Rule 4.3

Appendix 4E

Preliminary final report
year ended 31 March 2016

Name of entity

TTA Holdings Limited (TTA)

The following information is provided to ASX under listing rule 4.3.

1.

ABN or equivalent company reference	Year ended: current period	previous corresponding period
18 110 475 799	12 months ended 31 March, 2016	12 months ended 31 March, 2015

Results for announcement to the market

		$,A'000		$,A'000
2.1 Revenues from ordinary activities	Decrease	10,704 (39%)	to	16,888
2.2 Profit (loss) from ordinary activities after tax attributable to members	Increase	5,722 (101%)	to	69
2.3 Net profit (loss) for the period attributable to members	Increase	5,722 (101%)	to	69

2.4 Dividends (distributions)	Amount per security	Franked amount per security
Proposed final dividend	-	-
Interim dividend	-	-
Previous corresponding period:		
Final dividend	-	-
Interim dividend	-	-

2.5 Record date for determining entitlements to the dividend	n/a

2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Sales revenue decreased from $27.6m to $16.9m in the same period. However the Group manage to turnaround the loss after tax of $5,652k to a moderate profit of $69k. The key factors that contributes to this result includes the Improvements on product margin mix across the entire range. Product return rates are greatly reduced to a reasonable level. With the restructuring, the funding cost declined by 65% or $187k. The overall operating expenses were also brought down by $1.8m or 37% to $3m.

3 Statement of Comprehensive Income

Please see Annual Report of TTA Holdings 31 March 2016, which is lodged in conjunction with this report.

4. Statement of Financial Position

Please see Annual Report of TTA Holdings 31 March 2016, which is lodged in conjunction with this report.

5. Statement of Cash Flows

Please see Annual Report of TTA Holdings 31 March 2016, which is lodged in conjunction with this report.

6. Dividends

The Board of Directors does not recommend any dividend for the year ended 31 March 2016.

7. Dividends Reinvestment

Not applicable.

8. Statement of Changes in Equity

Please see Annual Report of TTA Holdings 31 March 2016, which is lodged in conjunction with this report.

9. Net Tangible Assets

Net tangible assets per security with the comparative figure for the previous corresponding period.

	Current period	Previous corresponding Period
Net tangible assets per security	$0.0688	$0.0679

10. Entities Gained or Lost

Not applicable.

11. Details of Associates and Joint Venture Entities

Not applicable.

12. Any Other Significant Information & Commentary on Results

Additional financial information can be found in the 31 March 2016 annual report of TTA Holdings Limited, which is lodged in conjunction with this report. The information contained in this Preliminary Final Report is to be read in conjunction with any announcement made to the market by TTA Holdings Limited during the financial period

13. Audit

The financial statements have been audited and the auditor has issued an unqualified audit report on the financial statements.

Signed by Director

……………………………………

Name: Chee Ming Wong
Date: 27 May 2016

TTA HOLDINGS LIMITED

ABN: 18 110 475 799

Annual Financial Report
for the Year Ended 31 March 2016

Contents

Corporate Information

Corporate Information

TTA Holdings Limited is a company incorporated and domiciled in Australia.

Company Directors

Mr Sng Sze Hiang	Non Executive Chairman
Mr Mark Ewing	Independent Deputy Chairman
Ms Julia Tong Jia Pi	Non Executive Director
Mr Chee Ming Wong	Executive Director

Company Secretary

Mr Chee Ming Wong

Financial Year

This Annual Report covers the year ended 31 March 2016. The comparative figures cover the year ended 31 March 2015.

Registered Office

75 Northgate Drive,
Thomastown, Victoria 3074
Telephone: (03) 9280 2333
Facsimile: (03) 9280 2399

Principal Place of Business

75 Northgate Drive,
Thomastown, Victoria 3074
Telephone: (03) 9280 2333
Facsimile: (03) 9280 2399

Bankers

National Australia Bank
99 Bell Street
Preston, VIC 3074

Bank of Melbourne
1/367 Bell Street
Melbourne, VIC 3072

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3072

Auditor

Grant Thornton Audit Pty Ltd
Level 30, 525 Collins Street,
Melbourne, Victoria 3000

Directors' Report

Letter from the Chairman

Dear fellow Shareholders,

On behalf of the Board, I am pleased to present TTA Holdings Limited (TTA or the Company) Annual Report for the Financial Year ended 31 March 2016.

For the reporting year, TEAC Australia Pty Ltd was the Group's sole operating subsidiary.

