
Compliance costs		(80,967)	(117,902)
Legal fees		(9,537)	(51,809)
Employee benefits		(153,065)	(176,962)
General and administration		(116,334)	(141,989)
Finance costs		(1,412)	(11,325)
Profit before income tax		201,039	1,190,827
Income tax (expense)	4	-	-
Other comprehensive income for the year		-	-
Total comprehensive profit for the year		201,039	1,190,827
Profit is attributable to:			
Members of Bioxyne Limited		201,039	1,190,827
Earnings per share			
<i>From continuing operations</i>			
- Basic/diluted earnings per share	22	0.001	0.007
<i>From discontinued operations</i>			
- Basic/diluted earnings per share	22	-	-

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 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	958,469	992,378
Current tax receivables	6	19,520	20,188
Trade and other receivables	7	210,048	161,606
Total Current Assets		1,188,037	1,174,172
Non-Current Assets			
Other financial assets	8	325,000	325,000
Property, plant and equipment	10	-	-
Total Non-Current Assets		325,000	325,000
Total Assets		1,513,037	1,499,172
LIABILITIES			
Current Liabilities			
Trade and other payables	11	229,371	427,257
Total Current Liabilities		229,371	427,257
Total Liabilities		229,371	427,257
Net Assets		1,283,666	1,071,915
EQUITY			
Contributed equity	13	57,426,940	57,426,940
Reserves	14	10,712	123,304
Accumulated losses	14	(56,153,986)	(56,478,329)
Equity		1,283,666	1,071,915

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 2015

	Notes	Contributed equity \$	Accumulated Losses \$	Reserves \$	Total \$
2014					
At 30 June 2013		28,126,933	(28,977,942)	640,280	(210,729)
Effect of disposal of HIPL	2(ii)	28,974,010	(29,401,695)	70,200	(357,485)
Total comprehensive income for the year		-	1,190,827	-	1,190,827
Contributions of equity, net of transaction costs		325,997	-	-	325,997
Options issued during the year		-	-	123,305	123,305
Options cancelled during the year		-	710,481	(710,481)	-
At 30 June 2014		57,426,940	(56,478,329)	123,304	1,071,915
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

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 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts of other income (inclusive of goods and services tax)		1,464,029	2,377,705
Payments to suppliers and employees (inclusive of goods and services tax)		(1,637,425)	(2,136,109)
		(173,396)	241,596
Research and development tax rebate		-	370,785
Finance charges		(1,412)	(11,325)
Interest received		8,036	5,701
Net cash inflow/(outflow) from operating activities	18	(166,772)	606,757
Cash flows from investing activities			
Proceeds from disposal of HIPL		-	175,000
Net cash inflow from investing activities		-	175,000
Net cash inflow from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(166,772)	781,757
Cash and cash equivalents at the beginning of the financial year		992,378	210,621
Foreign exchange adjustment to cash balance		132,863	-
Cash and cash equivalents at end of the year	5	958,469	992,378

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 2015

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 2015

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.

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

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 2015

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

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

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial 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.

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.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

(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.

(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.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

(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 and for US resident employees to complying pension funds. The Company's legal or constructive obligation is limited to these contributions.

Contributions to complying third party superannuation funds and pension plans 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 Hunter Immunology Limited Employee Option Plan 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.

(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.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

(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.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

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

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 2015

1 Summary of significant accounting policies (continued)

(q) Financial liabilities and equity instruments

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

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



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

- 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.

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.

