Neurotech

ACN 610 205 402

NEUROTECH INTERNATIONAL LIMITED

ANNUAL REPORT - 30 JUNE 2017

CONTENTS

CORPORATE DIRECTORY

DIRECTORS	Peter O'Connor (Chairman) Peter Griffiths (Deputy Chairman and Non-Executive Director) Wolfgang Johannes Storf (Chief Executive Officer) Adrian Attard Trevisan (Non-Executive Director) Simon Trevisan (Non-Executive Director) Cheryl Tan (Non-Executive Director)
COMPANY SECRETARY	Fleur Hudson
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SHARE REGISTRY	Security Transfer Australia Pty Ltd 770 Canning Highway APPLECROSS WA 6153 Telephone: 1300 992 916 Facsimile: (08) 9315 2233
HOME EXCHANGE	Australian Securities Exchange Ltd Exchange Plaza 2 The Esplanade PERTH WA 6000 **ASX Code: NTI**
SOLICITORS	Jackson McDonald Level 17 225 St Georges Terrace PERTH WA 6000
BANKERS	St George Bank Level 2, Westralia Plaza 167 St Georges Terrace PERTH WA 6000

CHAIRMANS LETTER

Dear Shareholders,

I am pleased to present the 2017 Annual Report for Neurotech International Limited ("Neurotech"or "the Company") in what has been a transformative year for our Company. We completed our listing and commenced trading on the Australian Securities Exchange (ASX) in November 2016 following a successful Initial Public Offer which raised $7 million. This has been an important step in our ability to grow the Company.

Neurotech develops quality medical solutions in the neuroscience space, using therapy methods driven by electroencephalography (EEG) to treat patients, with our flagship Mente Autism device helping children on the autism spectrum.

Since our ASX listing, we have achieved several important milestones, particularly regarding distribution of Mente Autism in Europe, as well as progressing the approvals needed for Mente Autism to commence sales in the United States.

The official marketing launch of Mente Autism commenced in November after we received the European CE mark for the product. Our initial focus is on European markets and to this end we signed marketing and distribution agreements in:

- Germany and Switzerland with VDT Psychologie- & Medizinvertrieb;
- Austria with Dengg Medizintechnik Gmbh;
- Greece and Cyprus with Bonvie Group; and
- Saudi Arabia with Attieh Medico Ltd.

In addition, our existing distribution partner ESE Pazarlama (previously MBM Medikal) signed a new three-year agreement to distribute Mente Autism exclusively in Turkey. Selection of an Australian distribution partner for Mente Autism is also advanced following its inclusion on the Australian Register of Therapeutic Goods in June.

After further negotiations with our distributor to the Italian market, Promosalute, post the year-end, we have effectively reset our initial agreement with the company to re-commence in Q4 2017. Under the agreement, Promosalute is due to receive 90 Mente Autism units prior to the end of 2017, once a 50 per cent upfront payment for these future orders is received. The initial contract term will conclude in mid 2019, with the potential for extension beyond this.

In the USA, we continue to pursue approval from the US Food and Drug Administration (FDA). Our dealings with the FDA have so far been positive, with a meeting in June with a panel of experts providing Neurotech with vital feedback that will help with the preparation of our final submission, which we expect to make in early CY2018.

The independent US clinical trial is underway, with preliminary findings to be presented at the 6th Cambridge International Conference on Mental Health in September 2017.

Despite challenges, we are very positive about what we have been able to achieve in the past year, particularly since our IPO and ASX listing. I would like to thank our Management and staff for all their work in meeting the requirements of the listing process, as well as their efforts since then; and thank my fellow Directors and the members of our Scientific Advisory Board for their contributions throughout 2017. I also thank our Shareholders for their support through this time, and hope that it will continue as we build further partnerships and awareness to enable Mente Autism to reach those it can help.

Over the next year, Neurotech will concentrate on further increasing its distribution network in new regions, including Australia, the United Kingdom and elsewhere. We will also continue to work with our existing partners to increase awareness of our products to in turn drive sales and revenues. Our focus on seeking approval from the FDA will continue to remain a high priority in the USA.

I look forward to keeping our Shareholders up to date as these activities progress.

Peter O'Connor
Chairman

REVIEW OF OPERATIONS

Neurotech International Limited is a medical device and solutions company incorporated in Australia (Neurotech or the Company), which operates through its Malta-based subsidiary, AAT Research. The Company commenced trading on the Australian Securities Exchange (ASX) in November 2016 following a successful Initial Public Offer which raised $7 million through the issue of 35 million new shares at a price of $0.20/share.

Neurotech provides regulated medical solutions for the management of neurological disorders, starting with autism spectrum disorder (ASD), and with the view to extending this to other neurological conditions, such as epilepsy, anxiety and depression.

Since listing on the ASX funds from the Initial Public Offering (IPO) have contributed to sales and marketing activities for Neurotech's key product Mente Autism, research and development, an independently conducted US clinical trial and other working capital.

Mente Autism is a clinical-quality EEG device that uses neurofeedback technology to help children with ASD. Designed for home use, Mente Autism helps relax the minds of children on the spectrum which in turn helps them to focus and engage positively with their environment.

Developed by Neurotech's Malta-based subsidiary AAT Research, Mente Autism's unique technology creates neurofeedback for the children who use it. It also enables authorised medical professionals to monitor progress remotely.

Mente Autism is the third iteration of the Mente system and enhances the quality and accuracy of the therapy whilst providing greater freedom of movement to the user.

Since Neurotech commenced trading on the ASX in November 2016, it has made progress across the commercial rollout and clinical development of Mente Autism as well as achieving several regulatory milestones.

Rollout of Mente Autism

The official marketing launch of Mente Autism took place on 11 November 2016 following receipt of European CE Marking for Mente Autism as a Class IIa medical device. This assesses the safety and efficacy of new devices in the European Union while being recognised almost worldwide.

Neurotech continues to roll out the Mente Autism device on a country-by-country basis subject to local registration requirements, with initial efforts focused on key European markets.

In June, Neurotech announced Mente Autism had been included on the Australian Register of Therapeutic Goods (ARTG). This marked a significant milestone for the Company, enabling Neurotech to distribute and sell Mente Autism in Australia. Mente Autism is registered with ARTG as a biofeedback system in the category Medical Device Class IIa.

Sales & Distribution

Neurotech management have prioritised qualifying its new distribution partners using set criteria to determine the capability and potential they possess to promote and sell Mente Autism units in their respective markets. Since receiving clearance to sell in Europe, Neurotech has signed various new distribution partners for additional geographies while assisting existing partners in the education and marketing around the Mente Autism device.

Neurotech commenced the shipment of Mente Autism devices in December, initially targeting the Italian market. In supporting the launch of Mente Autism, Neurotech management visited Italy targeting the key areas of Puglia and Campania. These visits enabled the management team to meet with key opinion leaders and regional authorities in the region and provide training and educational sessions.

REVIEW OF OPERATIONS

In March, Wi-Fi connectivity was added to the device, in addition to using a 3G/4G hotspot, and the first Wi-Fi enabled units shipped soon after.

Of the Mente Autism devices shipped since its launch, the majority of these were delivered under a trade-in program for Mente 2 (the previous model of the device) users to upgrade to Mente Autism.

In March, Neurotech secured Dengg Medizintechnik Gmbh as its Austrian marketing and distribution partner for Mente Autism. Dengg Medizintechnik Gmbh is a distributor for medical devices and consumables in the fields of urology, neurology and gynaecology, including for Natus Medical Incorporated and Schwarzer Gmbh among others.

In April, Neurotech announced it had secured the Bonvie Group as its marketing and distribution partner for Mente Autism in Greece and Cyprus. Based in Athens, Bonvie is a distributor for high quality products and innovative technology in the medical market, focusing on products that add value to everyday life as well as advancing health and wellbeing for the user. Neurotech shipped the first batch of devices to Bonvie and received payment for these in May.

In June, Neurotech secured Attieh Medico Ltd as its exclusive marketing and distribution partner for Mente Autism in Saudi Arabia. Attieh Medico is an experienced medical devices specialist based in Jeddah, with branches in Riyadh and other regions of Saudi Arabia. The company represents a wide range of high-tech medical equipment manufactured by companies from the USA and Europe.

Existing distribution partner ESE Pazarlama (previously MBM Medikal) also signed a new three-year agreement to distribute Mente Autism exclusively in Turkey, announced by Neurotech in June. The agreement with ESE Pazarlama was renewed because of its market experience and strong support of the Company over the past year, having purchased 50 units of the Mente 2 device. ESE Pazarlama is the first Mente Autism partner to have its contract renewed. The agreement will comprise a combination of trade-in units to upgrade existing users of Mente 2 to Mente Autism, as well as sales of devices to new Mente Autism users. A shipment of 25 devices was completed in July to upgrade existing users of Mente 2 to Mente Autism.

Subsequent to year-end, Neurotech announced an amendment to the contract with its distributor to the Italian market, Promosalute, to vary the agreement to commence in October 2017. The agreement will require the delivery and payment for an outstanding 90 units, initially invoiced in Q4 2016, to be initiated in Q4 2017.

US FDA Regulatory Process

In February, Neurotech announced it had appointed Emergo as its regulatory consultant in the USA. Emergo is a leading consultancy with more than 2,800 medical device and in vitro diagnostic device (IVD) clients, offering a wide range of compliance and market access services. The firm is headquartered in the US and maintains offices worldwide. Among other things, Emergo assists companies with global regulatory strategy, device registration, quality management system compliance, and in-country regulatory representation. As a United States Food and Drug Administration (FDA) consulting firm for medical devices and IVD, it has successfully prepared and submitted FDA 510(k) submissions for medical device and IVD companies from around the world seeking to sell in the United States.

Neurotech's pre-submission package for Mente Autism was filed with the FDA in March, subsequently followed by a meeting with the FDA panel of experts in June, who provided vital feedback on Neurotech's regulatory and clinical plan to support FDA clearance of Mente Autism.

Based on the feedback received during this meeting, Neurotech will seek to market Mente Autism as a Class II regulated device in the United States (US) under the traditional 510(k) submission route. Neurotech is targeting final submission to the FDA by early 2018.

REVIEW OF OPERATIONS

Marketing Initiatives

As a medical device that has been relatively recently introduced to the home market, one of Neurotech's key priorities is to increase awareness of the Mente Autism device as a suitable therapy for assisting children on the autism spectrum. To this end, Neurotech has undertaken various marketing initiatives in order to build a platform for target markets for Mente Autism and interface with potential distributors and end users of the device.

One such initiative saw Neurotech take part in one of the world's largest medical fairs, Medica, in Dusseldorf, Germany, where management met numerous potential distributors and partners. The Company also attended the 2017 Arab Health conference in Dubai, generating significant business development opportunities.

In conjunction with World Autism Awareness Day on Sunday 2 April 2017, Neurotech undertook marketing and public relations activities in Europe, focusing on Germanic-speaking countries including Germany and Austria, aimed at creating awareness around Neurotech's Mente Autism device and its ability to improve attention, communication and relaxation in children on the autism spectrum.

Running annually since 2009, World Autism Awareness Day is designated by the United Nations to promote international awareness of the need to help improve the quality of life of those with autism.

Scientific Advisory Board

In December, Neurotech finalised the appointment of its Scientific Advisory Board (SAB). The SAB is chaired by Neurotech's founder Dr Adrian Attard Trevisan, and acts as strategic counsel to Neurotech, guiding company management as it enters the market with its Mente Autism device, in addition to the development of other devices targeting various neurological disorders.

The SAB currently comprises:

- Prof Paolo Cavallari – Professor of Human Physiology, University of Milan
- Prof Denis Azzopardi – Professor of Neonatal Medicine, Kings College, UK
- Dr David S Cantor – Former President of the EEG and Clinical Neuroscience Society, USA

Board and Management Changes

During the course of the year, Neurotech undertook a number of structural changes to reflect the focus of the Company on the commercial roll out of Mente Autism, with founder Dr Adrian Attard Trevisan handing over day-to-day responsibilities to senior members of Neurotech's research and development team. Dr Attard Trevisan continues to maintain an active consultancy and advisory role to Neurotech while also remaining on the Board as a Non-Executive Director.

In line with this strategy, the Company appointed Chief Commercial Officer Mario Raciti upon its ASX listing, to provide commercial expertise, go-to-market industry knowledge and to develop and support the Company's distributor network.

In November, Anthony Trevisan, the alternate director to Simon Trevisan, retired from his position to the board.

Shares released from escrow

Neurotech advised in April that 699,000 ordinary shares in the Company were due to be released from escrow on 9 May 2017.

REVIEW OF OPERATIONS

Outlook

Neurotech's board and management remain dedicated to delivering on three key areas moving into the new financial year - delivering future sales of the Mente Autism device, broadening the distribution network for the device to include new regions.

The Company expects steady growth in adoption of the Mente Autism device as awareness and acceptance of the product increases with both the distributors and end users. Discussions are underway and in some cases advanced with new distribution partners and Neurotech expects to continue to provide continued updates on new distribution deals.

With a quality team focussed on execution of the above activities, Neurotech's board and management look forward to delivering high quality results and value for its shareholders in the coming financial year.

DIRECTORS' REPORT

The Directors present their report together with the financial report of Neurotech International Limited and its controlled entities (**Group**) for the financial year ended 30 June 2017 and the Auditor's Report thereon.

BOARD OF DIRECTORS

The names and details of the Directors in office during the financial period and until the date of this report are set out below.

- Peter O'Connor (Chairman)
- Peter Griffiths (Deputy Chairman and Non-Executive Director)
- Wolfgang Johannes Storf (Chief Executive Officer)
- Adrian Attard Trevisan (Non-Executive Director) (Executive Director until 25 April 2017)
- Simon Trevisan (Non-Executive Director)
- Cheryl Tan (Non-Executive Director – Appointed 5 September 2016)
- Anthony Trevisan (Alternative Director of Simon Trevisan – until 11 November 2016)
- Fleur Hudson (Non-Executive Director – until 5 September 2016)

Directors have been in office the entire period unless otherwise stated.

PRINCIPAL ACTIVITIES

Neurotech researches, designs, markets and through third party manufacturers, produces wearable neurotechnology devices to assist with neurological conditions such as autism.

Neurotech's current core focus is the design, manufacturing, sale and distribution of its first product, Mente. Mente is a portable electroencephalogram (**EEG**) medical device that uses neurofeedback to help relax the minds of children with autism spectrum disorder (**ASD** or **autism**).

DIVIDENDS PAID OR RECOMMENDED

The Directors of the Company do not recommend the payment of a dividend in respect of the current financial period ended 30 June 2017 (2016: Nil).

OPERATING RESULTS

The consolidated Company's net loss after providing for income tax for the year ended 30 June 2017 amounted to $4,031,790 (30 June 2016: $2,181,346). At 30 June 2017, the Company has $2,637,363 between cash and cash equivalents (30 June 2016: $1,007,536).

REVIEW OF OPERATIONS

Neurotech is a medical device and solutions Company incorporated in Australia, which operates through its Malta-based subsidiary, AAT Research.

Neurotech is developing neuro-stimulation and neuro-diagnostic solutions to be delivered via the **Mente platform**, an innovative platform technology to enable medical practitioners to remotely monitor and play an active role in home-based therapies. Neurotech has commercialised its first product which assists with the management of children with

DIRECTORS' REPORT

Autism Spectrum Disorder (**ASD**) with additional research and development commenced on a number of separate initiatives relating to tinnitus, anxiety, depression and epilepsy.