Review of Operations

The Group business continues to focus on its core business of the distribution of TEAC branded audio and visual consumer electronic products. Audio products include sound systems, potable digital/analog audio, iPod/iPhone docking systems and clock radios. Visual products are LED flat panel television, television combo with built in DVD players, UHD Smart television, set top boxes and DVD players. The products are currently selling in most major retailers like Harvey Norman, JB Hi Fi, Good Guys, Betta Home Living Stores and other state based retailers. TEAC is a recognized and respectable brand and it has been in Australia for over 38 years. The TEAC long standing brand equity continues to add-value and allows the business to capitalize on its Japanese heritage and reputation. Nonetheless, TEAC continues to evolve with time and revitalizes itself to capture the younger generation. This is achieved through our latest Go-to-Market strategy in product design & packaging, introduction of Ultra HD 4K TVs and audio products that appeals to the younger age group.

In the last financials, the economy registered just a moderate growth. National gross domestic product growth was not buoyant and consumer price index remains low. Total television sales units sold in the country were lower compared to previous year. Concurrently, the Group is faced with aggressive price competition from other suppliers putting pressure on our bottom line. Most suppliers had to sacrifice their profit margin to maintain their market shares. As a result, this has impacted the profit margins across the entire television category. At the same time, the market also saw the return of a few old brands that exited the market a few years back as entry OEM brands or private label brands for some retailers. These older brands joined the race in this crowded market with the hope to capture back some market shares as it was before. The recent closure of Dick Smith Electrical and Electronic stores as one of the biggest retailers is a result of margin squeeze. With the closure of Dick Smith Electrical and Electronic stores, the number of store fronts reduced and the channel of distribution were narrowed.

Although, the Group is faced with unparalleled competition, it however manages to turnaround the performance from a loss after tax of $5, 652k to a moderate $69k profit after tax. A combination of various strategies were put in place to ensure a positive turnaround in the business. This includes better product-margin mix management, the introduction of higher average selling price products, product cost management and more vigilant operating costs. In addition the product quality improved significantly and the product return rates have dramatically reduced in all products. A better visibility in stocks fulfillment has helped to minimize the stock out issue faced in the past. The speedier launch of opportunity products and better forecasting of the market demand has also helped the Group to improve its results

Financial performance

Sales revenue decreased from $27.6m to $16.9m in the same period. However the Group manage to turnaround the loss after tax of $5,652k to a moderate profit of $69k. There are a few key factors that contributed to this result. These include the Improvement on product margin mix across the entire range. A better and improved product quality control has resulted great reduction of product return rates to a reasonable level. The corporate funding restructuring has also helped to reduce the funding cost by 65% or $187k. Overall operating expenses had brought down by $1.8m or 37% to $3m.

The improved result has strengthened the financial position of the Group. Current assets over liability ratios improved from 2.3x to 3.1x. Inventory level and stock turns are in acceptable level and collections improved further.

Outlook

Since the global financial crisis in 2008, the world economy has not well and truly recovered. Debts to gross domestic product ratios are relatively higher than before. The Australian mining industry experienced a sharp decline in prices. The Australian dollar remains weak against the dollar and comparable with last financial year with short term volatility will continue to present challenges to the overall business. The rivalry between all players in every aspect remain intense. To continue staying ahead, the Group has to constantly strive for better products, developing new sales channels, widening it ranges as well as extending the strategy of acquiring additional brands into the Group. The support from retailers remain one of the key success. To remain as mainstream suppliers, we look forward and embrace new challenges.

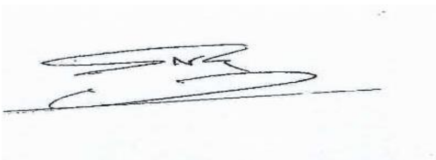
Directors’ Report (Cont’d)

Letter from the Chairman (Cont’d)

Dividends
The Board of Directors has not paid or declared any dividends for the year.

Appreciation
On behalf of the Board, we like to take the opportunity to thank our loyal shareholders who have stood steadfastly behind TTA during the past financial year. We also like to express our sincere thanks to our valued customers, business partners, suppliers, bankers and advisors for their continued support. We especially thank our Board members, management and entire staff of TTA and TEAC Australia for their undivided commitment, dedication and loyalty. We look forward to all your continued support and contribution as we work together to improve the Group’s performance and shareholder value in the coming years.