(r) Trade and other receivables

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

(s) 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 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

(t) 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
<p><i>AASB 9 'Financial Instruments' and amendments to Australian Accounting Standards arising from AASB 9</i></p> <p>The key changes made to the Standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.</p> <p>The directors do not anticipate that the adoption of AASB 9 will have a significant impact on the Company's financial instruments.</p>	1 January 2015	30 June 2016
<p><i>AASB15 Revenue from Contracts with Customers</i></p> <p>AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:</p> <ul style="list-style-type: none"> • 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 <p>The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.</p>	1 January 2017	30 June 2018



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

<p><i>AASB 2014-1 Amendments to Australian Accounting Standards</i></p> <p>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.</p> <p>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.</p>	1 January 2016	30 June 2017
<p><i>AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations</i></p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	1 January 2016	30 June 2017



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

<p><i>AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i></p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> i. 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 ii. When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. <p>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.</p>	1 January 2016	30 June 2017
<p><i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15. Refer to the section on AASB 15 above.</p>	1 January 2017	30 June 2018
<p><i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9. Refer to the section on AASB 9 above.</p>	1 January 2018	30 June 2019
<p><i>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)</i></p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 [December 2009] and AASB 9 [December 2010]) from 1 February 2015. Refer to the section on AASB 9 above.</p>	1 January 2015	30 June 2016



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

<p><i>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i></p> <p>The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011).</p> <p>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.</p> <p>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).</p> <p>When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.</p>	1 January 2016	30 June 2017
<p><i>AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i></p> <p>These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB.</p> <p>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.</p> <p>When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.</p>	1 January 2016	30 June 2017



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

1 Summary of significant accounting policies (continued)

<p><i>AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i></p> <p>The amendments:</p> <ul style="list-style-type: none"> 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. <p>When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.</p>	1 January 2016	30 June 2017
<p><i>AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></p> <p>The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards. When this Standard is first adopted for the year ending 30 June 2016, there will be no impact on the financial statements.</p>	1 July 2015	30 June 2016

2 Critical accounting estimates and judgement

(i) Options

Fair values of options granted are independently determined using the Black-Scholes option pricing model at grant date. Refer to Note 23 (b) for more information on the inputs used to determine the fair value of the options. The options issued to directors in the year under the employee share option plan vested immediately on issue and an expense has been recognised in the year for the issue.

(ii) Disposal of Hunter Immunology Pty Limited (HIPL) by Bioxyne Limited (BXN)

On 4 April 2012, BXN acquired HIPL. The transaction was considered to be a reverse acquisition of BXN by HIPL under AASB 3 *Business Combinations*.

The reverse acquisition accounting treatment had the following effects on the 2014 financial statements of BXN per AASB3.B22:



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

- The consolidated equity balance reflected the pre-acquisition equity balances of HIPL;
- The consolidated share equity balance equalled the pre-acquisition equity of HIPL plus the fair value of BXN;
- The equity structure of the consolidated entity reflected the equity structure of BXN in the Note disclosures.

In 2014 BXN disposed of HIPL, which resulted in adjustments to equity balances to reflect the equity balances of the consolidated entity with BXN as the parent for accounting and legal purposes as at 30 June 2014. This adjustment was required because the closing equity balances at 30 June 2013 reflected those of HIPL as the accounting parent in the group. The effect on the equity balance of the group has been disclosed in the Consolidated Statement of Changes of Equity under "Effect of Disposal of HIPL".

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

Included in the consideration for the disposal of HIPL were 1,969,697 shares which were issued at an issue price of 16.5 cents per share amounting to \$325,000. The directors satisfied themselves that the issue price of \$325,000 approximated fair value at the time of the transaction.

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

The directors are of the view that the underlying value of MInc resides within its intellectual property rights to the HI-1640V patents, including patient and trial data which is not recognised as an asset by MInc 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 MInc 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.

(iv) Gain on sale

The disposal of Hunter Immunology Pty Limited (HIPL) was completed on 24 February 2014.

The gain on sale as calculated and disclosed at Other income (Note 3) included revenue of \$929,607 which consisted of \$500,000 in total consideration received in the 2014 year and reversals of accounting revaluations of impairments to goodwill that had taken place in the 2012 and 2013 FY's as required by AASB 3 when considering the deconsolidation of a subsidiary.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

	2015 \$	2014 \$
3 Other income		
Gain on disposal of HIPL	-	929,607
Interest received	8,036	5,702
Other income – royalties and foreign exchange	153,129	86,503
	161,165	1,021,812

Gain on disposal of HIPL

The gain on sale in the 2014 financial year as calculated was a one off revenue of \$929,607 which consisted of \$500,000 in total consideration received throughout the year and reversals of accounting revaluations of impairments to goodwill that had taken place in the 2012 and 2013 FY's as required by AASB 3 when considering the deconsolidation of a subsidiary.