Its first product, **Mente Autism**, is a portable, electroencephalographic (**EEG**) medical device for home use that uses closed-loop neurofeedback to help relax the minds of children with ASD. Its unique technology creates personalised auditory stimulation which uses power ratios of different brain wave activity that are present in children with ASD to normalize the connectivity pathways in the brain.

The use of neurofeedback as a method to treat neurological conditions, including ASD, is not a new concept and has been around for some time, with experimentation in the area taking place more than 10 years ago. This need arose as a response to the limitations of existing treatments, including behavioural therapy and psychopharmacological and biomedical interventions, which may be associated with side effects, risks or require ongoing or long term treatment.

Neurofeedback has since emerged as a non-pharmaceutical treatment form, with benefits including a non-invasive approach which has been shown to enhance neuro regulation and metabolic function in patients with ASD. The key difference between previous work and what Neurotech has achieved with Mente Autism, is enabling the use of the technology safely in the home by making it small, wearable and affordable to the everyday family. This type of treatment was previously restricted to clinical institutions, yet Mente Autism's results to date are comparable to clinical EEG systems.

Neurotech has obtained a number of independent certifications, CE Marking (Mente Autism and Mente 2.0), FDA listing (Mente 2.0) as well as ISO certification (AAT Medical, a fully owned subsidiary of the Company), and is now focused on driving the commercialisation of the Mente Autism device.

Neurotech's primary mission is to improve the lives of people with neurological conditions, with a vision of becoming the global leader in home-use and clinical neurotechnology solutions which are accessible and affordable. Through its first flagship medical device, Mente Autism, and the associated software platform, Neurotech is focused on the development and commercialisation of technological solutions for the diagnosis and treatment of such conditions, starting with ASD.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the group during the financial year were as follows.

Contributed equity increased by $6,376,954 (from $3,977,804 to $10,354,758) as a result of the Company's IPO on the ASX. Details of the changes in contributed equity is disclosed is note 16 to the financial statements.

The cash received as a result of the IPO was used to fund: Sales and marketing efforts to accompany the release of Mente Autism and other revenue models; ongoing research and development and enhancements to the Mente Platform and other pipeline initiatives; the clinical trial in the United States; working capital, corporate and administrative costs; repayment of bank debt; and costs of the IPO.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

On 21st of August 2017, Neurotech announced that its subsidiary, AAT Medical Limited, signed an amended and restated distributor agreement between AAT Medical Limited (the Supplier) with Service and Technology S.A.T Ltd ('Promosalute') (the Distributor) for the supply of units for the period to mid 2019, with the potential for extension beyond this. .

No other matters or circumstances have arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' REPORT

LIKELY DEVELOPMENTS

In addition to a focus on marketing and distribution efforts, the Company will continue research and development activities for continuous improvement of the Mente Austism device and to expand the range of devices offered by the Company.

ENVIRONMENTAL REGULATION

National Greenhouse and Energy Reporting Act 2007

This is an Act to provide for the reporting and dissemination of information related to greenhouse gas emissions, greenhouse gas projects, energy production and energy consumption, and for other purposes. The Entity is not subject to the *National Greenhouse and Energy Reporting Act 2007*.

BOARD OF DIRECTORS

Peter O'Connor – Chairman	
Experience and Expertise	Peter O'Connor, MA (Trinity College, Dublin), Barrister-at Law, is an experienced global and regional asset allocation and manager selection adviser for financial institutions, family offices and charities. He was Chairman of a number of publicly quoted investment companies with particular exposure in Asia. Of British/Irish descent, he travels regularly to Asia, Australia and Canada. Mr. O'Connor was the Co-Founder and Deputy Chairman of IMS Management Ltd and FundQuest UK Ltd from 1998 to 2008. He has a wealth of global experience in the fund management and private equity industries. He has extensive global experience in the funds management industry, both public and private companies in developed and emerging economies.
Other Current Directorships	Non-Executive Director at Northern Star Resources Limited since May 21, 2012 Non -Executive Director of Blue Ocean Monitoring Ltd
Former Directorships in last 3 years	None
Special Responsibilities	Chairman of the Board Chairman of Nomination and Remuneration Committee
Interests in Shares and Options	503,100 ordinary shares in Neurotech International Limited 1,631,000 Unlisted Options over ordinary shares in Neurotech International Limited

Peter Griffiths – Deputy Chairman and Non-Executive Director	
Experience and Expertise	Peter J.L. Griffiths, B.Sc. (Hons), draws on his more than 20 years of leadership experience in the software industry. As EVP and Group Executive at CA Technologies, he was responsible for investment and strategy across the five business units that drove the company's leadership in IT Management Cloud, Application Development, Operations, DevOps and Security for enterprise and growth markets. As a member of the company's Executive Management Team; Mr Griffiths also oversaw all aspects of Operations, M&A activity, Industry Solutions, and the CA Technologies Innovation Center, driving mobile-first software products and the transition to SaaS offerings and business models.
Other Current Directorships	None
Former Directorships in last 3 years	None
Special	Member of Audit Committee

Responsibilities	Chairman of Risk Committee Member of Nomination and Remuneration Committee
Interests in Shares and Options	4,657,588 ordinary shares in Neurotech International Limited 2,060,334 Unlisted Options over ordinary shares in Neurotech International Limited

Wolfgang Johannes Storf – Chief Executive Officer	
Experience and Expertise	Wolfgang Storf joined AAT Research in 2016 as chief executive officer. Prior to that, he was chief strategy officer with the MS Pharma Group. He was also CEO of Novartis-Sandoz in South Africa and held other senior management positions with Novartis-Sandoz, Apotex and Johnson & Johnson in different regions of the world. Wolfgang is a seasoned senior executive with proven global strategic and execution leadership experience – covering both commercial and technical operations as well R&D responsibility inside multinational and private businesses in the pharmaceutical and medical industry. He has a highly successful record of entering new markets, leading company turnarounds and effectively managing crisis missions. He also has experience in post-merger integration programs in both branded / un-branded markets. He has wide-ranging product expertise covering key chronic and acute TAs (solid / injectable) with focus on differentiation, as well biosimilar & OTC.
Other Current Directorships	None
Former Directorships in last 3 years	None
Special Responsibilities	Member of Risk Committee
Interests in Shares and Options	466,000 ordinary shares in Neurotech International Limited 466,000 options over ordinary shares in Neurotech International Limited

Adrian Attard Trevisan – Non-Executive Director	
Experience and Expertise	Dr Adrian Attard Trevisan holds a Doctorate in Neurosciences and Human Physiology and masters in the fields of Engineering and Audiological Sciences. He has worked on international research projects in England and France and has lectured on the University of London programmes, as well as giving guest lectures and presentations at the University of Malta, Oxford University, University of London and the Università degli Studi di Milano. Adrian has conducted research within the field of neurophysiology for a number of years. He has benefited from research grants awarded by the Medical Research Council and formed part of research projects under a number of EU funding programmes. Dr Attard Trevisan is also a research fellow of the Bedfordshire Center for Mental Health Research in association with the University of Cambridge and has a special interest in EEG phenotype and EEG driven therapies.
Other Current Directorships	None
Former Directorships in last 3 years	None
Special Responsibilities	Member of Risk Committee
Interests in Shares	19,740,889 ordinary shares in Neurotech International Limited

and Options	1,864,000 Unlisted options over ordinary shares in Neurotech International Limited

Simon Trevisan B Econ, LLB (Hons), MBT – Non-Executive Director	
Experience and Expertise	Simon Trevisan is the managing director of the Transcontinental Group including TRG Properties Pty Ltd. He has 20 years' experience in public and private investments, corporate finance and management of large public and private businesses. He has been responsible for the funding and management of a number of public companies and TRG Properties' substantial property investments. His experience includes the establishment and listing of Mediterranean Oil & Gas plc, an AIM listed oil and gas company with production and a substantial oil discovery in Italy. Mr Trevisan was Executive Chairman of ASX listed gold explorer Aurex Consolidated Ltd and a founding executive director of ASX-listed Ausgold Limited and AssetOwl Limited (previously Regalpoint Resources Ltd). He was also responsible for arranging debt funding for the development of in excess of $500 million of property and significantly involved in arranging and drawing down one of the first foreign bank project facilities for a resources development in Indonesia. He has a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia and a Masters Degree in Business and Technology from the University of New South Wales. Before becoming managing director of the Transcontinental Group, Simon practised as a solicitor with Allens Arthur Robinson Legal Group firm, Parker and Parker, in the corporate and natural resources divisions. Simon is also currently a director of ASX-listed AssetOwl Ltd, Zeta Petroleum plc and BMG Resources Ltd. He is a board member of not for profit St George's College Foundation, St Georges College Inc and Cystic Fibrosis WA Inc. Mr Trevisan is the Chairman of the Audit Committee and a member of the Share Trading Committee.
Other Current Directorships	Managing Director of Transcontinental Investments Pty Ltd Managing Director of TRG Properties Pty Ltd Non-Executive Director of AssetOwl Limited Non-Executive Director of BMG Resources Limited Non-Executive Director of Zeta Petroleum Plc Director of Perry Lakes No 229 Pty Ltd Director of Port Coogee No 790 Pty Ltd
Former Directorships in last 3 years	None
Special Responsibilities	Chairman of the Audit Committee
Interests in Shares and Options	5,405,100 ordinary shares in Neurotech International Limited 1,864,000 Unlisted Options over ordinary shares in Neurotech International Limited

Cheryl Tan – Non-Executive Director	
Experience and Expertise	Cheryl Tan is an Associate Director with Azure Capital Limited with 10 years' experience in the corporate advisory and finance industry, advising clients across a wide variety of engagements, including project financing, general corporate advisory and mergers and acquisitions, particularly within the telecommunications, utilities and infrastructure sectors. Prior to Azure, Cheryl spent over a year at BankWest, subsidiary of the Halifax Bank of Scotland (Australia) at the time, within the credit risk modelling division, undertaking several aspects of credit risk modelling required to achieve advanced Basel II accreditation.

	Cheryl holds a Bachelor of Commerce and a Bachelor of Science from the University of Western Australia, as well as a Graduate Diploma of Applied Finance from Kaplan Professional.
Other Current Directorships	None
Former Directorships in last 3 years	None
Special Responsibilities	Member of the Audit Committee
Interests in Shares and Options	31,304 ordinary shares in Neurotech International Limited

COMPANY SECRETARY

Fleur Hudson BA, LLB, LLM (Disp. Res.)	
Experience and Expertise	Mrs Hudson has a Bachelor of Arts, a Bachelor of Laws and Master of Laws degrees. She has been a Director of Transcontinental Group since 2009 and was appointed as Company Secretary of AssetOwl Limited and BMG Resources Limited in 2010 and Ausgold Limited (resigning in November 2011) and joint Company Secretary for Zeta Petroleum PLC in 2016. Prior to that, Mrs Hudson practiced as a Solicitor with international law firms in Perth and London since 1998. As a Solicitor, she has advised large national and international companies with respects to a variety of civil construction, infrastructure and commercial issues.

DIRECTORS' MEETINGS

During the financial year, 5 Board of Directors' Meetings, 2 Audit Committee meetings and 2 Nomination and Remuneration Committee meetings were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Audit Committee*		Nomination and Remuneration Committee**		Risk Committee	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Peter O'Connor	5	5	-	-	2	2	-	-
Peter Griffiths	5	3	2	2	2	2	-	-
Wolfgang Johannes Storf	5	5	1	1	-	-	-	-
Adrian Attard Trevisan	5	5	-	-	-	-	-	-
Simon Trevisan	5	5	2	2	-	-	-	-
Cheryl Tan	4	4	1	1	-	-	-	-
Fleur Hudson	1	1	-	-	-	-	-	-

COMMITTEES OF THE BOARD

Membership and Composition

The minimum number of members required on Committees of the board is two Directors. At least one member of the Committee must be a Non-Executive Director of the Board.

The Chair of the Committee is to be a Non-Executive Director, nominated by the Board, who may be the Chairman of the Board.

The Secretary of the Committee shall be the Company Secretary or such other person as nominated by the Board.

The Committee shall meet as frequently as required to undertake its role effectively and properly. A quorum for the Committee meeting is when at least two members are present. Any relevant employees may be invited to attend the Committee meetings.

The issues discussed at each Committee meeting as well as the Minutes of each meeting are reported at the next Board Meeting. The Committee Chair shall report the Committee's recommendations to the Board after each meeting.

The Committee reviews, and may recommend to the Board, any necessary action to require at least annually, and recommends any changes it considers appropriate to the Board. The Committee may undertake any other special duties as requested by the Board.

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares and options of the Company for the year ended 30 June 2017

Director	Number Shares	Unlisted Number Options
Peter O'Connor[1]	503,100	1,631,000
Peter Griffiths[2]	4,657,588	2,060,334
Adrian Attard Trevisan[3]	19,740,889	1,864,000
Wolfgang Johannes Storf[4]	466,000	466,000
Simon Trevisan[5]	5,405,100	1,864,000
Cheryl Tan	31,304	-

1 Held by Avonmore Holdings Group Ltd. Peter O'Connor has a relevant interest in these securities as a beneficiary of this family trust.
2 Held by Shimano Ventures Ltd as trustee for The Griffiths Family Trust. Peter Griffiths has a relevant interest in these Securities as a director and controlling shareholder of Shimano Ventures Ltd and as a beneficiary of The Griffiths Family Trust.
3 Indirect interest as a spouse of Krystle Attard Trevisan
4 Held by WST Business Development Advisor Ltd. Wolfgang Storf has a relevant interest in these Securities as a director, shareholder of WST Business Development Advisor Ltd.
5 Held by Transcontinental Investments Pty Ltd. Simon Trevisan has a relevant interest in these Securities as a director, joint controller and substantial shareholder of Transcontinental Investments Pty Ltd.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and the Consolidated Entity and has been audited in accordance with the requirements by section 308(3C) of the *Corporations Act 2001* and the Corporations Regulations 2001.

For the purposes of this report, Key Management Personnel of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

Key Management Personnel disclosed in the Report

Names and positions held of Parent Entity Directors and Key Management Personnel in office at any time during the financial year are:

Directors	
Peter O'Connor	Chairman
Peter Griffiths	Deputy Chairman/Non-Executive Director
Wolfgang Johannes Storf	Chief Executive Officer
Adrian Attard Trevisan	Non-Executive Director
Simon Trevisan	Non-Executive Director
Cheryl Tan	Non-Executive Director – From 5 September 2016
Fleur Hudson	Non-Executive Director – Until 5 September 2016
Other Key Management Personnel	
Mario Raciti	Chief Commercial Officer – From 3 October 2016

Mr. Anthony Trevisan was alternative director for the period from 14 June 2016 to 11 November 2016.

Remuneration Governance

The Nomination and Remuneration Committee provides assistance to the Board with respect to the following:

(a) Remuneration policies and practices;

(b) Remuneration of the Executive Officer and Executive Directors;

(c) Composition of the Board; and

(d) Performance Management of the Board and of the Executive Officer.

Use of Remuneration Consultants

During the year, the Company has not required or used any remuneration consultants.