Yours sincerely



Sng Sze Hiang
Chairman
27 May 2016

Directors' Report (Cont'd)

The Directors present the annual financial report on the consolidated entity, consisting of TTA and it's subsidiary for the year ended 31 March 2016. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follow:

Directors' Details

The names and details of the Group Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Mr Sng Sze Hiang, Non Executive Chairman

Mr Sng is the Chairman, CEO, Founder and major shareholder of TT International Limited ("TTI") and is also a director of other TTI group companies. He is the Chairman of the TTI Executive Committee and is responsible for the formulation of business policies, setting the directions and strategies of the TTI Group as well as managing the overall business. He has over 20 years of experience in trading electrical and electronics products with emerging markets.

Mr Sng holds a Certificate in Marine Communications from the Singapore Polytechnic.

Mr Sng is a member of the Audit, Risk & Compliance Committee and through his and Julia's shareholdings in TTI, they collectively have a controlling interest of 51,288,385 ordinary shares in TTA.

Mr. Sng is currently Chairman and Chief Executive Officer of TTI and has held that position for the last seven years immediately before the end of this financial year.

Mr Mark Ewing, Non Executive Independent Deputy Chairman

Mark is a Chartered Accountant and a Corporate Advisor with over 35 years experience advising unlisted and listed companies specifically in mergers and acquisitions, risk management and private and public equity raisings. He also provides compliance and advisory services to companies operating Managed Investment Schemes in the finance, property and thoroughbred racing sectors.

Mark is Chairman of the Audit, Risk & Compliance Committee. Mark does not own any securities in TTA.

Ms Julia Tong Jia Pi, Non Executive Director

Julia is an Executive Director, co-founder and major shareholder of TTI and is also a director of other TTI group companies. Julia is a member of the Executive, Nominating and Remuneration Committees of TTI and has over 20 years trading experience in a wide range of consumer products in emerging markets. She is responsible for the administrative functions of the TTI Group and in ensuring the efficiency of the TTI Group's operations as well as corporate planning and implementation of business strategies. In addition, she is also involved in new business development.

Julia holds a Bachelor of Arts from the Institute of Education in Yangon, Myanmar.

Julia is a member of the Audit, Risk & Compliance Committee and through her and Mr. Sng's shareholdings in TTI, they collectively have a controlling interest of 51,288,385 ordinary shares in TTA.

Julia is currently Executive Director of TTI and has held that position for the last seven years immediately before the end of this financial year.

Mr Chee Ming Wong, Executive Director and Company Secretary

Chee provides overall direction to the strategy and operations of the Group's business. Before appointment as Director on 13 Nov 2014, Chee had acquired many years as senior management in the Company prior to assuming his current position.

Chee started his career as an accountant with a manufacturing company in Jakarta, Indonesia. He subsequently held the position as Finance and Administration Manager for 12 years in two companies, first with a tooling company in Malaysia and then with a crane manufacturing company in Sydney, Australia prior to joining TEAC Australia Pty Ltd.

Chee is a member of CPA Australia as well as a Chartered Management Accountant registered with Chartered Institute of Management Accountants, United Kingdom.

Chee has an interest of 10,000 shares in TTA. In the last eight years immediately before the end of this financial year, Chee did not hold any directorships in any other listed companies.

Directors' Report (Cont'd)

Principal Activities and Significant Change in the State of Affairs

The principal activity of the Group in the course of the financial year was the distribution of TEAC branded audio and visual consumer electronics products in Australia. There have been no significant changes in the principal activities of the Group during the financial year.

Dividends

The Board of Directors does not recommend any dividend for the year. In the last financial year ended 31 March 2015, there were no dividends declared. Refer to Note 7 in the financial statements for further details.

Significant events after balance date

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

Likely developments and expected results

In preparing the Review of Operations, the Directors have omitted material that would otherwise have been included under s299A(1)(c) concerning the Group's business strategies and prospects for future financial years, as they believe it is likely to result in unreasonable prejudice to the Group or any entity that is part of the Group.

Environmental regulation and performance

The Group's operations are identified to be liable parties in *the Product Stewardship (Televisions and Computers) Regulations 2013*. Since 30 June 2012, the Group has joined an approved co-regulatory arrangement.

Shares under option

During the current and prior years, no fully paid ordinary shares in TTA have been issued by virtue of the exercise of options.

As at the date of this report, no unissued ordinary shares of TTA were under options (2015: nil options).

a) Options granted during the year

During the year, no options were issued (2015: nil options).

b) Options exercised during the year

No options were exercised during the current and previous years.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Directors' Report (Cont'd)

Indemnification and insurance of directors and officers
The Group has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Group or any related body corporate against a liability, including costs and expenses in successfully defending legal proceedings, as an auditor.

The Group has taken out insurance during the year in respect of any person who is or has been a director or officer of the group against a liability incurred for the costs or expenses to defend legal proceedings, other than conduct involving a wilful breach of doing. The amount of insurance paid was $8,423.