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	201,039	1,190,827
Tax at the Australian tax rate of 30% (2014 - 30%)	60,312	357,248
Tax effect of amounts which are not (taxable)/deductible in calculating taxable income	(97,320)	(111,569)
De-recognition of tax benefit on carried forward losses	-	-
Tax (expense)/benefit not recognised	-	-
Carried forward tax benefit not recognised/(applied) in the current year	37,008	(245,679)
Total income tax expense	-	-

* The carried forward tax benefit applied in the 2014 year of \$245,679 represented the income tax due but not payable as a result of the application of prior year losses available to the Company.

The carried forward tax benefit not recognised in the 2015 year of \$37,008 represents an income tax loss not recognised on the balance sheet due to the company's policy with regard to the recognition of deferred tax assets (Note 1(e)).

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	26,493,525	26,370,163
Potential tax benefit @ 30%	7,948,057	7,911,049

5 Current assets - Cash and cash equivalents

Cash at bank and in hand	958,469	992,378
	958,469	992,378

Cash at bank and in hand is non-interest bearing.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

	2015 \$	2014 \$
6 Current assets – Current tax receivables		
Current tax receivable	19,520	20,188
	19,520	20,188
7 Current assets – Trade and other receivables		
Trade debtors	172,073	120,924
Prepayments	37,975	40,682
	210,048	161,606
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 (i)	325,000	325,000
Total available-for-sale investments at cost	325,000	325,000
(i) Also refer to key judgements Note 2 (iii)		
9 Goodwill		
Cost	-	-
Accumulated impairment losses	-	-
	-	-
Cost		
Balance at beginning of year	-	1,511,132
Amounts de-recognised from disposal of subsidiary	-	(1,511,132)
Balance at end of year	-	-
Accumulated impairment losses		
Balance at beginning of year	-	(1,511,132)
Amounts de-recognised from disposal of subsidiary	-	1,511,132
Balance at end of year	-	-

De-recognition of Goodwill

On the sale of Hunter Immunology Pty Limited (HIPL) in the 2014 financial year, the company derecognised the recorded goodwill from the reverse acquisition in the 2012 financial year. The goodwill was previously fully impaired in the 2012 financial year.



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

	2015		2014	
	\$		\$	
10	Property, plant and equipment			
Office equipment at cost	25,978		25,978	
Accumulated depreciation	(25,978)		(25,978)	
	-		-	
Balance at beginning of year	-		1,147	
Disposed of in business combination	-		(1,147)	
Depreciation	-		-	
Balance at end of year	-		-	
11	Current liabilities - Trade and other payables			
Trade payables	130,749		238,227	
Accrued expenses	98,622		189,030	
	229,371		427,257	
12	Deferred tax assets and liabilities			
Deferred tax assets				
Total deferred tax assets	-		-	
Movement in deferred tax assets				
Opening balance 1 July 2014/2013	-		-	
De-recognition of deferred tax assets – written off to profit and loss	-		-	
Closing balance 30 June 2015/2014	-		-	
13	Contributed equity			
	2015	2015	2014	2014
	Shares	\$	Shares	\$
(a)	Share capital			
Ordinary Shares Fully Paid	200,343,101	57,426,940	200,343,101	57,426,940



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

13 Contributed equity (continued)

(b) Movements in ordinary share capital:		Number of Shares	Issue price	\$
Opening balance	1-Jul-13	163,059,587		28,126,933
Effect of disposal of HIPL		-		28,974,010
Issue of shares				
- Allotment of ordinary shares (net of costs and options)		14,100,000	0.022	225,070
- Allotment of ordinary shares (net of costs and options)		23,183,514	0.006	100,927
Balance	30-Jun-14	200,343,101		57,426,940
Opening balance	1-Jul-14	200,343,101		57,426,940
Issue of shares		-		-
Balance	30-Jun-15	200,343,101		57,426,940