Executive Remuneration Policy and Framework

The Remuneration and Nomination Committee review's and make recommendations regarding the following:

(a) strategies in relation to Executive remuneration policies;

(b) compensation arrangements for the Chairman, Non-Executive Directors, CEO, and other Senior Executives as appropriate;

(c) performance related incentive policies;

(d) the Company's recruitment, retention and termination policies;

(e) the composition of the Board having regard to the skills/experience desired and skills/experience represented;

(f) the appointment of Board members;

(g) the evaluation of the performance of the Managing Director and Chief Operating Officer;

(h) consideration of potential candidates to act as Directors; and

(i) succession planning for Board members.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel for the economic entity is as follows:

The remuneration structure for Key Management Personnel is based on a number of factors, including length of service and the particular experience of the individual concerned. The contracts for service between the Group and Key Management Personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

The Nomination and Remuneration Committee determines the constitution and total remuneration value of each member of the entity's Key Management Personnel. On appointment to the Board, all Executive and Non-Executive Directors enter into an agreement with the Company. The letter of appointment summarizes the Board's policies and terms, including remuneration

Directors do not receive additional fees for chairing or participating on Board committees. Non-Executive Directors do not receive retirement allowances. Non-Executive Directors do not receive performance-based pay.

The Company's executive Key Management Personnel includes the Chief Executive Officer and Chief Commercial Officer. The executive Key Management Personnel are entitled to receive performance based pay under their current engagement agreements. Information on the remuneration of the executive Key Management Personnel is provided at pages 18 and 19.

The structure of the performance based element of the executive's remuneration is designed to encourage retention of the executives while also rewarding short term performance of the individual and long-term performance of the Company, and therefore contributing to the wealth of the Company's shareholders. Executives are subject to an annual performance review against objectives relevant to their role, and the performance against these objectives is used to determine the amount of their annual short-term incentive bonus received.

Link between remuneration and performance

Having been admitted to the Australian Stock Exchange official list on the 3rd of November 2016, the year ended 30 June 2017 is the first year when the Company is a listed entity, with the Company having been incorporated on the 15th of January 2016. For the year ended 30 June 2017, no meaningful information can be provided to facilitate an analysis of the current year performance and remuneration with that of prior periods.

Key Management Personnel Compensation

The compensation of the Company's Key Management Personnel is disclosed below

2017 Key Management Person	Short-term Benefits				Share-based payment				
	Salary ($)	Bonus ($)	Non-monetary benefits ($)	Annual Leave ($)	Shares and Share Rights ($)	Options ($)	Total Share Based Payments ($)	Total ($)	Performance related
DIRECTORS									
Peter O'Connor[1]	32,778	-	-	-	-	-	-	32,778	0%
Peter Griffiths[2]	26,237	-	-	-	-	-	-	26,237	0%
Wolfgang Storf[5]	289,179	112,864	75,490	27,805	136,420*	28,048*	164,468	669,806	16.57%
Adrian Attard Trevisan	216,312	-	21,920	13,771	225,819*	-	225,819	477,822	5.43%
Simon Trevisan[3]	-	-	-	-	-	-	-	-	0%
Cheryl Tan[4]	26,222	-	-	-	-	-	-	26,222	0%
Fleur Hudson[3]	-	-	-	-	-	-	-	-	0%
OTHER KEY MANAGEMENT PERSONNEL									
Mario Raciti	124,284	-	31,084	19,187	-	-	-	174,555	0%
TOTAL	**715,012**	**112,864**	**128,494**	**60,763**	**362,239**	**28,048**	**390,287***	**1,407,420**	

*Refer to note 5: Share based payments for further details

1. Mr. Peter O'Connor's remuneration is $50,000 /year and received remuneration since he was appointed on 4 November 2016 for total $32,778
2. Mr. Peter Griffiths' remuneration $40,000 /year and received remuneration since he was appointed on 4 November 2016 for total $26,237
3. Mr. Simon Trevisan and Mrs. Fleur Hudson have not received remuneration from the Company for the year ended 30 June 2017. Neurotech International Limited has an agreement with Transcontinental Investments Pty Ltd, which is a Director related Entity (Simon Trevisan and Fleur Hudson). Transcontinental Investments Pty Ltd charges an administrative fee for office space, telecommunications, office supplies, accounting support and business support services, the fee is $7,500 per month for the period from 04 November 2016 to 30 June 2017, totaling to $60,000 during the financial year. Mr. Trevisan and Mrs. Hudson are directors of Transcontinental Investments Pty Ltd. Mrs. Hudson was a director of Neurotech International Limited from the beginning of the financial year until 5 September 2016.
4. Ms. Cheryl Tan's remuneration is $40,000/year and received remuneration since she was appointed on 4 November 2016 for total $26,222
5. Mr. Wolfgang Storf's bonus has was granted in accordance with the terms of his employment with one of Neurotech International Limited's subsidiaries, AAT Research. The amount of bonus payable is variable, up to a maximum of €120,000. Refer to page 22 for further detail on the 2017 bonus.

Key Management Personnel Compensation

2016 Key Management Person	Short-term Benefits				Share-based payment			
	Salary ($)	Bonus ($)	Non-monetary benefits ($)	Annual Leave ($)	Shares and Share Rights ($)	Options ($)	Total ($)	Performance related
DIRECTORS								
Peter O'Connor	-	-	-	-	180,684	-	180,684	0%
Peter Griffiths	-	-	-	-	228,246	-	228,246	0%
Adrian Attard Trevisan	89,519	-	1,684	-	206,496	-	297,699	0%
Simon Trevisan	-	-	-	-	206,496	-	206,496	0%
OTHER KEY MANAGEMENT PERSONNEL								
Wolfgang Storf	67,668	-	13,542	-	-	-	81,210	0%
TOTAL	**157,187**		**15,226**		**821,922**		**994,335**	

Director's Peter O'Connor, Peter Griffith's, Simon Trevisan and Dr Adrian Attard Trevisan were appointed as directors of the Company during the 6 month period to 30 June 2016, however they did not receive remuneration from the Company until the Company became a listed entity on the 4th of November 2016. They were previously directors of Neurotech's subsidiary company AAT Research Limited.

For the 2017 financial year, the annual remuneration of the Company's Non-Executive Directors is as below:

	From 1 July 2016 to 30 June 2017
Non-Executive Chairman	50,000
Non-Executive Directors	40,000

There were no other additional fees paid to the Non-Executive Chairman and Non-Executive Directors for participating in Audit Committees, Nomination Committees and/or Remuneration Committees.

Contractual arrangements of the Company's Other Key Management Personnel are as follows:

Chief Executive Officer	
Fixed Remuneration	€200,000
Contract Duration	Ongoing Contract
Notice period for Termination	6 months, or immediately in the event of circumstances as set out in the Consultancy Services Agreement arising
Variable Remuneration	An annualised bonus of up to €120,000. The value of the bonus paid is directly related to the proportion of the year for which the bonus is earned, and based on the Remuneration and Nomination Committee's assessment of the CEO's performance against pre-defined objectives established at the beginning of the relevant calendar year. Detail on the performance objectives/milestones/priorities is provided at page 22.
Other Incentives	For a period of two years from March 2016, the CEO will be paid the following amounts annually • Education for his Children: €20,000 • Housing: €24,000 • Car Leasing: €8,000 • Health Insurance: €5,000 The value of these incentives utilised by the executive is disclosed in the remuneration table on page 19, as non-monetary benefits.

Chief Commercial Officer	
Fixed Remuneration	€115,000
Contract Duration	Ongoing Contract
Notice period for Termination	6 months
Variable Remuneration	An annualised bonus of up to 25% of the employee's base salary. The value of the bonus payable is subject to the extent that pre-defined objectives established at the beginning of the relevant calendar year are achieved. The employee may be awarded stock options of a value up to 10% of his gross salary. Detail on the performance objectives/milestones/priorities is provided at page 23.
Other Incentives	Non-monetary benefits including: Car allowance; Mobile telephone, Fuel and Insurance The value of these incentives utilised by the executive is disclosed in the remuneration table on page 18, as non-monetary benefits.

In addition to his role as Non-executive director, on 1 April 2017 Dr Adrian Attard Trevisan commenced as a consultant with the Company, under an agreement with the following terms.

Fixed Remuneration	€2,875 per month
Contract Duration	Expiring 31 March 2018
Notice period for Termination	3 months, or immediately in the event of circumstances as set out in the Consultancy Services Agreement arising
Variable Remuneration	None
Other Incentives	None

Performance based remuneration granted and forfeited during the year:

Name	Title	At Risk – Short Term Incentive			At Risk – Long Term Incentive	
		Total Opportunity	Awarded%	Forfeited%	Value granted $	Value forfeited $
Wolfgang Storf[1]	Chief Executive Officer	€90,000	85%	15%	-	-
Adrian Attard Trevisan[2]	Non-executive Director[3]	$160,000	100%	-	480,000	414,181

Wolfgang Storf (Chief Executive Officer)

Wolfgang's employment contract provides for an annual bonus, being a short-term incentive benefit of up to €120,000, the amount of the maximum short term incentive for the year was €90,000, being the proportionated value of the total €120,000 for the period of Wolfgang's employment with the Company during the 2016 calendar year, from 1 April to 31 December 2016.

The nomination and remuneration committee established milestones and priorities against which Wolfgang was assessed in his annual performance review. Assessment against these milestones and priorities ("performance criteria") resulted in an overall performance rating and this rating determined the value of the €90,000 Wolfgang was awarded.

In relation to the period to 31 December 2016, the performance criteria related to matters including, but not limited to;

1) Appoint Chief Commercial Officer

2) List at ASX – IPO Neurotech

3) Achieve CE Mark Mente Autism

4) Launch Mente Autism

5) Appoint Scientific Advisory Board

These criteria were chosen as they are considered to be of high importance to the growth of the Company

The value of the bonus awarded to Wolfgang was €76,500, being 85% of the total opportunity. In Australian dollars, the value of this bonus incentive is $112,864, being the conversion of the euro value at the average exchange rate 1 April 2016 to 31 December 2016. Wolfgang has agreed to settle this bonus through the issue of shares in the Company, with these shares to be issued subject to shareholder approval.

Adrian Attard Trevisan (Non-executive director)

Dr Attard Trevisan's current role in the Company is non-executive director, prior to the 1st of April 2017 Dr Attard Trevisan's role was Technical Director and he was party to an Executive Employment Contract with the Company and the above Short Term and Long Term incentive remuneration relates to the period prior to this date.

Pursuant to the Executive Employment Contract between AAT Research Limited, Neurotech International Limited and Dr Adrian Attard Trevisan, Dr Attard Trevisan has been granted shares and share rights in the Company.

Dr Attard Trevisan was granted 1,000,000 shares in the Company on the conditional admission date of the Company to the Australian Stock Exchange, this amount is shown as short-term incentive, there were no performance conditions associated with the grant of these shares.

Dr Attard Trevisan was granted 3,000,000 share rights in the Company which were to vest in three equal tranches on the 1st of October in the years 2017, 2018 and 2019, being a long-term incentive remuneration element. For the rights to vest, Dr Attard Trevisan was required to remain employed with the Company, and in addition 500,000 share rights of each tranche were subject to the executive's personal performance.

In relation to the year to 31 December 2016, the Nomination and Remuneration Committee assessed Dr Attard Trevisan's performance against established initiatives including: Office; IPO Process; Product Quality; Regulatory; People and Team. These initiatives were chosen as they are considered to be of high importance to the growth of the Company. The executive was assigned a performance rating against each of these criteria, and based these assigned ratings, an overall performance assessment was assigned.

In April 2017, Dr Attard Trevisan ceased as an executive of the Company and commenced as a contractor, as a result, effective from the 1st of April 2017, 411,371 share rights have vested, with the remaining 2,588,629 rights to be forfeited.

The number of rights to have vested was calculated taking into account the length of time Dr Attard Trevisan was an executive of the Company, and Dr Attard Trevisan's assigned performance rating against the five initiatives indicated above.

*Refer to note 5: 'Share based payments' for further details on these share rights.

Mario Raciti (Chief Commercial Officer)

The Company's Chief Commercial Officer commenced with the Company in October 2016 and will be entitled to a short-term incentive payment based on his achievement of objectives in the 2017 calendar year. He was not entitled to a short-term incentive payment in relation to the period to 31 December 2016, having been employed with the company for less than 3 months at this date.

Mario's performance objectives for the period from commencement of employment to 30 June 2017 relate to delivery of units, market entry, strategic projects and high performance culture introduction.

The value of Mario's short-term incentive benefit in relation to the period to 30 June 2017 will be determined when his performance against his established performance objectives is assessed in December 2017 / January 2018.

Terms and Conditions of share based payments affecting remuneration in the current or a future reporting period:

Shares:

Number of shares	*Grant Date*	*Vesting date*	*Value per share at grant date*	*Number of shares unvested*	*Maximum value yet to vest $*
466,000	3 April 2016	28 October 2016	$0.16	-	-
466,000	3 April 2016	1 October 2017	$0.16	466,000	74,560
1,000,000	13 September 2016	28 October 2016	$0.16	-	-

Options:

Number of options	*Grant Date*	*Vesting date*	*Expiry date*	*Exercise Price*	*Value per option at grant date*	*Vested (%)*
155,333	3 April 2016	3 November 2017	30 November 2020	$0.20	$0.11	0%
155,333	3 April 2016	3 November 2018	30 November 2020	$0.20	$0.11	0%
155,333	3 April 2016	3 November 2019	30 November 2020	$0.20	$0.11	0%

DIRECTORS' REPORT

Share rights:

Number of share rights	*Grant Date*	*Vesting date*	*Value per share right at grant date*	*Vested (%)*	*Forfeited (%)*
1,000,000	1 October 2016	1 October 2017	$0.16	41%	59%
1,000,000	1 October 2016	1 October 2018	$0.16	0%	100%
1,000,000	1 October 2016	1 October 2019	$0.16	0%	100%

DIRECTORS' REPORT

Equity Instruments Disclosure Relating to Key Management Personnel

Shares

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2017 Name	Balance at the start of the year	Granted as Compensation	Vested		Other changes during the year	Balance at the end of the year	Granted, Unvested	Maximum Value yet to vest
			Number	%				$
Directors								
Peter O'Connor	503,100	-	-	-	-	503,100	-	-
Peter Griffiths	4,657,588	-	-	-	-	4,657,588	-	-
Adrian Attard Trevisan[1]	18,740,889	1,000,000	1,000,000	100%	-	19,740,889	-	-
Wolfgang Storf[2]	-	912,000	466,000	50%	-	466,000	466,000	74,560
Simon Trevisan	5,405,100	-	-	-	-	5,405,100	-	-
Cheryl Tan	-	-	-	-	31,304	31,304	-	-
Other Key Management Personnel								
Mario Raciti	-	-	-	-	-	-	-	-

1 Adrian Attard Trevisan was granted 1,000,000 shares, pursuant to terms agreed between the Company and Adrian on the 13rd of September 2016.

2 Wolfgang Storf was granted 912,000 shares, pursuant to terms agreed between the Company and Wolfgang on the 3rd of April 2016. 466,000 shares were issued on the 28th of October 2016, a further 466,000 will be issued on the 1st of October 2017 subject to the Consultancy services agreement between the Company and Wolfgang not being terminated before this time.