Proceedings on behalf of the company
No person has applied to the Court for leave to bring proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

The Company was not a party to any such proceeding during the year.

Directors' meetings
The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, there were four Board meetings and four Audit, Risk and Compliance Committee meetings held.

Director	Board meeting		Audit, Risk and Compliance Committee	
	Entitled to Attend	Attended	Entitled to Attend	Attended
Mark Ewing	4	4	4	4
Sng Sze Hiang	4	4	4	4
Julia Tong	4	4	4	4
Chee Ming Wong	4	4	n/a	n/a

Non-audit services

The directors are satisfied that the provision of non-audit services during the year, by the auditor (or any person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors' reasons for being satisfied that the provision of the non-audit services did not compromise the auditor independence requirements of the Act are:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13 of the financial report.

Directors' Report (Cont'd)

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for directors and executives of the Group in accordance with the requirements of the *Corporation Act 2001*, the information provided in this remuneration report has been audited, as required, by the *Corporation Act 2001*.

Remuneration philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives. To that end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholders' value; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

In the absence of a specific Remuneration Committee, the Board of Directors accepts direct responsibility for determining and reviewing compensation arrangements for the Directors, and the senior management team. The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior managers annually with reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholders' benefit from the retention of a high quality Board and executive team.

Remuneration structure

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

Non executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. Non-executive directors' fees and payments are reviewed annually by the board. If considered to be necessary, the board considers the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Non-executive directors do not receive performance-based pay.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Extraordinary General Meeting held on 18 May 2006 when shareholders approved an aggregate remuneration of $200,000.

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

Only the non executive directors receive a fee for being a director of the Company and do not receive additional fees for the Board Committee on which the directors sit.

Senior management and executive director remuneration

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group in alignment with market practice to:

- Reward executives of the Group, business unit and individual performance against targets set with reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

The executive remuneration program is designed to support the Group's reward philosophies and to underpin the Group's growth strategy as well as aligning the program with senior management's interests to:

- reward capability and experience;
- provide a clear structure for earning rewards; and
- provide recognition for contribution.

Directors' Report (Cont'd)

Remuneration Report (Audited Cont'd)

The program comprises the following components:

- Fixed remuneration component; and
- Variable remuneration component including short term incentive (STI) and long term incentive (LTI).

Fixed remuneration
The level of fixed remuneration plus superannuation is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash, allowances and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. This component is not linked to the Group's performance. Superannuation is paid to the employees' nominated fund at the statutory rate of 9.5% subject to the Superannuation ceiling.

Variable remuneration – short term incentive (STI)
The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable.

Actual STI payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the year are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to revenue, net profit after tax, customer service, risk management, product management, leadership and team contribution. The Group has predetermined benchmarks, which must be met in order to trigger payments under the short-term incentive scheme.

On an annual basis, after consideration of performance against KPIs, the Board approves an overall performance rating for the Group. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Group are usually delivered in the form of a cash bonus. The Board has assessed the performance of each executive against KPIs for the financial year ended 31 March 2016 and has approved the STI payment set out on the table below.

Variable remuneration – long term incentive (LTI)
The objective of the LTI plan is to reward senior managers in a manner, which aligns this element of remuneration with the creation of shareholders' wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholders' wealth and thus have a direct impact on the Group's performance against relevant long term performance hurdle. LTI grants to executives are delivered in the form of options or shares. In the 2016 year, no options were issued (2015: nil) to directors and executives. No issue of shares was made in 2016 (2015: nil) under the LTI plan.

Contract of employment
All executives of the Group are employed under employment contract with a minimum 4 weeks (or otherwise mutually agreed time frame) notice period required to terminate the appointment. The letters of appointment do not contain specified option incentive entitlements.

Details of remuneration
The key management personnel of TTA includes the directors, as outlined on page 6, and the following executives of the Group as follow:

Mr. Chee Ming Wong	Executive Director and Company Secretary of TTA Holdings Ltd and TEAC Australia Pty Ltd
Mr. Daniel Seow	Director of TEAC Australia Pty Ltd
Mr. Eric Ng	Engineering Support Manager, TEAC Australia Pty Ltd

	Contract details (duration and termination)
Mr. Chee Ming Wong	No fixed terms. 8 weeks notice to terminate.
Mr. Daniel Seow	No fixed terms. 4 weeks notice to terminate.
Mr. Eric Ng	No fixed terms. 8 weeks notice to terminate

Directors' Report (Cont'd)

Remuneration Report (Audited Cont'd)

Performance Conditions Linked to Remuneration
The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of the revenue target and continued employment with the Group. The performance related proportions of remuneration are included in the following table. The satisfaction of the performance conditions are based on a review of the audited financial statements of the Group, as such figures reduce any risk of contention relating to payment eligibility.

