

Notes to the Financial Statements
For The Year Ended 30 June 2016

(b) Ageing analysis

The ageing analysis of trade receivables is as follows:

	Consolidated	
	2016 \$	2015 \$
0-30 days (not past due)	22,931	-
31-60 days (past due not impaired)	23,540	-
61-90 days (past due not impaired)	8,284	-
91+ days (past due not impaired)	540	572
Total	55,295	572

At the end of the reporting period the Group's trade debtors are predominantly receivable from Chinese trading partners. The Chinese debtors are regularly reviewed and as is common practice in China the terms may be extended without which there would be overdue balances. Where applicable the Group has impaired significantly overdue receivables.

It is the Group's policy that where possible that sales are made in exchange for notes (guaranteed by a Chinese bank) minimising the Group's exposure to an impairment issue.

(c) Prepayments

At year end the Group had made advances to suppliers for inventory purchases to secure the inventory at favourable prices.

Included in prepayments is an amount of \$365,272 (2015: \$386,166) which is the prepayment for construction. This amount has been impaired due to low possibility of collection.

12. Inventories

	Consolidated	
	2016 \$	2015 \$
Raw materials – at net realisable value	602,786	651,616
Finished goods – at net realisable value	125,193	144,804
Goods in transit	2,585	878
Total	730,564	797,298

There is a \$849,194 (2015: \$725,574) provision against inventory to net realisable value.