Subject to shareholder approval at a general meeting Wolfgang Storf is to be issued 471,277 shares as settlement of his bonus earned for the period from 1 April 2016 to 31 December 2016

DIRECTORS' REPORT

Option Holdings

Number of options held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2017 Name	Balance at the start of the year	Granted as compensation	Granted during IPO	Balance at the end of the year	Vested and exercisable	Unvested
Directors						
Peter O'Connor	-	-	1,631,000	1,631,000	1,631,000	-
Peter Griffiths	-	-	2,060,334	2,060,334	2,060,334	-
Adrian Attard Trevisan	-	-	1,864,000	1,864,000	1,864,000	-
Wolfgang Storf[1]	-	466,000	-	466,000	-	466,000
Simon Trevisan	-	-	1,864,000	1,864,000	1,864,000	-
Cheryl Tan	-	-	-	-	-	-
Other Key Management Personnel						
Mario Raciti	-	-		-	-	-

1 466,000 options were issued to Wolfgang Storf on the 28th of October 2016. The grant date for these options is recognised as the 3rd of April 2016, being the date that the terms of this share based payment were agreed between the Company and Wolfgang Storf, as indicated in the table on page 24 above

There were no options exercised by Directors or Key Management Personnel during the year ended 30 June 2017.

Share Rights

Number of share rights held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2017 Name	Balance at the start of the year	Granted as compensation	Vested	Forfeited	Balance at the end of the year
Directors					
Peter O'Connor	-	-	-	-	-
Peter Griffiths	-	-	-	-	-
Adrian Attard Trevisan[1]	-	3,000,000	411,371	2,588,629	411,371
Wolfgang Storf	-	-	-	-	-
Simon Trevisan	-	-	-	-	-
Cheryl Tan	-	-	-	-	-
Other Key Management Personnel					
Mario Raciti	-	-		-	-

1 Subject to shareholder approval at a general meeting Dr Attard Trevisan is to be issued 411,371 shares, representing the vesting of 411,371 share rights.

Voting and comments made at the Group's 2016 Annual General Meeting

As the Company was not a listed entity before the 3rd of November 2016, the Company's Annual report for the year ended 30 June 2016, there was no requirement for the Company's shareholders to vote on a remuneration report at the Company's 2016 Annual General Meeting.

Loans to Key Management Personnel

	Balance at the start of the year ($)	Interest not charged ($)	Balance at the end of the year ($)
Dr Adrian Attard Trevisan	20,991	560	10,179

The above loan relates to a director of the Company, Dr Adrian Attard Trevisan, the loan is unsecured, interest free and has no fixed date of repayment.

The amount of interest not charged is the amount that would have been charged on an arm's-length basis.

No write-downs or allowances for doubtful receivables have been recognised in relation to the above loan.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions with Related Parties

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

The following transaction occurred with related parties for the year ended 30 June 2017.

	2017 ($)	2016 ($)
Other transactions		
Administration Fee to Transcontinental Investments	60,000	-
	60,000	**-**

The aggregate amount recognised during the year relating to Key Management Personnel and their related parties were as follows.

Director	Transaction	Transactions value for the year ended 30 June		Balance outstanding as at 30 June	
		2017 ($)	2016 ($)	2017 ($)	2016 ($)
Simon Trevisan (Director and controlling Shareholder of Transcontinental Investments Pty Ltd (TRG))	Administrative fee for office space, telecommunications, office supplies, accounting support and administration and business support services	60,000	-	-	-
		60,000	**-**	**-**	**-**

Notes in relation to the table of related party transactions.

A Company associated with Mr Trevisan provides office space, office equipment, supplies, corporate management and administration services in connection with the operations of the Company and amounts are payable on a monthly basis.

Corporate administration services include those services necessary for the proper administration of a small public Company, including:

(a) company secretarial and accounting, corporate governance and reporting and administration support, management of the Company's website, management of third party professional and expert service providers including legal, accounting, tax, audit and investment banking, independent technical expert and other services associated with proper administration of a listed public Company; and

(b) provision of 'A' grade office space in a central business district office for the Company's main corporate office including use of IT, photocopying and other office equipment and supplies.

The Company must pay a monthly fee to Transcontinental Investments Pty Ltd (TRG) plus reimbursement each month for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Company during the month.

This is the end of the Audited Remuneration Report.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) Indemnification

The Company has agreed to indemnify the current Directors and Company Secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the Company, except where the liability arises out of conduct involving a lack of good faith.

The Agreement stipulates that the Company will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

(b) Insurance Premiums

During the year ended 30 June 2017, the Company paid insurance premiums in respect of Directors and Officers Liability Insurance for Directors and Officers of the Company. The liabilities insured are for damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Company to the extent permitted by the *Corporations Act 2001*. On 29 July 2017, the AAT Research Limited paid an insurance premium of $3,272 (equivalent to Euro 2,220) covering the period from 29 July 2017 to 28 July 2018 (2016: A$3,272 (equivalent to Euro 2,220)) and on 22 August 2017, the Neurotech International Limited paid an insurance premium of $15,320 (2016:13,950) covering the period from 9 August 2017 to 9 August 2018.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*.

The Board and the Audit and Risk Committee have considered the non-audit services provided during the financial year by the Auditor and are satisfied that the provision of those non-audit services during the financial year by the Auditor is compatible with, and did not compromise, the Auditor's independence requirements of the *Corporations Act 2001* for the followings reasons:

(a) all non-audit services were subject to the Corporate Governance procedures adopted by the Company; and

(b) the non-audit services provided do not undermine the general principals relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

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

	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Other Services		
BDO Corporate Finance	8,274	9,000
Total remuneration for other services	**8,274**	**9,000**
Taxation and Other services		
Chris Baldacchino & Associates (2016 equivalent to: €47,813)	-	72,751
Total remuneration for Taxation and Other services	**-**	**72,751**
Total remuneration for non-audit services	**8,274**	**81,751**

AUDITORS INDEPENDENCE DECLARATION

The Auditors Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2017 has been received and can be found on page 35.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2) (a) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors.

Simon Trevisan
Non-Executive Director
Dated at Perth, Western Australia, this 31st August 2017

Wolfgang Johannes Storf
Chief Executive Officer
Dated at Perth, Western Australia, this 31st August 2017

CORPORATE GOVERNANCE

The Board is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behavior and accountability. It is committed to administrating its corporate governance structures to promote integrity and responsible decision making.

The Company's corporate governance structures, policies and procedures are described in its Corporate Governance Statement which is available at the Company's website at http://neurotechinternational.com/investor-centre/corporate-governance.

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF NEUROTECH INTERNATIONAL LIMITED

As lead auditor of Neurotech International Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Neurotech International Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 31 August 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR TO 30 JUNE 2017

	Notes	CONSOLIDATED 30 June 2017 ($) (12 months)	CONSOLIDATED 30 June 2016 ($) (6 months)
CONTINUING OPERATIONS			
Revenue	2	85,838	126,667
Other income	3	42,572	41,308
Cost of Inventory	4	(80,542)	(43,304)
Obsolete Stock written off	4	(79,222)	-
Professional Consultant and Advisory expenses		(617,282)	(98,719)
Professional Legal expenses		(114,199)	(42,888)
Corporate and Administration expenses	4	(736,889)	(222,626)
Depreciation and amortisation expenses		(363,039)	(120,525)
Finance expenses		(40,922)	(54,453)
Settlement Expenses		-	(113,913)
Advertising and Marketing expenses		(113,529)	(36,802)
Impairment expense	4	(123,108)	(202,340)
Employee benefits expense	4	(913,403)	(442,967)
Research expense	4	(242,995)	(28,441)
Share Based Payments Expense	5	(390,287)	(875,095)
Equipment and materials direct cost		(98,337)	(2,092)
Other expenses		(246,446)	(65,155)
PROFIT/(LOSS) BEFORE INCOME TAX		**(4,031,790)**	**(2,181,346)**
Income tax benefit	6	-	-
PROFIT/(LOSS) AFTER INCOME TAX		**(4,031,790)**	**(2,181,346)**
Other comprehensive income/(loss)		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange Difference on translation of foreign operations		48,333	15,272
Total comprehensive income/(loss) for the period		**(3,983,457)**	**(2,166,074)**
Total comprehensive loss for the period is:			
Attributable to the owner of Neurotech International Ltd			
Basic loss per share (cents per share)	24	**(5.38)**	**(5.95)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR TO 30 JUNE 2017

		CONSOLIDATED	
	Notes	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
CURRENT ASSETS			
Cash and cash equivalents	9	2,637,363	1,007,536
Trade and other receivables	10	331,313	247,271
Inventories	11	80,746	186,537
TOTAL CURRENT ASSETS		**3,049,422**	**1,441,344**
NON-CURRENT ASSETS			
Property, plant and equipment	12	464,104	551,323
Intangible assets	13	1,438,640	931,834
TOTAL NON-CURRENT ASSETS		**1,902,744**	**1,483,158**
TOTAL ASSETS		**4,952,166**	**2,924,502**
CURRENT LIABILITIES			
Trade and other payables	14	282,235	507,513
Short-term borrowings	15	129,866	621,709
TOTAL CURRENT LIABILITIES		**412,101**	**1,129,222**
NON-CURRENT LIABILITIES			
Long-term borrowings	15	244,937	323,900
TOTAL NON-CURRENT LIABITLIES		**244,937**	**323,900**
TOTAL LIABILITIES		**657,038**	**1,453,122**
NET ASSETS		**4,295,128**	**1,471,380**
EQUITY			
Contributed Equity	16	10,354,758	3,977,804
Reserves	17	1,328,888	850,304
Accumulated Loss	18	(7,388,518)	(3,356,728)
TOTAL EQUITY		**4,295,128**	**1,471,380**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Contributed Equity ($)	Accumulated Losses ($)	Capital Reserve ($)	Share-based payment Reserve ($)	Foreign Currency Translation Reserve ($)	Total ($)
FINANCIAL YEAR ENDED 30 JUNE 2017						
Balance at 1 July 2016	**3,977,804**	**(3,356,728)**	**111,840**	**875,095**	**(136,631)**	**1,471,380**
Profit/(Loss) for the year	-	(4,031,790)	-	-	-	(4,031,790)
Exchange Difference	-	-	-	-	48,333	48,333
Total comprehensive income/(loss)	**-**	**(4,031,790)**	**-**	**-**	**48,333**	**(3,983,457)**
Transactions with equity holders in their capacity as equity holders						
Shares issued for IPO	7,000,000	-	-	-	-	7,000,000
Shares issued to Chasm Hop/Bonavita/Vella	111,840	-	(111,840)	-	-	-
Shares & Options issued to lead managers	150,000	-	-	273,500	-	423,500
Share based payments to Directors	234,560	-	65,819	89,908	-	390,287
CEO bonus, to be settled through issue of shares	-	-	112,864	-	-	112,864
Share issue costs	(1,119,446)	-	-	-	-	(1,119,446)
Balance at 30 June 2017	**10,354,758**	**(7,388,518)**	**178,683**	**1,238,503**	**(88,298)**	**4,295,128**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Contributed Equity ($)	Accumulated Losses ($)	Capital Reserve ($)	Share-based payments Reserve ($)	Foreign Currency Translation Reserve ($)	Total ($)
FINANCIAL YEAR ENDED 30 JUNE 2016						
Balance at 1 January 2016	**2,621,963**	**(1,175,382)**	**-**	**-**	**(151,903)**	**1,294,678**
Profit/(Loss) for the year	-	(2,181,346)	-	-	-	(2,181,346)
Exchange Difference	-	-	-		15,272	15,272
Total comprehensive income/(loss)	**-**	**(2,181,346)**	**-**	**-**	15,272	**(2,166,074)**
Transactions with equity holders in their capacity as equity holders						
Capital Reserve	-	-	111,840	-	-	111,840
Contribution of Equity	1,418,289	-	-	-	-	1,418,289
Share issue costs	(62,448)	-	-	-	-	(62,448)
Employee Share Options	-	-	-	875,095	-	875,095
Balance at 30 June 2016	**3,977,804**	**(3,356,728)**	**111,840**	**875,095**	**(136,631)**	**1,471,380**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2017

	Notes	CONSOLIDATED 30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		31,367	162,216
Payments to suppliers and employees		(3,134,366)	(893,699)
Finance Costs		(41,943)	(54,453)
Interest received		23,969	150
NET CASH USED IN OPERATING ACTIVITIES	19	**(3,120,973)**	**(785,786)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(46,966)	(210,532)
Payments for Intangible assets		(890,181)	(415,550)
NET CASH USED IN INVESTING ACTIVITIES		**(937,147)**	**(626,082)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,000,000	1,000,000
Repayment of borrowings		(641,363)	(498,547)
Payment of Share Issue Costs		(734,447)	(62,448)
Proceeds from borrowings		67,607	83,693
NET CASH PROVDIED BY/USED IN FINANCING ACTIVITIES		**5,691,797**	**522,698**
Net increase/(decrease) in cash held		1,633,677	(889,170)
Cash and cash equivalents at beginning of financial year		1,007,536	1,881,635
Effect of exchange rate changes on cash and cash equivalents		(3,850)	15,071
Cash and cash equivalents at end of financial year	**9**	**2,637,363**	**1,007,536**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) General Information

Neurotech International Limited (Company) or (Entity) is a public Company limited by shares, incorporated in Australia with operations in Malta. The Consolidated Financial Report of the Company as at and for the year ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as the 'Consolidated Entity' or 'Group').

The address of the Company's registered office is Level 14, 191 St Georges Terrace, Perth WA 6000, Australia. The Company is primarily involved in researches, designs, develops and manufactures quality medical solutions and medical devices, through the use of hardware, software or technology of any kind, that improve people's quality of life.

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

(b) Basis of Preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Neurotech International Limited is a for profit entity for the purpose of preparing the Financial Statements.

(i) Compliance with IFRS

The Financial Statements of the Company also comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standard Board (IASB).

The Financial Statements were approved by the Board of Directors on 31st August 2017.

(ii) Historical cost convention

The financial report has been prepared on an accrual basis and is based on historical costs *modified* by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

All amounts are presented in Australian dollars, unless otherwise noted.

(iii) Comparatives

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

The comparative period for the financial statements is the 6 month period to 30 June 2016. In the period to 30 June 2016, the board of Directors of the Company resolved to change the financial year end of the Consolidated Group from 31 December to 30 June and as a result, in the Company's previous annual report was the 6 months period to 30 June 2016, the current financial statements are for the 12 month period from 01 July 2016 to 30 June 2017.

(c) Going Concern

The Directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2017 the group made a loss of $4,031,790 and had cash outflows from operating activities of $3,120,973. The ability of the Consolidated Entity to continue as a going concern is dependent on securing additional funding through the issue of equity. These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that the Consolidated Entity will continue as a going concern due to current working capital and expected successful fundraising through the issue of equity. As a result the financial information has been prepared on a going concern basis.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(d) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are outlined below:

1. Amortisation methods and useful life of intangible assets

The amortization method used and the useful life of the Group's intangible assets inherently results in the amount of amortization of such assets being an estimate.

Refer to note 1(p) for disclosure of the types of assets that the Group recognizes as intangible assets, the amortization methods employed and the useful lives of the assets.

2. Impairment of assets

Goodwill, intangible assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3. Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model, inputs used in valuing share based payments, including options, are estimates.

4. Depreciation methods and useful life of Property, Plant and Equipment

The depreciation method used and the useful life of the Group's Property, Plant and Equipment inherently results in the amount of depreciation of such assets being an estimate.

Refer to note 1(o) for disclosure of the depreciation methods employed and the useful lives of the assets.

5. Treatment of costs incurred for Research and Development

The Group's consideration of whether it's internal projects to develop medical devices are in a research phase or development phase involves significant judgement.

The Group considers a project to be in a development phase when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- There is intention to complete the project;
- The existence of a market to be able to sell output resulting from the completion of the project;
- How the intangible asset will generate probable future economic benefits
- There is adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset
- Expenditure attributable to the project can be reliably measured.