Consequences of performance on shareholder wealth.
In considering the Group's performance and benefits for the shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years.

	2016	2015	2014	2013	2012
EPS(cents)	0.05	(4.11)	0.34	1.40	1.58
Dividends(cents per share)	Nil	Nil	nil	0.4	0.4
Net profit/(loss) ($000)	69	(5,652)	464	1,924	2,175
Share price (cents)	3.7	2.6	5.5	5.1	5.1

a) The compensation of each member of the Directors and key management personnel of the Group is set out below:

	Short term employee benefits		Post employment benefits	Termination benefits	Total	Proportion of elements of remuneration	
	Salary and fees $	Cash Bonus $	Superannuation $	$	$	Related to performance %	Not related to performance %
2016							
C M Wong*	142,125	-	13,502	-	155,627	0%	100%
D Seow	177,154	-	16,830	-	193,984	0%	100%
E Ng	131,670	-	12,509	-	144,179	0%	100%
S Sng	45,000	-	-	-	45,000	0%	100%
M Ewing	25,712	-	12,024	-	37,735	0%	100%
J Tong	30,000	-	-	-	30,000	0%	100%
Total	551,661	-	54,864	-	606,525	0%	100%
2015							
C M Wong*	142,125	-	13,406	-	155,532	0%	100%
D Seow	171,628	-	16,185	-	187,813	0%	100%
E Ng	125,786	-	11,861	-	137,648	0%	100%
S Sng	45,000	-	-	-	45,000	0%	100%
M Ewing	35,000	-	3,303	-	38,303	0%	100%
J Tong	30,000	-	-	-	30,000	0%	100%
J Phoon #	188,337	-	15,275	66,888	270,500	0%	100%
W Allison^	141,167	-	12,010	154,488	307,665	0%	100%
Total	879,044	-	72,041	221,376	1,172,461	0%	100%

* CM Wong was appointed as a Director on 13 November 2014
\# J Phoon resigned on 10th November 2014.
^ W Allison terminated on 25th October 2014 during restructuring process.

Directors' Report (Cont'd)

Remuneration Report (Audited Cont'd)

b) Key management personnel equity holdings

Details of key management personnel equity holdings are disclosed below.

	Balance at 1 April 2015	Granted as remuneration	On exercise of options	Net change other	Balance at 31 March 2016
Chee Ming Wong (i)	10,000	-	-	-	10,000
Daniel Seow (ii)	10,000	-	-	-	10,000
Eric Ng	10,000	-	-	-	10,000
Total	**30,000**	-	-		**30,000**

	Balance at 1 April 2014	Granted as remuneration	On exercise of options	Net change other	Balance at 31 March 2015
Chee Ming Wong	10,000	-	-	-	10,000
Daniel Seow (ii)	10,000	-	-	-	10,000
Eric Ng	10,000	-	-	-	10,000
Total	**30,000**	-	-	-	**30,000**

(i) Chee was appointed as a Director on 13 November 2014.

(ii) In addition to shares controlled directly by Mr Daniel Seow, a total of 10,000 fully paid shares are held by a related person, over which Mr Seow has no direct control.

(iii) Mr Sng Sze Hiang and Ms Julia Tong Jia Pi through their shareholdings in TTI have a combined controlling interest of 51,288,385 ordinary shares in the Company.

Cash bonus was granted as part of the company's STI Program. The recipients were assessed to have satisfied the prerequisites for the receipts of their awards.

This Report of the Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors

Yours sincerely

Sng Sze Hiang
Chairman
27 May 2016

Chee Ming Wong
Executive Director
27 May 2016

Grant Thornton

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Auditor's Independence Declaration
To the Directors of TTA Holdings Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of TTA Holdings Limited for the year ended 31 March 2016, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Simon Trivett

S. C. Trivett
Partner - Audit & Assurance

Melbourne, 27 May 2016

Corporate Governance Statement

TTA Holdings Limited ("the Company") and the Board of Directors are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entity together are referred to as ("the consolidated entity") or ("the Group") in this statement.

The Board is responsible to the shareholders for the performance of the consolidated entity and seeks to accommodate the key objectives of all stakeholders in its undertakings and operations. Where competing objectives do exist, the Board endeavours to find a balance for the overall benefit and in the best interests of the consolidated entity. The primary focus is to ensure the consolidated entity is properly managed whilst continuing to enhance the interests of shareholders and key stakeholders.