(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	3,000,000	10/12/2014	10/12/2017	0.021
Total	3,000,000			

	2015 No.	2014 No.
Options		
Balance at beginning of year	14,553,886	5,737,000
Granted during the year	3,000,000	13,553,886
Expired during the year	(14,553,886)	(4,737,000)
Balance at end of year	<u>3,000,000</u>	<u>14,553,886</u>

(e) Capital risk management

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



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

14 Reserves and accumulated losses

	2015 \$	2014 \$
(a) Reserves		
Total reserves	<u>10,712</u>	<u>123,304</u>
<u>Options reserve</u>		
Movements in reserve were as follows:		
Balance 1 July 2014/2013	123,304	640,280
Effect of disposal of HIPL	-	70,201
Option issued	10,712	123,304
Options cancelled	(123,304)	(710,481)
Balance 30 June 2015/2014	<u>10,712</u>	<u>123,304</u>

(b) Accumulated losses

Movements in accumulated losses were as follows:

Opening accumulated losses	(56,478,329)	(28,977,942)
Effect of disposal of HIPL	-	(29,401,695)
Profit for the year	201,039	1,190,827
Options cancelled	123,304	710,481
Balance 30 June 2015/2014	<u>(56,153,986)</u>	<u>(56,478,329)</u>

(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.

15 Remuneration of auditors

Audit services

Audit of financial reports – RSM Bird Cameron Partners	35,000	51,000
Total remuneration for audit services	<u>35,000</u>	<u>51,000</u>

16 Commitments

Capital commitments

As at 30 June 2015, the Company has no capital commitments (2014: \$nil).



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

17 Events occurring after the balance sheet date

No matter or circumstance has arisen since 30 June 2015 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.

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

	2015	2014
	\$	\$
Profit for the year	201,039	1,190,827
Depreciation	-	331
Non-cash employee benefits expense - share based payments	10,712	139,101
Gain on sale of HIPL	-	(929,607)
Foreign exchange gain	(132,863)	-
<i>Change in operating assets and liabilities</i>		
Decrease (Increase) in trade and other receivables	(51,149)	356,758
Decrease in prepayments	2,706	-
(Decrease) Increase in trade and other payables	(197,217)	(150,653)
Net cash inflow / (outflow) from operating activities	(166,772)	606,757

19 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 2015 and 30 June 2014.

Segment revenues and results

	Segment revenue		Segment profit	
	2015	2014	2015	2014
	\$	\$	\$	\$
Probiotics	1,645,238	2,265,506	918,654	1,023,975
Other	8,036	1,061,533	8,036	1,061,533
Total for continuing operations	1,653,274	3,327,039	926,690	2,085,508
Central administration costs and directors salaries			(724,239)	(883,356)
Finance costs			(1,412)	(11,325)
Profit before tax - continuing operations			201,039	1,190,827



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

19 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 (2014: Nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note1. 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

	2015	2014
	\$	\$
Probiotics	1,168,517	1,153,984
Total segment assets	1,168,517	1,153,984
Unallocated	344,520	345,188
Total assets	<u>1,513,037</u>	<u>1,499,172</u>

Segment liabilities

Probiotics	229,371	427,258
Total segment liabilities	229,371	427,258
Unallocated	-	-
Total liabilities	<u>229,371</u>	<u>427,258</u>

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 2015

19 Segment information (continued)

Geographical information

	Australia		USA		Europe		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
External sales	-	-	1,492,109	2,156,351	22,155	109,155	1,514,264	2,265,506
Gain on disposal on HIPL	-	929,607	-	-	-	-	-	929,607
Other revenues from external customers	139,010	131,926	-	-	-	-	139,010	131,926
Segment revenue	139,010	1,061,533	1,492,109	2,156,351	22,155	109,155	1,653,274	3,327,039