When the above 6 criteria are met, the Group will recognise an intangible asset in relation to the project, otherwise costs incurred to date on the project are expensed as incurred.

(e) Principles of Consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all the subsidiaries that Neurotech International Limited ('the **Parent Entity**') has the power to control the Consolidated Entity when the Group is exposed to, or has rights to, variable returns from its involvement with the Consolidated Entity and has the ability to affect those returns through its power to direct the activities of the Consolidated Entity, the financial and operating policies as at 30 June 2017 and the results of all subsidiaries for the year ended 30 June 2017. All inter-company balances and transactions between the Group and the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Consolidated Entity.

In the period to 30 June 2016, The Group was restructured as part of an IPO process with Neurotech International Limited being incorporated on 15 January 2016. During the period to 30 June 2016, Neurotech International Limited acquired AAT Research Ltd and its subsidiaries AAT Medical Ltd, AAT Services Ltd and

AAT Intellectual Property Ltd through a series of agreements. The transaction represents a common control transaction and has been accounted for as a continuation of AAT Research Ltd.

Subsidiaries

Subsidiaries are all entities controlled by the Consolidated Entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Consolidated Entity.

In the Consolidated Entity's Financial Statements, investments in subsidiaries are carried at cost. The Financial Statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In preparing the Consolidated Financial Statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from inter-entity transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investments in subsidiaries held by Neurotech International Limited are accounted for at cost in the separate Financial Statements of the Company less any impairment charges. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(f) Foreign Currency translation

Functional and presentation currency

Items included in the Financial Statements of each of the Company entities are measured using the currency of the primary economic environment in which the Entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Australian dollars (A$), which is Neurotech International Limited's functional and presentation currency.

The functional currency of the subsidiaries of Neurotech International Limited incorporated in Malta is the Euro (EUR€).

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying 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 reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Foreign Operations

The Statement of Profit or Loss and other Comprehensive Income is translated at the average exchange rates for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of the foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sale of services

Revenue is recognised when the significant risks and rewards of the services provided have passed on to the buyer.

(h) Other income

Interest Income

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

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 group will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

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

(i) Research and development

Research expenditure is recognised as an expense as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(j) Income Tax Expenses or Benefit

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national 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 controlled entities, associates 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 be reversed in the foreseeable future. Current and deferred tax balances relating to amounts are recognised directly in equity.

Neurotech International Limited and its resident subsidiaries have unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

(k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash balances and call deposits with a maturity greater than 3 months are classified as held to maturity investments and valued at amortised cost using the effective interest method.

(l) Inventories

Inventories consist of autism related neurofeedback medical equipment being held for resale, and are valued at the lower of cost and net realisable value.

Cost is determined on the first-in first-out basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less the expected selling expenses.

(m) Trade and Other Receivables

Trade debtors are recognised as the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

(n) Financial Assets

Classification

All of the Group's financial assets are classified in the category of "loans and receivables". Management determines the classification of financial assets at initial recognition. The company does not currently hold any financial assets which would be expected to be classified as Financial Assets at fair value through profit or loss; held-to-maturity investments or available-for-sale financial assets.

Recognition and derecognition

A financial instrument is recognised if the Consolidated Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Entity's contractual rights to the cash flows from the financial assets expire or if the Consolidated Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. The company identifies assets classified as Loans and receivables as "Trade and Other Receivables", being amounts owed from customers.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. The fair value of trade receivables and payables is their nominal value less estimated credit adjustments.

(o) Property, Plant and Equipment

Items of property, plant and equipment are initially recorded at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful life.

The annual rates used for this purpose, which are consistent with those used in previous years, are as follows:

Improvements to premises	10%
Furniture and fittings	20%
Computer equipment and software	20-25%
Medical and other equipment	25%

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

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

(p) Intangible assets

Project Development Costs

Development costs that are directly attributable to the design and testing of identifiable and unique medical equipment products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the medical equipment product include the development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Medical equipment product development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

Patents and trademarks

Patents and trademarks are capitalised on the basis of the costs incurred to acquire and bring to use the respective medical equipment. These costs are amortised over their estimated useful lives of five to fifteen years. Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of up to 15 years and are carried at cost less accumulated amortisation and impairment losses.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Website Development Costs

The Company capitalised certain costs associated with website development. Capitalisation of website development costs begins at the start of the application development stage and ceases once testing is complete and the website is placed in operation.

Additional costs may also be capitalised subsequent to the date the website is placed in operation if the modifications result in additional functionality. Website development costs are amortised using the straight-line method over the period of five years.

(q) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received prior to the end of the period, whether or not billed to the Consolidated Entity before reporting date. Trade accounts payable are normally settled within 60 days.

Financial liabilities are initially measured at their fair value and subsequently measured at Amortised cost using the effective interest rate method.

Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

(r) Borrowings

Borrowings are recognised initially at the proceeds received, net of issue costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net of issue costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective yield method.

(s) Employee Benefits

Short term Employee Benefit Obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

Other long-term Employee Benefit Obligations

The Company does not recognise a liability for annual leave at reporting date, annual leave taken during the course of employment and annual leave paid to employees upon termination of employment is recognised in the financial statements of the Company when the employee is paid for their leave.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognised termination benefits at the earlier of the followings dates:

(a) when the Company can no longer withdraw the offer of those benefits; and

(b) when the Entity recognised costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(t) Share-based payments

Share-based payments which have been granted to employees comprise of shares, share rights and share options.

Shares

The value of shares granted and issued to key management personnel in a year is recognised as an employee benefit expense with a corresponding increase in equity (share capital).

The value of shares granted and vested to key management personnel in one year, which will be issued in a future year issued to employees in a year are recognised as an employee benefit expense with a corresponding increase in equity (share capital reserve). Upon issuing of the shares, the value in the share capital reserve will be transferred to share capital.

The value of shares granted and in the process of vesting to key management personnel are recognised as an employee benefit expense with a corresponding increase in equity (share based payments reserve). Upon vesting and subsequent issue of the shares, the value in the share based payments reserve reserve will be transferred to share capital.

The basis for the value recognised for each share is the price at the time when the terms of the grant are agreed between the Company and the counter party.

Share rights

The value of share rights granted to key management personnel in a year is recognised as an employee benefit expense with a corresponding increase in equity (share based payments reserve).

In the year in which the share rights become vested, The value of share rights which have vested will be recognised in share capital reserve.

Upon issue of the related shares, the value in the share capital reserve is transferred to share capital.

The basis for the value recognised for each share right is the price at the time when the terms of the grant are agreed between the Company and the counter party.

Share options

The fair value of options granted to employees (including Key Management Personnel) is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). 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 determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, 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 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 Statement of Financial Position date, the Entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised in each period takes into account the most recent estimate.

(u) Share-based Payment Transactions for the acquisition of goods and services

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. The Group measures the value of equity instruments granted at the fair value of the goods and services received, unless that fair value cannot be measured reliably.

If the fair value of the goods or services received cannot be reliably measured, the transaction is measured by the by reference to the fair value of the instruments granted.

(v) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity 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.

(w) Earnings or Loss per share

Basic earnings or loss per share are calculated by dividing the net profit or loss attributable to members of the Parent Entity for the reporting period by the weighted average number of ordinary shares of the Company.

(x) Fair Value

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flow. There are currently no assets and liabilities which require fair valuing under the measurement hierarchy. Due to their short-term nature, the carrying amounts of the current receivables, current payables and current borrowings are assumed to approximate their fair value.

(y) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a 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 Flow 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 authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(z) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2017. These are outlined in the table below.

AASB Reference	Title	Summary	Application Date of Standard	Impact on Consolidated Financial Report	Application Date for Group
AASB 9 Financial Instruments (December 2010)	AASB 139 Financial Instruments: Recognition and Measurement	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 & 2010 and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning in or after 01 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Amendments to AASB 9 issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: (a) Financial assets that are debt instruments will be classified based on: (1) the objective of the Entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:	Periods beginning on or after 1 January 2018	Considering the nature of the Financial Assets and Financial Liabilities that the Company currently holds, at this point, the adoption of AASB 9 is not expected to have a significant impact on the Company's financial statements.	1 July 2018

AASB Reference	Title	Summary	Application Date of Standard	Impact on Consolidated Financial Report	Application Date for Group
		➢ The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and ➢ The remaining change is presented in profit or loss. AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an Entity's own credit risk on such liabilities are no longer recognised in profit or loss.			
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations (IFRIC 13 Customer Loyalty Programmed, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue Barter Transactions involving Advertising Services). The core principle of IFRS 15 is that an Entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services. An Entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligation in the contract. (e) Step 5: Recognize revenue when (or as) the Entity satisfies a performance obligation. Early application of this standard permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including interpretations) arising from the issuance of AASB 15.	Annual reporting periods beginning on or after 1 January 2018.	Given the current revenue level of the Company, the change in revenue reported, including timing thereof, attributable to the adoption of this Accounting standard would not be material. This assessment has only been performed for current revenue streams and the effect on future revenue streams will be assessed when the details are known.	1 July 2018
AASB 16	Leases	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	Annual reporting periods beginning on or after 1 January 2019.	To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised	1 July 2019

AASB Reference	Title	Summary	Application Date of Standard	Impact on Consolidated Financial Report	Application Date for Group
				instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.	

There are no other standards that are not yet effective and that are expected to have a material impact on the Entity in the current or future reporting periods.

2. REVENUE FROM CONTINUING OPERATIONS and COST OF SALES

Revenue represents the value of medical equipment and services sold by the Group during the financial year under review.

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Sales Mente Products	85,838	126,667
	85,838	**126,667**

3. OTHER INCOME

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Award winnings	16,131	7,918
Income from grants	-	31,831
Shipping of Sales Products	2,472	1,409
Interest Income	23,969	150
	42,572	**41,308**

Government grants

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

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets.

4. EXPENSES

Inventory related expenses

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Cost of units sold (Mente 3 units)	60,005	43,304
Mente 3 production rejects	9,748	-
Mente 2 units traded for Mente 3 units	10,789	-
	80,542	**43,304**
Obsolete Stock Written Off (Mente 2 units)	79,222	-
	159,764	**43,304**

Employee Benefits Expense

The total employment costs, excluding share based payments, for the financial year ended 30 June 2017 were as follows:

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Directors' remuneration	92,571	89,519
Wages and salaries	1,012,204	551,344
Employer's share of national insurance contribution	52,119	23,824
Recruitment and Redundancy payments	36,801	151,717
Less: Amounts transferred to development costs	(280,292)	(373,437)
	913,403	**442,967**

Research Expense

Research expense represents outlay on the Group's projects which are not yet at a stage to allow for an intangible asset to be recognised.

The costs represent wages and salaries, and materials.

Corporate and Administration Expense

Corporate and Administration expenses include costs relating to, but not limited to: ASX Listing Fees; Travel and Accommodation; Office Rent and utilities; Management Fees payable to Transcontinental Investments Pty Ltd; and Audit and Accounting Fees.

Impairment Expense

This amount relates to three of the Group's projects for which costs were capitalised at 30 June 2016, and have now been impaired in line with the write-off of Mente 2 project costs.

5. SHARE BASED PAYMENTS

In the current financial year, the Company granted share based payments to the Company's then Technical Director Dr Adrian Attard Trevisan. Share based payments to Dr Attard Trevisan were in the form of shares and share rights. As disclosed below, During the year Dr Attard Trevisan ceased being an employee of the Company and became a consultant, as a result he forfeited the proportion of his share rights which had not yet vested.

Fair value of Share Rights

Share Rights

In accordance with the executive services agreement between the Company and Dr Adrian Attard Trevisan, Dr Attard Trevisan was granted 3,000,000 share rights, with one share to be issued for every right which vested.

The share rights were granted on the 13th of September 2016, on the commencement date of the agreement, the 1st of October 2016, 3,000,000 Share rights were issued. Under the terms of the agreement, up to 1,000,000 shares were to be issued (1 share per share right) on each anniversary of the commencement date, therefore in three tranches.

The vesting of the share rights was subject to a service condition, being that Dr Attard Trevisan must remain employed with the Company for the share rights to vest.

In addition to this service condition, for each tranche, the vesting of 500,000 of these share rights was subject to the satisfaction of non-market based performance conditions established by the board relating to Neurotech's performance and the executive's compliance with the Company's policies and code of Conduct.

At grant date, Management assessed the total value of these rights as $480,000 (16c per right), for the period that Dr Attard Trevisan was an executive of the Company until he became a consultant, Management assessed that the value of share rights which have vested is $65,819, this represents 411,371 share rights.

Subject to any approvals required for the purposes of the ASX listing rules and the Corporations Act 2001, Dr Attard Trevisan will be issued 411,371 shares.

The value of these rights which have vested are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income, with a corresponding amount recognised in share capital reserve.

The table below shows the relevant details of the share rights issued to Dr Attard Trevisan.

Grant Date	Vesting Date	Number granted during the period (number)	Value of Share Rights	Forfeited during the period (number)	Value recognised as expense in current period	Total Value recognised as expense
13/09/2016	01/10/2017	1,000,000	$160,000	588,629	$65,819	$65,819
13/09/2016	01/10/2018	1,000,000	$160,000	1,000,000	-	-
13/09/2016	01/10/2019	1,000,000	$160,000	1,000,000	-	-
Total		**3,000,000**	**$480,000**	**2,588,629**	**$65,819**	**$65,819**

The number of share rights deemed to have vested to Dr Attard Trevisan has been calculated by reference to his personal performance and by reference to length of time he was employed as an executive director of the Company. Dr Attard Trevisan commenced as a non-executive director of Company, and the number of share rights unvested at the time of this change in role have been forfeited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Options Issued

All options granted are over ordinary shares in Neurotech International Limited, which confer a right of one ordinary share for every option held.

The group has the following options on issue at 30 June 2017. These options were issued to Directors (or entities in which a Director has a relevant interest), other Key Management Personnel and Service providers, as set out in the table below, for services rendered to the company.

Holder of relevant interest	Number of Options issued
Recognised in period to 30 June 2016	
Krystle Attard Trevisan[1]	1,864,000
Transcontinental Investments Pty Ltd[2]	1,864,000
Shimano Ventures Ltd[3]	2,060,334
Avonmore Holdings Group Ltd[4]	1,631,000
Angelica Micallef Trigona	130,480
Bruce A. McCracken	349,500
SUB-TOTAL	**7,899,314**
Recognised in period to 30 June 2017	
Mag. Wolfgang Storf	466,000
Azure Capital	2,529,076
TOTAL	**10,894,390**

1. These Securities are currently registered in the name of Mario Attard Trevisan as trustee of the Paloma Trust. However, Krystle Attard Trevisan has a legal right to become registered holder of these Securities, and will become the registered holder of these Securities as trustee of the Paloma Trust. Adrian Attard Trevisan has a relevant interest in these Securities as a beneficiary of the Paloma Trust.
2. Held by Transcontinental Investments Pty Ltd. Simon Trevisan has a relevant interest in these Securities as a director, joint controller and substantial shareholder of Transcontinental Investments Pty Ltd.
3. Held by Shimano Ventures Ltd as trustee for The Griffiths Family Trust. Peter Griffiths has a relevant interest in these Securities as a director and controlling shareholder of Shimano Ventures Ltd and as a beneficiary of The Griffiths Family Trust.
4. Held by Avonmore Holdings Group Ltd. Peter O'Connor has a relevant interest in these Securities as a beneficiary of this family trust.