The Company's corporate governance policies and practices have been established with reference to the following ASX Corporate Governance Council's principles and recommendations 2nd edition issued on 30 June 2010.

Principle 1: Lay solid foundations for management and oversight
Principle 2: Structure the Board to add value
Principle 3: Promote ethical and responsible decision making
Principle 4: Safeguard integrity in financial reporting
Principle 5: Make timely and balanced disclosure
Principle 6: Respect the rights of shareholders
Principle 7: Recognise and manage risk
Principle 8: Remunerate fairly and responsibly

A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year.

Principal 1 : Lay Solid Foundations for Management and Oversight

The Board's role is to provide strategic guidance and effective oversight of management. It is ultimately accountable to shareholders for the management and direction of management and of the business of the Company and therefore, has ultimate authority over management.

In carrying out its role and exercising its powers, the Board acts in accordance with the letter and spirit of the law and the Company's Constitution. It acts honestly, fairly and with integrity in accordance with the Company's policies, codes of conduct and ethical and other standards and in a manner which will create and develop sustainable value for shareholders. It has regard to the interests of the Company's stakeholders, its employees, suppliers, customers or other stakeholders in the Company and the general community.

Responsibility of the Board

The Board remains primarily responsible for the strategic direction and financial aspirations of the Company, whilst delegating the responsibilities of management to the senior management team. The role of the Board is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole.

The Board undertakes the responsibilities for:

- the oversight of the Company, its business, activities, corporate governance and internal controls, including the development of its commercial, strategic and financial objectives and the monitoring of the implementation and execution of those objectives;
- acting as the nomination committee, which includes reviewing the composition of the Board, (including appointment and retirement or removal of directors) and succession planning;
- the review and oversight of the operation of systems of risk management, internal compliance and control, codes of ethics and conduct, legal and regulatory compliance;
- appointing and (where appropriate) removing the Chief Executive Officer and approving other key executive appointments and planning for executive succession;
- the monitoring of senior management's performance and implementation of strategy, including ensuring appropriate resources are available;
- approval of major capital expenditure, capital management, acquisitions and divestitures and consequential monitoring of their progresses;
- development of suitable key indicators of financial performance for the Company and its business;
- input into, and final approval of, management's development of corporate strategy and performance objectives;
- establishment and oversight of Committees to consider such matters as the Board may consider appropriate, including audit matters, finance and business risks, remuneration and nominations and the establishment of a framework for the effective and efficient management of the Company; and
- any and all other matters reserved to it by law.

Corporate Governance Statement (Cont'd)

Principal 2: Structure the Board to add value

The Board has been formed so that it has an effective mix of personnel who are committed to adequately discharge their responsibilities and duties, and be of value to the Company.

The Board believes that the interests of all Shareholders are best served by:

- Directors having the appropriate skills, experience and contacts within the Company's industry; and
- The Company striving to have a balance between the overall number of Directors and the number of Directors being independent as defined in the ASX Corporate Governance Guidelines.

The Board regularly reviews its size, structure and composition, taking into consideration the balance of skills, experience and knowledge of members to ensure it continually adds value to the Company.

As at the date of this report, the Board comprises of the following members:

Name	Board position	Non executive status	Independent status
Mr Sng Sze Hiang	Chairman	Non Executive	Not independent
Mr Mark Ewing	Deputy Chairman	Non Executive	Independent
Ms Julia Tong	Director	Non Executive	Not independent
Mr Chee Ming Wong	Director	Executive	Not Independent

Details of the directors as at the date of this report, including their experience, expertise, and term of office, are set out in the Directors' Report.

Directors' Independence

The Board regards a director to be independent if they are in a Non Executive Director capacity and are free from any business relationship or other relationship that could compromise their ability to act in the best interests of the Company. Such a situation will occur if the director is a significant shareholder.

If a conflict of interest does arise, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is being considered. Directors must keep the Board advised, on an ongoing basis, of any interests that could possibly conflict with those of the Company. Directors are required to promptly disclose to the Board interests in contracts, other directorships or offices held, possible related party transactions and sale/purchases of the Company's securities.

The Board has reviewed the position of all current directors in light of the Company's definition of independence. While there is only one independent director and the Chairman's role is not independent, the Board is still of the view that the current practice is appropriate for the Company as it continues to grow the business of TEAC Australia Pty Ltd. The Board believes the benefits that this will provide to the Company's development will negate any perceived lack of independence.

At this time, the Company believes the current composition of the Board is appropriate to ensure the interests of shareholders are safeguarded and the high standards of corporate governance are maintained. The Board remains committed to evaluating and attracting appropriate independent directors with the necessary skills and experience.