Assets and liabilities

Segment assets	1,340,964	1,378,248	172,073	120,924	-	-	1,513,037	1,499,172
Segment liabilities	98,622	189,030	130,749	238,228	-	-	229,371	427,258
Segment depreciation	-	-	-	-	-	-	-	-

20 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 (Appointed 21 July 2014)
J.L. Curnock Cook	Non-Executive director (Resigned 21 July 2014)

(b) Option holdings of key management personnel

Directors	Opening balance	Net other change	Options exercised	Options lapsed	Balance 30/06/2015	Exercisable	Not exercisable
A Ho	-	1,000,000	-	-	1,000,000	1,000,000	-
P Ford	1,000,000	900,000	-	(1,000,000)	900,000	900,000	-
G Cameron-Dow	-	550,000	-	-	550,000	550,000	-
J Curnock Cook	-	-	-	-	-	-	-
Total	1,000,000	2,450,000	-	(1,000,000)	2,450,000	2,450,000	-



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

20 Key management personnel compensation (continued)

(c) Shareholdings of key management personnel

	Opening balance	Granted as compensation	Net other change	Balance 30/06/2015
Directors				
A Ho	8,093,500	-	496,500	8,590,000
P Ford	7,231,021	-	768,979	8,000,000
G Cameron-Dow	-	-	-	-
J Curnock Cook	4,732,794	-	(4,732,794)	-
Total	20,057,315	-	(3,467,315)	16,590,000

(d) Details of remuneration

	Cash salary and fees	Short term employee benefits	Non- monetary benefits	Other fees	Post- employment benefits	Share based payments	Total
2015							
Name	\$		\$	\$	\$	\$	\$
Directors							
A Ho	65,700	-	-	25,000	-	3,571	94,271
P Ford	43,800	-	-	-	-	3,214	47,014
G Cameron-Dow	41,445	-	-	-	-	1,964	43,409
J Curnock Cook	-	-	-	-	-	-	-
Total	150,945	-	-	25,000	-	8,749	184,694

21 Financial risk management

(a) Financial risk management

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

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

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 2015

21 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:

	2015	2014
	\$	\$
Cash and cash equivalents	958,469	992,378
Trade debtors	172,073	120,924
Other current assets	57,495	40,682

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
	2015 %	2015 \$	2015 \$	2015 \$	2015 \$
Financial Assets					
Cash and cash equivalents	0.82	-	958,469	-	958,469
Receivables		210,049	-	-	210,049
Total financial assets		210,049	958,469	-	1,168,518
Financial Liabilities					
Trade and other payables		229,371	-	-	229,371
Total financial liabilities		229,371	-	-	229,371



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

21 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
	2015	2015	2015	2015
	\$	\$	\$	\$
Financial Assets				
Receivables	210,049	210,049	-	-
Total	210,049	210,049	-	-
Financial liabilities				
Accounts payable	130,749	130,749	-	-
Other payables	98,622	98,622	-	-
Total	229,371	229,371	-	-

(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 of 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.

22 Earnings per share

	2015	2014
	\$	\$
From continuing operations		
Basic earnings per share	0.001	0.007
Diluted earnings per share	0.001	0.007
Weighted average number of shares used for the purposes of calculating diluted earnings per share reconciles to the number used to calculate basic earnings per share as follows:		
- Basic earnings per share	200,343,101	182,315,907
- Diluted earnings per share	200,343,101	182,315,907
Weighted average number of options outstanding not included in diluted EPS calculations as the options are anti-dilutive in nature	3,000,000	14,553,886

The gain used to calculate earnings per share was \$201,039 (2014: Gain \$1,190,827).