Set out below are summaries of options issued in the year to 30 June 2017:

	Exercise price	Number of Options
As at 1 July		0
Options Issued	$0.20	10,894,390
Balance at 30 June 2017		10,894,390
Vested and exercisable at 30 June 2017*	$0.20	10,428,390

*Options which have not yet vested at 30 June 2017 are those held by Wolfgang Storf, refer to "recognition of vesting of options" below for further detail on the vesting of these options.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise Price	Share options 30 June 2017
3 April 2016*	30 November 2020	$0.20	466,000
9 May 2016**	30 November 2020	$0.20	7,899,314
28 October 2016	30 November 2020	$0.20	2,529,076
TOTAL			**10,894,390**

* These options were issued the Company's CEO Mr Storf pursuant to his Consultancy Services Agreement with the Company, and have a grant date of 3 April 2016, the granting of these options had not been recognised in the Company's financial statements for the period to 30 June 2016.

**As at 30 June 2016, the Company had not issued the 7,899,314 options to the parties advised above, however the value of options $875,095 was recognised in the period to 30 June 2016 as the services for which the share based payment relates had been provided prior to this date.

The weighted average remaining contractual life of share options outstanding at the end of the period was 3.42 years (30 June 2016: 4.42 years).

Fair value of Options Granted

Options issued in the year to 30 June 2017 includes 466,000 options issued to Neurotech's CEO Wolfgang Storf and 2,529,076 options issued to Azure Capital for services provided in relation to the IPO capital raising.

The assessed fair value at grant date of the options issued to Wolfgang Storf was $0.11 per option (30 June 2016: Nil). The fair value at grant date is determined using a Black-Scholes option pricing model with the following inputs:

	Inputs
Number of options	466,000
Underlying share price	0.16
Exercise price (A$)	0.20
Expected volatility	100%
Expiry date (years)	4.7 years
Expected dividends	Nil
Risk free rate	2.07%

The total fair value of the options issued to Wolfgang Storf is $52,318.

The options issued to Azure Capital are valued at $273,500, representing the fair value of services provided, as evidenced by the valued of an invoice issued to the Group.

Options issued in the year to 30 June 2016 are those listed on page 57 above, these options are replacement options for those originally issued in Neurotech's subsidiary AAT Research Limited. The assessed fair value of those options at grant date is $0.11 per option. 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.

Of these options issued in the year to 30 June 2016, 7,419,334 were issued to Key Management Personnel of the Company, representing a total value of 821,922. Refer to disclosure at note 27.

The following inputs were used in determining the options valuation:

	Inputs
Number of options	**7,899,314**
Underlying share price	0.16
Exercise price (A$)	0.20
Expected volatility	100%
Expiry date (years)	4.56 years
Expected dividends	Nil
Risk free rate	1.57%

Recognition of vesting of options

The options provided to Wolfgang Storf were granted under terms of his executive services agreement and will vest 1/3rd per year up until the 3rd of November 2019, being the 3rd anniversary of the Company's admission to the Australian Stock Exchange list, the first 155,333 options will vest on the 3rd of November 2017. The sole vesting condition relating to these options is Wolfgang's continued employment. The Company expects these options to vest in their entirety, and as a result amount of $28,048 has been expensed to date.

The fair value of the options issued to Azure Capital has been recognised as capital raising costs which reduces share capital as the options were provided for services in connection with the issue of equity instruments, as there are no future vesting conditions, the value of these options has been recognised in the year to 30 June 2017.

The following summarises the options issued in the year to 30 June 2017:

	Number of Options	Value of options issued	Value expensed during the period	Value recognised in share issue costs during the period
Options issued under executive agreement	466,000	$52,318	$28,048	-
Options issued for capital raising services provided	2,529,076	$273,500	-	$273,500
TOTAL	**2,995,076**	**$325,818**	**$28,048**	**$273,500**

In the 2016 financial year, the fair value of the options which the Group issued was recognised as an expense as the options were issued for services provided to the Group during the year, and there are no future vesting conditions. The amount of expense recognised was $875,095, this is reflected in the share based payments reserve.

Shares Issued

During the year, the Company issued 466,000 and 1,000,000 shares to the Group's CEO Wolfgang Storf and non-executive director Dr Adrian Attard Trevisan respectively. These instruments were issued in accordance with their executive services agreements which were executed on the 31st of March 2016 and 13th of September 2016 respectively. Dr Attard Trevisan's shares were issued to him when he was an executive director of the Group, from the 1st of April 2017, he became a non-executive director of the Group.

These shares were valued at share price at the time when the terms of the grant were agreed (16c per share). These shares vested to the executives upon issue and as a result, an amount of $234,560 has been recognised as an expense in the year.

In addition to the shares issued during the period, the terms of Wolfgang Storf's executive services agreement provides for the issue of 466,000 shares on 1 October 2017, provided the executive remains employed until that time.

As these shares are in the process of vesting, an amount of $61,860 has been recognised as an expense in the year to 30 June 2017. This amount is recognised in the share-based payments reserve.

During the year, 937,500 shares were issued to Azure Capital for services provided in relation to the IPO capital raising. These number of shares issued was based on the value of services provided, as evidenced by the valued of an invoice issued to the Group.

Refer to note 16 for a reconciliation of the Group's contributed equity.

Summary Expenses arising from Share-Based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Share-based payment		
Shares		
Shares issued to Wolfgang Storf (note 16)	74,560	-
Shares issued to Dr Adrian Attard Trevisan (note 16)	160,000	-
Total	**234,560**	
Options, Shares to be issued in future period and Share Rights		
7,899,314 Options issued for services rendered to the Company, refer to page 57 above.		**875,095**
Options issued to Wolfgang Storf	28,048	-
Shares to be issued to Wolfgang Storf on 1 October 2017.	61,860	-
Total (note 17)	**89,908**	
Shares Rights issued to Dr Adrian Attard Trevisan (note 17)	65,819	-
	390,287	**875,095**

The increase in the share based payments reserve of $363,408 as shown in note 17, is the sum of $89,908, being the value of options and shares to be issued on 1 October 2017 relating to Wolfgang, and the value of share options issued to Azure Capital, $273,500, as disclosed on page 58 above. These amounts, $89,908 and $273,500 are disclosed on the Consolidated Statement of Changes in Equity.

The amount of $74,560 and $160,000 above represent the issue of shares in the Company to Wolfgang Storf and Dr Adrian Attard Trevisan respectively, these amounts are recognised in contributed equity (note 16), with a corresponding amount recognised in Share-based payments expense in the Statement of Profit or Loss and Other Comprehensive Income.

The amount of $273,500 being the value of share options issued to Azure Capital, as disclosed on page 58 above, has been recognised against contributed equity (being a share issue cost) and therefore does not form part of the $390,287 share based payments expense for the year to 30 June 2017.

The value of share rights issued and vested to Dr Adrian Attard Trevisan above, $65,819 is recognised in share capital reserve as these rights have vested to Dr Attard Trevisan.

6. INCOME TAX

The current taxation charge comprises taxation at 30% on the profit generated by one of the Group's entities as adjusted for tax purposes.

A deferred taxation asset arising on temporary differences and unused tax losses has not been recognised in these financial statements.

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Income tax benefit	-	-
Tax Rates		
The potential tax benefit in respect of tax losses not brought into account has been calculated at 30%.		
The numerical reconciliation between tax expense and the accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting Profit/(Loss) before income tax	(4,031,790)	(2,181,346)
Income tax benefit calculated at the Company's statutory income tax rate of 30%	(1,209,537)	(654,404)
Add Tax effect on amounts which are assessable/not tax deductible:		
• Capital expenses to be amortised over 5 years	41,375	9,079
• Non assessable income	-	(226)
• Non-deductible expenses	211,867	341,386
• Timing differences	6,225	3,860
Less Tax effect on amounts which are tax deductible:		
• Black hole expenditure	(82,377)	(5,563)
Tax losses not brought to account	1,032,447	305,868
Income tax benefit	**-**	**-**
Deferred tax **assets not brought to account**		
• Unamortised 'black hole' expenditure (capital raising costs)	323,943	22,251
• Tax losses	1,032,447	305,868
• Timing differences	6,225	3,860
Income tax benefit not recognised	**1,362,615**	**331,979**

The total amount of tax losses not brought to account is $1,338,315 (2016: 305,868).

The benefit for tax losses will only be obtained if:

(a) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) the Company continues to comply with the conditions for deductibility imposed by Law; and

(c) no changes in tax legislation adversely affect the ability of the Company to realise these benefits.

7. FINANCIAL RISK MANAGEMENT

i. Overview

The financial risks arising from the Group's operations comprise market, liquidity and credit risk. These risks arise in the normal course of business, and the Group manages its exposure to them in accordance with the Group's portfolio risk management strategy.

The objective of the strategy is to support the delivery of the Group's financial targets while protecting its future financial security and flexibility by taking advantage of the natural diversification provided by the scale, diversity and flexibility of the Group's operations and activities.

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring risk and the management of capital.

The Group's Risk Management Framework is supported by the Board, Management and the Risk Committee. The Board is responsible for approving and reviewing the Consolidated Entity's Risk Management Strategy and Policy. Management is responsible for monitoring appropriate processes for identifying, monitoring and managing significant business risks faced by the Consolidated Entity and considering the effectiveness of its internal control system. Management and the Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Consolidated Entity's system of risk oversight, management of material business risks and internal control.

The Consolidated Entity holds the following financial instruments:

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Financial assets		
Cash and cash equivalents	2,637,363	1,007,536
Trade and other receivables	308,167	229,550
	2,945,530	**1,237,086**
Financial Liabilities		
Trade and other payables	282,235	507,513
Borrowing	374,803	945,609
	657,038	**1,453,122**

ii. Financial Risk Management Objectives

The overall financial Risk Management Strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

iii. Credit Risk

Credit risk is the risk of the financial loss to the Consolidated Entity if counterparty to a financial instrument fails to meet its contractual obligations and the risk arises principally from the Group's cash and cash equivalents, deposits with banks and financial institutions, and receivables.

For banks and financial institutions, the Group banks only with financial institution with high quality standing or rating. Receivables are presented net of an allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event, which based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Cash at bank is placed with reliable financial institutions.

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Trade receivables		
Counterparties without external credit rating		
Existing customers (less than 6 months) with no defaults in the past	9,347	15,068
Existing customers (more than 6 months) with no defaults in the past	28,616	-
	37,963	**15,068**
Other receivables		
Security Deposit	56,575	57,620
GST/VAT/Sales Tax Receivable	202,769	139,270
Shareholder Loans	10,860	17,592
	270,204	**214,482**
Total trade and Other receivables	**308,167**	**229,550**
Cash at bank and Commercial Bills **		
Cash at bank – St George Bank and Bank of Valletta Plc.	430,776	505,375
Petty cash account	1,175	2,161
Commercial Bills – St George Bank	2,205,412	500,000
	2,637,363	**1,007,536**

**Bank of Valletta is currently rated ‘BBB’ by an international rating agency and St George Bank has an “AA” credit rating.

Security deposit relates to manufacturing of Mente Autism units and a security deposit for the Company’s premises in Malta.

GST/VAT/Sales Tax Receivable has arisen from expenditure incurred by the Groups’ parent entity within Australia and the Group’s subsidiaries in Malta over the period 1 January 2017 to 30 June 2017, $120,309 of the above amount has been subsequently received by the respective Companies. The balance of the receivable amount relates to VAT returns for the quarter ended 30 June 2017 and is still to be received.

Shareholder loan relates to is an amount owed by a non-executive director of the Group, Dr Adrian Attard Trevisan. Refer to note 27 related party disclosures on key management personnel loans.

iv. Liquidity Risk

Liquidity risk arises from the financial liabilities of the Consolidated Entity and the Consolidated Entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of the discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months ($)	6 – 12 months ($)	More than 12 months ($)	Total ($)	Carrying Amount ($)
Group - at 30 June 2017					
Trade payables	153,190	-	-	153,190	153,190
Borrowings	-	129,866	244,937	374,803	374,803
Total	**153,190**	**129,866**	**244,937**	**527,993**	**527,993**
Group - at 30 June 2016					
Trade payables	243,312	-		243,312	243,312
Borrowings	-	621,709	323,900	945,609	945,609
Total	**243,312**	**621,709**	**323,900**	**1,188,921**	**1,188,921**

As at 30 June 2017, the Group had borrowings of A$374,803 (2016: A$945,609), Borrowings have been used for the purchase of equipment, in the fit out of the main office and laboratory facilities as well as general working capital.

v. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices may affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimising return.

Foreign Currency and Exchange Risk

The Consolidated Entity is exposed to currency risk on financial assets or liabilities that are denominated in a currency other than the respective functional currencies of the Consolidated Entity's, the Australian Dollar (AUD) for Parent Entity and Euro (EUR) for the subsidiaries of Consolidated Entity.

At the end of the reporting period the Group did not have any exposure to fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows since it had no financial assets and liabilities denominated in foreign currency.

The Consolidated Entity is exposed to changes in foreign exchange rates as it has operational liabilities in Euro. There has been no material exposure to non-functional currency amounts during the financial year.

Interest Rate Risk

The Consolidated Entity's exposure to interest rates primarily relates to the Consolidated Entity's cash and cash equivalents.

As the Consolidated Entity has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. Management monitors the level of floating rate borrowings as a measure of cash flow risk taken on.

Profile

At the reporting date, the interest rate profile of the Company’s and the Entity’s interest bearing financial instruments are:

Variable Rate Instruments

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Financial Assets	2,637,363	1,007,536
Financial Liabilities	(374,803)	(945,609)
	2,262,560	**61,927**

As at 30 June 2017, the Group had net cash of A$2,262,560, comprising borrowings of A$374,803 (EUR 252,211), and cash reserves (including bank guarantees) of A$2,637,363 (EUR 289,876 and AUD 2,206,587).

Borrowings have been used for the purchase of equipment, in the fit out of the main office and laboratory facilities as well as general working capital.

The average interest rates on the Group's borrowings were as follows:

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Bank overdrafts	5.65%	5.65%
Bank loans	5.26%	5.65%
Maturity of non-current interest-bearing loans and borrowings		
Between 1 and 2 years	129,866*	99,157*
Between 2 and 5 years	217,605*	200,907*
5 years and over	27,332*	23,836*

*AUD equivalent values of borrowings denominated in Euros.

The maturity dates of the borrowings at 30 June 2017 range from 30th November 2017 to 31th December 2022. The interest rates of the borrowings range from 4.27% to 5.65%.

The Group manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA-rated bank accounts. The Group's exposure to interest rate risk and effective weighted average interest rate by maturing periods is set out in tables below.

	Weighted Average Effective Interest Rate	Floating Interest Rate	Maturing within 1 Year	Non- Interest Bearing	Total
	2017	**2017**	**2017**	**2017**	**2017**
Financial Assets					
Cash and cash equivalents	1.5%	2,637,363	-	-	2,637,363
Trade and other receivables	-	-	-	308,167	308,167
Total Financial Assets	**-**	**2,637,363**	**-**	**308,167**	**2,945,530**
Trade and other payables	-	-	-	282,235	282,235
Borrowings	5.29%	244,937	129,866	-	374,803
Total Financial Liabilities	**-**	**244,937**	**129,866**	**282,235**	**657,038**

	Weighted Average Effective Interest Rate	Floating Interest Rate	Maturing within 1 Year	Non- Interest Bearing	Total
	2016	**2016**	**2016**	**2016**	**2016**
Financial Assets					
Cash and cash equivalents	1.5%	1,007,536	-	-	1,007,536
Trade and other receivables	-	-	-	229,550	229,550
Total Financial Assets	**-**	**1,007,536**	**-**	**229,550**	**1,237,086**

Trade and other payables	-	-	-	507,513	507,513
Borrowings	5.65%	323,900	621,709	-	945,609
Total Financial Liabilities	**-**	**323,900**	**621,709**	**507,513**	**1,453,122**

Up to the end of the reporting period, the Group did not have any hedging policy with respect to interest rate risk as exposure to such risk was not deemed to be significant by the directors since these assets are of a short term nature. Management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably probable at the end of the reporting period to be immaterial.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The Board assessed a 100 basis point movement as being reasonably possible based on forward treasury rate projections. This analysis assumes that all other variables remain constant.