Term of office
The Company's constitution specifies that at each Annual General Meeting (AGM), one third of the Directors must retire from office. The Directors to retire by rotation are those Directors who have been longest in the office since their last election or appointment. A retiring Director is eligible for re-election. The Executive Director is not subject to retirement by rotation.

The Company does not have a Nomination or Remuneration Committee because it is deemed to be more efficient to have the full Board consider such matters in a broader context of the overall operations.

Independent professional advice

Non Executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. The Chairman's prior approval of any expenditure is required, however, this will not be unreasonably withheld.

Corporate Governance Statement (Cont'd)

Principal 3 : Promote Ethical and Responsible Decision-Making

As part of the Company's commitment to recognising the legitimate interests of stakeholders, a common Code of Conduct has been established for the Directors, senior executives and employees of the Company to guide compliance with legal and other obligations to legitimate stakeholders.

The Code of Conduct outlines the core principles and requirements of the Company relating to:

- Business Integrity;
- Employment;
- Environment;
- Safety and Health; and
- Compliance.

The Company has a share trading policy that regulates the dealings by Directors, Officers and Employees, in shares, options and other securities issued by the Company. The policy has been formulated to ensure that Directors, Officers, Employees and Consultants who work on a regular basis for the Company are aware of the legal restrictions on trading in Company securities while in possession of unpublished price-sensitive information and do not act on material information until it has been released to the market. The directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. This diversity policy outlines the requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next few years as director and senior executive position positions become vacant and appropriately qualified candidates become available:

	2016		2015	
	No.	%.	No.	%
Women on the Board	1	25%	1	25%
Women in senior management roles	-	-	-	-
Women employees in the company	7	30%	6	30%

Principal 4 : Safeguard Integrity in Financial Reporting

The Company has put in place controls designed to safeguard the Company's interests and to ensure the integrity of its reporting. These controls aim to ensure that the Company complies with all regulatory requirements and community standards.

Both the Chief Executive Officer and Chief Financial Officer (or equivalent) are required to state in writing to the Board that:

(a) the Company's financial report represents a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant Australian Accounting Standards;
(b) the statement in (a) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
(c) the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Company's financial report is subject to an annual audit by an independent professional auditor who also reviews the Company's half yearly financial report. The Audit, Risk & Compliance Committee, which operates under a charter adopted by the Board, oversees this process on behalf of the Board. During the year, the Audit, Risk & Compliance Committee did not meet the Best Practice Recommendations of an audit committee that comprises only non executive directors, the majority of which will be independent directors. The Committee comprised of 3 members.

It is the Board's responsibility to ensure that an effective internal framework exists within the Company, including internal controls to deal with the safeguarding of assets, efficient and effective significant business processes, maintenance of proper accounting records and the reliability of financial information, together with non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit, Risk & Compliance Committee.

Corporate Governance Statement (Cont'd)

The Committee provides the Board with additional assurance regarding the correctness and reliability of financial information prepared for use by the Board and also for the integrity of the Company's internal controls affecting the preparation and provision of the financial information in determining policies or for inclusion in the financial report.

As at the date of this report, the Audit, Risk & Compliance Committee comprises of the following members:

Director	Committee position	Non executive status	Independent status
Mr Mark Ewing	Chairman	Non Executive	Independent
Mr.Sng Sze Hiang	Member	Non Executive	Not Independent
Ms Julia Tong	Member	Non Executive	Not independent

The Committee meets at a minimum, on a six monthly basis to review and consider the half-year and full year financial report of the Company. The Company's auditors have a standing invitation to attend these meetings. The Directors' Report contains further details on Committee Members skills and qualifications, together with details of meeting attendance.

Principal 5 : Make timely and balanced disclosure

The Company has developed a set of policies, approved by the Board, to ensure the market is fully informed of its strategy and financial performance. The Company seeks to achieve this by providing equal access to information for all investors and avoiding the disclosure of material information to any person on a selective basis.

Disclosable price sensitive information must be disclosed to ASX prior to disclosure to analysts, the media or others outside the Company to ensure equal access to information.

Except for certain confidential information that no reasonable person would expect to be disclosed, once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, it will immediately advise ASX of that information. Continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board and all Directors are required to confirm details of any matter within their knowledge that might require disclosure to the market.