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

23 Share based payments

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

3,000,000 options were issued in the 2015 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	3,000,000	10/12/2014	10/12/2017	0.021
Total	3,000,000			

c) Movements in options during the year

	2015 No.	2014 No.
Options		
Balance at beginning of year	14,553,886	5,737,000
Granted during the year	3,000,000	13,553,886
Expired during the year	(14,553,886)	(4,737,000)
Balance at end of year	3,000,000	14,553,886

24 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 20.

(b) Transactions with other related parties

During the period:

- \$43,800 was paid or accrued to Diskdew Pty Ltd, a company of which Patrick Ford is a director for consulting services in the normal course of business, as director's fees;
- \$33,650 was paid or accrued to BioScience Managers Pty Ltd, a company of which Jeremy Curnock Cook is a director for consulting services in the normal course of business as director's fees';
- \$41,445 was paid or accrued to SG Corporate Pty Ltd, a company of which George Cameron-Dow is a director for consulting services in the normal course of business as director's fees'.

25 Economic dependency

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



Bioxyne Limited
Notes to the Financial Statements
For the year ended 30 June 2015

26 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 2015

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 Company; 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 September 2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BIOXYNE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Bioxyne Limited ("the company"), which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bioxyne Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Bioxyne Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 15 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Bioxyne Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

**RSM BIRD CAMERON PARTNERS**
W. E. Beauman
Partner

Sydney, NSW
Dated: 30 September 2015



Bioxyne Limited
Shareholder information
For the year ended 30 June 2015

ASX additional information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 September 2015.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of security are:

Ordinary shares			
	Number of holders	Number of shares	% of Issued Capital
1 - 1,000	846	216,580	0.11
1,001 - 5,000	261	701,136	0.35
5,001 - 10,000	84	645,236	0.32
10,001 - 100,000	308	12,066,826	6.02
100,001 and over	178	186,713,323	93.20
	1,677	200,343,101	100.00

Unmarketable parcels:

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.01 per unit	50,000	1,405	6,968,868

(b) Twenty largest shareholders

The names of the twenty largest holders of ordinary shares as at 29 September 2015 are:

	Ordinary shares	% of shares
ONDEK PTY LTD	39,868,277	19.90
WIGRAM TRADING PTY LIMITED	18,257,671	9.11
PT SOHO INDUSTRI PHARMASI	9,678,085	4.83
PROF ROBERT LLEWELLYN CLANCY + MRS CHRISTINE MARY CLANCY <CLANCY SUPER FUND A/C>	9,564,390	4.77
MR ANTHONY HO + MS CHUI HO	8,400,000	4.19
MR MAKRAM HANNA + MRS RITA HANNA <HANNA & CO P/L SUPER A/C>	8,363,000	4.17
P FORD SUPERANNUATION PTY LTD <PATRICK FORD SUPER FUND A/C>	8,000,000	3.99



Bioxyne Limited
Shareholder information
For the year ended 30 June 2015

ASX additional information (continued)

SOUTHAM INVESTMENTS 2003 PTY LTD <WARWICKSHIRE INVESTMENT A/C>	7,500,000	3.74
THANK KEATING PTY LTD <C&N CUFFE FAMILY SUPER A/C>	5,000,000	2.50
JETOSEA PTY LTD	3,694,713	1.84
NEWCASTLE INNOVATION LIMITED	3,668,125	1.83
UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	3,333,334	1.66
CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	3,000,000	1.50
MR PAUL BOUDEWYN EDWARD BOLT	2,998,125	1.50
MCKELL PLACE NOMINEES PTY LTD	2,000,000	1.00
MR KEVIN HO + MRS VIKKI HO <NATHAN HO ACCOUNT>	1,950,000	0.97
IMMUNE INVESTMENTS PTY LTD <MRS TJ'S A/C>	1,710,551	0.85
MR PAUL ANDREW KOPELKE	1,555,555	0.78
LYNDCOTE HOLDINGS PTY LTD	1,490,949	0.74
PROF ALAN JONATHAN BERRICK	1,395,000	0.70
	141,427,775	70.57

(c) Substantial shareholders

The company has one substantial shareholder, as defined by the Corporations Act 2001, as at the date of this report.

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.