A change of 100 basis points in interest rates would have increased or decreased the Consolidated Entity's profit or loss by $22,626 (2016: $619).

	+1% (100 basis points) ($)	-1% (100 basis points) ($)	+1% (100 basis points) ($)	-1% (100 basis points) ($)
	2017	**2017**	**2016**	**2016**
Cash and cash equivalents	26,374	(26,374)	10,075	(10,075)
Borrowings	(3,748)	3,748	(9,456)	9,456
	22,626	**(22,626)**	**619**	**(619)**

8. Capital Management

When managing capital, the Board's objective is to ensure the Consolidated Entity continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other Stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Consolidated Entity.

The Board is constantly adjusting the capital structure to take advantage of favorable costs of capital or high return on assets. As the market is constantly changing Management may issue new shares, sell assets to reduce debt.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels whilst this position has not changed.

The Consolidated Entity has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. This position has not changed from the previous year.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following Consolidated Statement of Financial Position amounts:

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Cash at Bank and on hand	431,951	507,536
Short-term deposit	2,205,412	500,000
	2,637,363	**1,007,536**

Cash at bank and on hand includes an amount of $297,214 (€200,000) being restricted cash not readily convertible to cash. Refer to Note 7 Financial Risk Management for risk exposure analysis for Cash and cash equivalents.

(a) Reconciliation to cash at the end of the year

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:		
Balances as above	**2,637,363**	**1,007,536**
Balances per Statement of Cash Flows	**2,637,363**	**1,007,536**

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 7. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are discussed in Note 7.

10. RECEIVABLES AND OTHER ASSETS

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Trade receivables	37,963	15,068
Net Trade receivables	**37,963**	**15,068**
Security Deposits	56,575	57,620
GST/VAT/Sales Tax Receivable	202,769	139,270
Shareholder Loans	10,860	17,592
Trade and Other receivables	**308,167**	**229,550**
Prepayments	23,146	17,721
	331,313	**247,271**

11. INVENTORIES

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
CURRENT		
Raw Materials	12,305	158,536
Finished Goods (i)	68,441	28,001
	80,746	**186,537**

(i) Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 30 June 2017 amounted to $60,005 (2016: $43,304). Refer to note 4 for further disclosure on the nature of these costs.

12. PROPERTY, PLANT AND EQUIPMENT

	Improvements to premises	Medical and other equipment	Computer equipment and software	Furniture and fittings	Total
Year ended 30 June 2017					
Balance at 1 July 2016, net of accumulated depreciation	**187,193**	**93,853**	**92,936**	**177,341**	**551,323**
Additions	-	17,531	14,771	13,394	45,696
Movement in foreign currency	(1,511)	35,019	(36,923)	(1,751)	(5,166)
Disposals	-	(892)	(1,941)	(3,285)	(6,118)
Depreciation expense	(19,099)	(41,082)	(21,748)	(39,702)	(121,631)
Balance at 30 June 2017, net of accumulated depreciation	**166,583**	**104,429**	**47,095**	**145,997**	**464,104**
Balance at 30 June 2017					
Cost	196,295	175,278	111,553	203,941	687,067
Accumulated Depreciation	(29,712)	(70,849)	(64,458)	(57,944)	(222,963)
Net carrying amount as at 30 June 2017	**166,583**	**104,429**	**47,095**	**145,997**	**464,104**

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Improvements to premises	Medical and other equipment	Computer equipment and software	Furniture and fittings	Total
Year ended 30 June 2016					
Balance at 1 July 2015, net of accumulated depreciation	**133,075**	**107,646**	**45,971**	**95,696**	**382,388**
Additions	75,136	1,398	60,991	104,608	242,133
Movement in foreign currency	(277)	(87)	103	(12)	(273)
Disposals	(11,351)	-	-	(5,952)	(17,303)
Depreciation expense	(9,390)	(15,104)	(14,129)	(16,999)	(55,622)
Balance at 30 June 2016, net of accumulated depreciation	**187,193**	**93,853**	**92,936**	**177,341**	**551,323**
Balance at 30 June 2016					
Cost	197,328	118,936	142,511	197,640	656,415
Accumulated Depreciation	(10,135)	(25,083)	(49,575)	(20,299)	(105,092)
Net carrying amount as at 30 June 2016	**187,193**	**93,853**	**92,936**	**177,341**	**551,323**

13. INTANGIBLE ASSETS

	Website	Mente Development	Trademarks	Patents	Total
Year ended 30 June 2017					
Balance at 1 July 2016, net of amortisation	**51,109**	**835,221**	**1,877**	**43,627**	**931,834**
Additions	13,969	876,213	-	-	890,182
Movement in foreign currency	(755)	(10,478)	(22)	(333)	(11,588)
Impairment	-	(123,108) [1]	-	-	(123,108)
Assets written off	(3,923)	(3,248)	-	(101)	(7,272)
Amortisation expense	(17,518)	(219,721)	(506)	(3,663)	(241,408)
Balance at 30 June 2017, net of accumulated amortisation	**42,882**	**1,354,879**	**1,349**	**39,530**	**1,438,640**
Balance at 30 June 2017					
Cost	74,993	2,122,971	2,601	56,471	1,606,377
Amortisation	(32,111)	(768,092)	(1,252)	(16,941)	(167,737)
Net carrying amount as at 30 June 2017	**42,882**	**1,354,879**	**1,349**	**39,530**	**1,438,640**

[1] This amount relates to three of the Group's projects for which costs were capitalised at 30 June 2016, and have now been impaired in line with the write-off of Mente 2 project costs.

Significant accounting judgement and estimation

Development costs are carried at cost less accumulated amortisation. The total amount of development costs has been subject to impairment testing. If an impairment indication arises, the recoverable amount is estimated using the higher of value-in-use methodology or fair value less costs of disposal. The board has determined that there are no indicators of impairment at 30 June 2017.

13. INTANGIBLE ASSETS (CONTINUED)

	Website	Mente Development	Trademarks	Patents	Total
Year ended 30 June 2016					
Balance at 1 July 2015, net of amortisation	**49,203**	**686,271**	**809**	**45,673**	**781,956**
Additions	10,397	403,220	1,270	-	414,887
Movement in foreign currency	(11)	(1,319)	(1)	(119)	(1,450)
Impairment	-	(198,657)	-	-	(198,657)
Amortisation expense	(8,480)	(54,294)	(201)	(1,927)	(64,902)
Balance at 30 June 2016, net of amortisation	**51,109**	**835,221**	**1,877**	**43,627**	**931,834**
Balance at 30 June 2016					
Cost	67,918	983,634	2,614	56,872	1,111,038
Amortisation	(16,809)	(148,413)	(737)	(13,245)	(179,204)
Net carrying amount as at 30 June 2016	**51,109**	**835,221**	**1,877**	**43,627**	**931,834**

14. PAYABLES

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Trade payables	153,190	243,312
Accruals	40,428	133,703
Other payables	88,617	130,498
	282,235	**507,513**

15. INTEREST-BEARING LOANS AND BORROWINGS

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Current Borrowing		
Bank overdrafts	83,221	389,654
Bank loans	46,645	232,055
	129,866	**621,709**
Non-current Borrowing		
Bank loans	244,937	323,900
	244,937	**323,900**

The Group benefits from the following banking facilities:

A General Banking Facility of Euro 75,000 and Loan Facilities of Euro 200,000 granted by Bank of Valletta P.L.C.;

The Bank of Valletta P.L.C. facilities are secured by:

(a) a first general hypothec over the assets of the Group;

(b) a first special hypothec over property held by the Group;

(c) a pledge over public securities;

(d) a pledge over an insurance policy covering one of the shareholders' property and the Group's inventories;

(e) a Letter of Undertaking given by the Group's directors not to sell and/or transfer any of the patents owned by the company and not to pay dividends or repay shareholders' loans without the bank's prior written consent.

As at 30 June 2017, the Group had net borrowings of A$374,803 (EUR 252,211); Borrowings have been used for the purchase of equipment, in the fit out of the main office and laboratory facilities as well as general working capital.

The maturity dates of the borrowings at 30 June 2017 range from 30th November 2017 to 31th December 2022. The interest rates of the borrowings range from 4.27% to 5.65%.

16. CONTRIBUTED EQUITY

	CONSOLIDATED			
	2017 (Shares)	2016 (Shares)	2017 ($)	2016 ($)
Ordinary Shares	88,035,112	49,932,612	10,354,758	3,977,804
Total Share Capital	**88,035,112**	**49,932,612**	**10,354,758**	**3,977,804**

(a) Movements of share capital during the period

Date	Details	No of shares	Issue price($)	$
01.01.2016	Opening Balance	139,562		2,621,963
15.01.2016	Shares at Registration	500	0.20	-
09.05.2016	Conversion of AATRL to NTI shares 1:233	32,378,384	0.16	-
09.05.2016	Pre- IPO Raising	6,250,000	0.16	1,000,000
24.05.2016	Shares issued to AATRL shareholders in their capacity as shareholders 1:326	8,554,566		-
24.05.2016	Shares issued for repayment of the shareholders' loan	2,609,600		418,289
24.05.2016	Shares Issued cost			(62,448)
Closing Balance as at 30/06/2016		**49,932,612**		**3,977,804**
13.09.2016	Shares issued to Chasm Hop/Bonavita/Vella	699,000	0.16	111,840
28.10.2016	Shares issued to Wolfgang Storf (note 5)	466,000	0.16	74,560
28.10.2016	Shares issued to Adrian Trevisan (note 5)	1,000,000	0.16	160,000
28.10.2016	Shares issued to Azure Capital (note 5)	937,500	0.16	150,000
28.10.2016	IPO raising	35,000,000	0.20	7,000,000
28.10.2016	Cost of Share Issue			(1,119,446)
Closing Balance as at 30/06/2017		88,035,112		10,354,758

Ordinary Shares

The holder of Ordinary Shares is entitled 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. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary Shares have no par value and the Company does not have a limited amount of authorised capital.

17. OTHER RESERVES

	CONSOLIDATED		
	Capital Reserve ($)	Share Based Payments Reserve ($)	Foreign Currency Translation Reserve ($)
Balance at 1 January 2016	-	-	(151,903)
Foreign exchange movement	-	-	15,272
Vesting of share based payments	-	875,095	-
Agreement to Issue shares to Chasm Hop/Bonavita/Vella Capital reserve (699,000 shares @ $0.16)	111,840	-	-
Balance at 30 June 2016	**111,840**	**875,095**	**(136,631)**
Issue of shares to Chasm Hop/Bonavita/Vella	(111,840)	-	-
Foreign exchange movement	-	-	48,333
Share based payment to Azure Capital (note 5)	-	273,500	-
Vesting of share based payments (note 5)	-	89,908	-
CEO bonus, to be issued through issue of shares	112,864	-	-
Value of share rights vested to Dr Adrian Attard Trevisan (note 5)	65,819	-	-
Balance at 30 June 2017	**178,683**	**1,238,503**	**(88,298)**

(a) Capital Reserve

The capital reserve is used to record the value of the shares which have been agreed to issue, but have not yet been issued.

CEO Bonus

At 30 June 2017, the balance of the capital reserve includes the value of shares to be issued to the Company's CEO Mr Wolfgang Storf. Mr Storf is entitled to a performance bonus of up to €120,000 per annum. The amount of the bonus paid to Mr Storf is based on the period (April 2016 to December 2016) to which the bonus relates and his personal performance for the period.

Mr Storf agreed to receive his bonus in the form of shares in the Company, the amount of shares was calculated taking into account: the 3 day VWAP of the Company's shares to 17 May 2017, being the day Mr Storf agreed to receive his bonus in shares, and; the average EUR:AUD exchange rate for the period 1 April 2016 to 31 December 2016

The number of shares to be issued has been calculated as 471,277 ($112,864), these shares will be issued subject to any approvals required pursuant to the ASX listing rules and the Corporations Act 2001.

Share rights vested to Dr Adrian Attard Trevisan

At 30 June 2017, the balance of the capital reserve includes the value of shares to be issued to a non-executive director of the Company, Dr Adrian Attard Trevisan. Dr Attard Trevisan was previously an executive of the Company until 1 April 2017.

Dr Attard Trevisan was granted share rights in the Company on the 1st of October 2016, with these rights to vest in three tranches to the 1st of October 2019, upon becoming a consultant to the company on 1 April 2017, that value of share rights vested to this date became recognised as fully vested, with the value of the remaining rights forfeited.

The value above for the share rights represents 411,371 vested rights, with each right being valued at 16c per right.

The number of shares to be issued has been calculated as 411,371 ($65,819), these shares will be issued subject to any approvals required pursuant to the ASX listing rules and the Corporations Act 2001.

Movements in share rights during the period

Date	Details	No of rights	Issue price($)	$
01.07.2016	Opening Balance	-		-
01.10.2016	Share rights granted to Adrian Attard Trevisan	3,000,000	0.16	480,000
01.04.2017	Forfeited	(2,588,629)	0.16	(414,181)
Closing Balance as at 30/06/2017		**411,371**		**65,819**

(b) Share-based payments Reserve

The share-based payments reserve represents the value of options and share rights issued to key management personnel, vendors and for services in relation to capital raisings. The share based payments reserve is used to record the value of the share based payments provided to employees, consultants and for options issued pursuant to any acquisition or in exchange for services. Further detail on share based payments is provided at note 5.

(c) Foreign Currency Reserve

The foreign currency reserve records foreign currency differences arising from the translation of Financial information of the Group's Maltese subsidiaries which have a functional currency of the Euro.

18. ACCUMULATED PROFIT/(LOSS)

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Accumulated loss at the beginning of the period	3,356,728	1,175,382
Net loss attributable to shareholders	4,031,790	2,181,346
Accumulated loss at the end of the period	**7,388,518**	**3,356,728**

19. CASH FLOW INFORMATION

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:		
Non-cash flows in profit from ordinary activities		
Net Loss after Income Tax	(4,031,790)	(2,181,346)
Depreciation & Amortisation	363,039	120,525
Share based payment	390,287	875,095
Non-cash settlement[1]	123,630	113,913
Cost of rejected inventory and stock trade ins	20,537	
Obsolete stock written off	79,222	-
Impairment	123,108	202,340
Fixed Assets and Intangibles Write off	13,390	-
Changes in assets & liabilities		
(Increase)/Decrease in trade and other receivables	(78,617)	(29,719)
(Increase)/Decrease in inventories	106,924	(162,872)
(Increase)/Decrease in prepayments	(5,425)	(4,253)
Increase/(Decrease) in trade and other payables	(225,278)	280,531
Cash flow from/(used in) Operating Activities	**(3,120,973)**	**(785,786)**

[1] **Non-cash settlement relates to:**

- The value of CEO's short-term incentive bonus which is to be settled through the issue of shares in the company, as disclosed at note 17.
- The value of transactions which were incorrectly recognised in Non-executive director Dr Adrian Attard Trevisan's loan account in a prior period which should have been recognised as expenses of the company in that year. These expenses have been recognised in the current year as an expense, refer to note 27, page 84 for a reconciliation of the loan account.

Non-cash investing and financing activities.

During the year, there are the value of $423,500 share issued cost have been converted to Shares and Options as part of the settlement on completion of capital raising to Azure Capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. INTERESTS IN OTHER ENTITIES

Name of Entity	Place of business/country of incorporation	Ownership Interest held by the Group		Principal Activities
		2017	2016	
AAT Research Ltd	Malta	100%	100%	Parent company of AAT Medical Ltd, AAT Intellectual Property Ltd and AAT Services Ltd
AAT Medical Ltd	Malta	100%	100%	Executing medical research projects and Developing novel technological devices that are marketable
AAT Intellectual Property Ltd	Malta	100%	100%	Publishing, registering and maintaining intellectual property
AAT Services Ltd	Malta	100%	100%	Executing research projects primarily focused on the consumer neuroscience and neuro-marketing sector.

21. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 21 August 2017, Neurotech announced that its subsidiary, AAT Medical Limited, signed an amended and restated distributor agreement between AAT Medical Limited (the Supplier) with Service and Technology S.A.T Ltd (‘Promosalute’) (the Distributor) for the supply of units for the period to mid 2019, with the potential for extension beyond this.

There are no other matters or circumstances that have arisen since the reporting date.

22. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the Auditor of the Entity and its related parties.

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Audit and Other Assurance Services		
BDO Audit (WA) Pty Ltd	49,026	17,000
Chris Baldacchino & Associates (2016 equivalent to: €7,100)	-	10,803
Total remuneration for Audit and Other Assurance Services	**49,026**	**27,803**
Other Service		
Non Auditing Service - BDO Corporate Finance (WA) Pty Ltd	8,274	9,000
Chris Baldacchino & Associates (2016 equivalent to: €47,813)	-	72,751
Total remuneration for Other Service	**8,274**	**81,751**

23. COMMITMENTS

	CONSOLIDATED	
	30 June 2017 ($)	30 June 2016 ($)
Not later than one year	189,320	73,683
Later than one year but not later than five years	157,538	239,470
Later than five years	-	-
TOTAL	**364,858**	**313,153**

MCL Components Ltd Commitment

For the calendar year 2017, the Group's subsidiary AAT Medical Ltd has a commitment to procure a minimum of 3,000 Mente Autism units from MCL Components Ltd (MCL). If this quota is not reached AAT Medical Ltd has to pay MCL €10 for each unit falling short of the minimum annual order of 3,000 units.

Under this agreement, for the 2017 calendar year, AAT Medical Ltd's commitment is approximately A$74,303.

Administration Services Fees Commitment

Refer to note 27 for disclosure on the Group's Administration Services Agreement with Transcontinental Investments Pty Ltd (TRG).

The agreement has no specified end date, and could be cancelled by either party after the provision of 6 months' notice, as a result, the above commitments table includes 6 months of payments, at $7,500 AUD per month plus GST, being a total of $49,500.

Office Lease Commitment

The Company has an Office Lease Agreement. On 29 July 2015, through AAT Medical, the Company entered into a lease with Malta Digital Hub Limited, being a company incorporated in Malta, in respect of Block LS3, Malta Life Sciences Park San Gwann Industrial Estate, San Gwann, Malta (**Office Lease**).

The Office Lease is for an initial term of over 5 years commencing on 30 July 2015 and expiring on 31 October 2020. AAT Medical has an option to extend the term for a further 5 years, the commitments disclosure above does not include amounts that would be payable under this optional term.

AAT Medical must pay rent in the amount of €4,035.42 per month exclusive of 18% VAT (equivalent to A$5,834.75 per month and A$70,017 per annum) and has made standard undertakings normally included in a commercial lease, including to keep the premises in good condition and repair and take out and maintain insurances.

The Office Lease may be terminated by AAT Medical on 6 months' notice, and may be terminated by Malta Digital Hub Limited on the occurrence of a major breach of the Office Lease, or if AAT Medical suffers an insolvency event (provided that the required notice period as provided for in a judicial letter is given, during which AAT Medical may remedy the relevant breach).

24. LOSS PER SHARE

The calculation of basic loss per share at 30 June 2017 was based on the loss attributable to ordinary Shareholders of $4,031,790 (2016: $2,181,346) and a weighted average number of ordinary shares outstanding during the year of 74,881,920 (2016: 36,669,211).

	2017 ($)	2016 ($)
Basic loss per share (cents per share)	(5.38)	(5.95)
(a) RECONCILIATION OF EARNINGS TO OPERATING LOSS		
Loss attributable to ordinary Shareholders		
Loss after tax	(4,031,790)	(2,181,346)
Loss used in the calculation of EPS	**(4,031,790)**	**(2,181,346)**
(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR		
Weighted average number of ordinary shares	74,881,920	36,669,211
Weighted average number of ordinary shares (WANOS)	**74,881,920**	**36,669,211**

Effect of dilutive securities: Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the net loss per share.

25. CONTINGENT LIABILITIES

During the year, AAT Research Limited has paid the cash settlements stated on the annual financial statements for the year ended 30 June 2017.

The Board is not aware of any circumstances or information, which leads them to believe there are any other material contingent liabilities outstanding as at 30 June 2017.

26. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

At 30 June 2017 and 30 June 2016 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities.

The fair values of non-current financial assets and non-current financial liabilities are not materially different from their carrying amounts.

27. RELATED PARTY DISCLOSURES

Parent Entity

The legal Parent Entity within the Group is Neurotech International Limited (NTI). NTI owns 100% of the issued ordinary shares of AAT Research Limited (directly), AAT Medical Limited, AAT Services Limited and AAT Intellectual Property Limited (indirectly) which are the subsidiaries of AAT Research Limited. All subsidiaries are incorporated in Malta.

Wholly-owned Group transactions

Loans made by Neurotech International Limited (NTI) to wholly-owned subsidiary companies are contributed to meet required expenditure payable on demand and are not interest bearing.

Key Management Personnel

The individual Directors and Executives compensation for the year to 30 June 2017 are as follows:

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Short-term employee benefits	1,017,133	172,413
Post- employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	390,287	821,922
	1,407,420	994,335

Detailed remuneration disclosures are provided in the Remuneration Report on pages 17 to 30.

Transactions with other related parties

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

The following transaction occurred with related parties for the year ended 30 June 2017.

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Other transactions		
Administration Fee to Transcontinental Investments	60,000	-
	60,000	**-**

Notes in relation to the table of related party transactions

The Group has an Administration Services Agreement with Transcontinental Investments Pty Ltd (TRG). TRG provides office space, office equipment, supplies, corporate management and administration services in connection with the operations of the Group. Corporate administration services include those services necessary for the proper administration of a small public Company, including the engagement of Mr. Simon Trevisan as an Executive Director and Mrs. Fleur Hudson as Company Secretary.

The Group must pay a monthly fee to TRG plus reimbursement for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Group during the month. From 4th November 2016, TRG charged a monthly fee of $7,500 plus GST per month for Administration Services, which has been paid in full by the Group on ordinary terms.

Simon Trevisan (an Executive Director of the Company) is a Director and Shareholder of the Transcontinental Investments.

Loans to/from related parties

	CONSOLIDATED	
	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Loans to Key Management Personnel		
Beginning of period	20,991	18,013
Loan draw down	10,038	3,013
Repayments	(20,451)	-
Foreign Exchange movement	(399)	(35)
End of period	**10,179**	**20,991**

The above loan relates to one member of the Company's Key Management Personnel, the loan is unsecured, interest free and has no fixed date of repayment.

If interest was charged on the loan during the year, the amount of interest would have been $560.

Repayments is payment of Company expenses paid by the relevant Key Management Personnel member on behalf of the company and expenses of the Company incorrectly recognised in the directors' loan account in a prior year.

There were no other related parties' transactions to individual or Directors of the Company during the period ended 30 June 2017.

Other Key Management Personnel Transactions with the Company

A number of Key Management Personnel or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Other than director fees, there were no transactions with the entities.

28. PARENT ENTITY INFORMATION

The following details information related to the Parent Entity, Neurotech International Limited, as at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	30 June 2017 ($) (12 months)	30 June 2016 ($) (6 months)
Current assets	3,132,937	1,316,299
Non-current assets	1,186,117	6,683,442
Total Assets	**4,319,054**	**7,999,741**
Current liabilities	25,093	8,829
Non-current liabilities	-	7,900
Total Liabilities	**25,093**	**16,729**
Net Assets	**4,293,961**	**7,983,012**
Contributed equity	14,303,743	7,926,790
Reserve	1,417,186	986,935
(Accumulated losses)	(11,426,968)	(930,713)
Total Equity	**4,293,961**	**7,983,012**
(loss) for the year	(10,496,255)	(930,713)
Other comprehensive (loss) for the year	-	-
Total Comprehensive (loss) for the Year	**(10,496,255)**	**(930,713)**

There are no other separate commitments and contingencies for the parent entity other than Management commitments stated in Note 23 for the Group as at 30 June 2017.

DIRECTORS' DECLARATION

In the opinion of the Directors of Neurotech International Limited (**Company**):

(a) the Financial Statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and Notes set out on pages 35 to 85, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of their performance, for the financial period ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer for the financial period ended 30 June 2017.

Signed in accordance with a resolution of the Directors.

Simon Trevisan
Non-Executive Director
Dated at Perth, Western Australia, this 31st August 2017

Wolfgang Johannes Storf
Chief Executive Officer

Dated at Perth, Western Australia, this 31st August 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of Neurotech International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Neurotech International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 (c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Capitalisation and Recoverability of Development Asset

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 13 to the financial report, during the year internal development costs of $890,182 were capitalised and at the 30 June 2017, the Capitalised Development Asset has a carrying value of $1,438,640. These internal costs were predominantly in relation to the development of the Mente projects. The Group's accounting policy is described in Note 1(p) of the financial report. The capitalisation of internally generated development costs was assessed as being a key audit matter due to the significance of the costs capitalised and the specific criteria that are required to be met for capitalisation under the accounting standard AASB 138 Intangible Assets. This criteria involves management judgement with respect to the technical feasibility of the project and the likelihood of the project delivering future economic benefits, the ability to measure the costs reliably and determine whether the costs are directly attributable to the projects, and the estimation of the useful lives of the completed projects. There is also management judgement involved in assessing if there are any indicators of impairment of the Capitalised Development Asset at 30 June 2017.	In addressing this matter our procedures included, but were not limited to the following: • Holding discussions with management to understand the nature and feasibility of the development projects as at 30 June 2017; • Evaluating the key assumptions used for estimates made in capitalising development costs related to the development phase of the project, the generation of probable future economic benefits and the useful economic life attributed to the asset; • On a sample basis, agreeing costs capitalised during the year met the development costs criteria; • Challenging management's assessment that there are no indicators of impairment at 30 June 2017; and • Assessing the adequacy of the disclosures in the financial report.

Share-based Payments

Key audit matter	How the matter was addressed in our audit
During the year ended 30 June 2017, the Group issued shares, share rights and options to key management personnel and to consultants, which have been accounted for as share-based payments. Refer to Note 1(t) and Note 5 of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. Share-based payments are a complex accounting area, which include assumptions utilised in the fair value calculations and judgements regarding the options, share rights and shares issued during the year. There is a risk in the financial statements that amounts are incorrectly recognised and/or inappropriately disclosed.	In addressing this matter our procedures included, but were not limited to the following: • Reviewing the relevant agreements to obtain an understanding of the contractual nature of the share based payment arrangements; • Holding discussions with management to understand the share-based payment arrangements in place and, where applicable, evaluating management's assessment of the likelihood of meeting the performance conditions attached to the share based payments; • Reviewing management's determination of fair value of the share based payments issued, considering the appropriateness of the valuation model used and assessing the valuation inputs; • Assessing the allocation of the share based payment expense over the relevant vesting period; and • Assessing the adequacy of the disclosures in the financial report.

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_files/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 30 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Neurotech International Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 31 August 2017

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is as at 30 June 2017.

(a) Distribution of Equity Securities as at 30 June 2017:

Listed Fully Paid Ordinary Shares	Number of Holders	Number of Shares
1 - 1,000	17	5,968
1,001 - 5,000	121	383,738
5,001 - 10,000	98	804,590
10,001 - 100,000	319	11,710,635
100,001 - and over	123	75,130,181
Total	**678**	**88,035,112**

(b) Top twenty Equity holders at 30 June 2017:

	Listed Fully Paid Ordinary Shares	Number of Shares	Percentage of Shares
1	MS KRYSTLE ATTARD TREVISAN	19,740,889	22.42%
2	TRANSCONTINENTAL INVESTMENTS PTY LTD	5,405,100	6.14%
3	SHIMANO VENTURES LTD	4,657,588	5.29%
4	MR ALEXANDER GRECH	2,965,624	3.37%
5	MR STEPHEN CHETCUTI BONAVITA	1,789,939	2.03%
6	MR JOHN TOLL	1,573,196	1.79%
7	MR MELVYN TOOMEY	1,397,500	1.59%
8	INVERNESS INVESTMENTS PTY LTD	1,250,000	1.42%
9	MS MERLE SMITH & MS KATHRYN SMITH	1,243,158	1.41%
10	MR DAVID VELLA	1,209,715	1.37%
11	CITICORP NOMINEES PTY LIMITED	1,101,314	1.25%
12	PYXIS HOLDINGS PTY LTD	1,050,000	1.19%
13	SILKSHORE HOLDINGS PTY LTD	1,046,669	1.19%
14	J & J BANDY NOMINEES PTY LTD	1,000,000	1.14%
15	FAIRBORN HOLDINGS PTY LTD	1,000,000	1.14%
16	AZURE CAPITAL INVESTMENTS	937,500	1.06%
17	DR STUART LLOYD & MRS FIONA JANE PHILLIPS	810,000	0.92%
18	MR PAUL HENRI ARTHUR & MRS JULIE ANNE VERON	750,000	0.85%
19	WINDELL HOLDINGS PTY LTD	640,000	0.73%
20	A L R INVESTMENTS PTY LTD	637,500	0.72%

Listed Fully Paid Ordinary Shares	Number of Shares	Percentage of Shares
	50,205,692	57.03%

(c) Top Option holders at 30 June 2017:

	Listed Fully Paid Ordinary Shares	Number of Options	Percentage of Options
1	AZURE CAPITAL INVESTMENTS	2,529,076	23.21%
2	SHIMANO VENTURES LTD	2,060,334	18.91%
3	TRANSCONTINENTAL INVESTMENTS	1,864,000	17.11%
4	MR ADRIAN ATTARD TREVISAN	1,864,000	17.11%
5	MR PETER O'CONNOR	1,631,000	14.97%
6	WST BUSINESS DEVELOPMENT	466,000	4.28%
7	MR BRUCE MCCRACKEN	349,500	3.21%
8	MS ANGELICA MICALLEF TRIGONA	130,480	1.20%
		10,894,390	**100.00%**

(d) Substantial Shareholders

The names of the substantial Shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares	Percentage of Ordinary Shares
MS KRYSTLE ATTARD TREVISAN	19,740,889	22.42%
TRANSCONTINENTAL INVESTMENTS PTY LTD	5,405,100	6.14%
SHIMANO VENTURES LTD	4,657,588	5.29%

(e) Voting Rights

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