The Company communicates regularly with shareholders through:

- its full annual report, which the shareholders receive via the Company's website unless they have elected to receive it in hard copy;
- its annual general meeting, at which shareholders are updated on the Company's performance and outlook. All shareholders are given the opportunity to ask questions of the Board and of the auditor about the conduct of the audit.
- company announcements published with the ASX; and
- market briefings where unexpected events occur during the year or to ensure the market is clear about the Company's strategy, business and outlook. No new materially price sensitive information will be provided at these briefings. Questions at briefings that deal with material information not previously disclosed will not be answered. All inadvertent disclosure of material information during market briefings are immediately released to ASX.

Only the Chairman or a person authorised by the Chairman is authorised to make any public statement or announcement on behalf of the Company.

The Company does not comment on rumours or market speculation, subject to the continuous disclosure rules.

All proposed media releases and external presentations are reviewed by the Company Secretary in advance to ensure the continuous disclosure requirements are met at all times. The Company Secretary is also responsible for all communications with ASX.

Principal 6 : Respect The Rights of Shareholders
The Board acknowledges the legitimate interests of various stakeholders such as Employees, Clients, Customers, Government Authorities, Creditors and the Community as a whole. As a good Corporate Citizen, it encourages and ensures compliance and commitment to appropriate corporate practices that are fair and ethical via its 'Code of Conduct Policy'.

Corporate Governance Statement (Cont'd)

Principal 7 : Recognise and Manage Risk

In accordance with Section 295(a) of the Corporation Act 2001, the Audit, Risk & Compliance Committee has established a policy for risk oversight and management within the Company. This is reviewed and updated (if necessary) annually.

The Chief Executive Officer and Chief Financial Officer (or equivalent) have given a statement to the Board that:

a) The Financial Statements are founded on a sound system of risk management and internal compliance and control which implements the Policies adopted by the Board; and

b) The company's risk management and internal compliance and control system, in so far as it relates to financial risk, is operating effectively in all material respects.

Further details about the Company risk management processes are contained under the heading of Principal 4.

Principal 8 : Remunerate Fairly and Responsibly

The Company has not established a Nomination or Remuneration Committee as it deemed the full Board of the Company is a more efficient mechanism to administer the Company's remuneration policy.

The Board is responsible for:

- Setting the remuneration and conditions of service of all Executive and Non Executive Directors, and Senior management team;
- Approving the design of Executive & Employee incentive plans (including equity-based plans and options) and proposed payments or awards under such plans;
- Reviewing performance hurdles associated with incentive plans;
- Consideration of the remuneration of Non Executive Directors within the aggregate amount approved by Shareholders at General Meetings from time to time;
- Consulting appropriately qualified Consultants for advice on remuneration and other conditions of service;
- Succession planning for the Executive Director and Senior management team; and
- Performance assessment of the Executive Director.

The Company is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with 'Best Practice' as well as supporting the interests of Shareholders. Senior Executives receive a remuneration package based on fixed and variable components, determined by their position and experience. Shares and/or Options may also be granted based on an individual's performance and subject to approval by Shareholders.

Non Executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non Executive Directors. Non Executive Directors do not receive performance based bonuses and do not participate in Equity Schemes of the Company without prior Shareholder approval.

Refer to the Remuneration report for additional details regarding the remuneration arrangements of Directors and Executives.

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 March 2016

	Notes	2016	2015
		$	**$**
Revenue from continuing operations	2	16,887,557	27,591,684
Changes in inventories of finished goods		307,655	(10,146,496)
Raw materials and consumable used		(14,032,239)	(16,946,297)
Employee benefits expenses		(1,791,782)	(3,143,660)
Rental expenses		(57,216)	(101,811)
Other expenses		(932,170)	(1,291,569)
Depreciation & amortisation expenses	3	(83,361)	(108,399)
Foreign Exchange (loss)/gain	3	(94,714)	112,438
Finance costs		(99,498)	(287,417)
Goodwill Impaired		-	(2,020,066)
Profit before income tax		104,232	(6,341,593)
Income tax (expense)/benefit	5	(35,033)	689,241
Profit/(Loss) from continuing operation	4	**69,199**	**(5,652,352)**
Other comprehensive income		**-**	**-**
Total comprehensive income/(loss) for the year		**69,199**	**(5,652,352)**
Profit attributable to :			
Members of the parent entity		**69,199**	**(5,652,352)**
Non controlling interest		**-**	**-**
Total comprehensive income attributable to :			
Members of the parent entity		**69,199**	**(5,652,352)**
Non controlling interest		-	-
Earnings per share - Continuing and discontinued Operations			
Basic earnings per share (cents)	6	0.05	(4.11)
Diluted earnings per share (cents)	6	0.05	(4.11)
Earnings per share – Continuing Operations			
Basic earnings per share (cents)	6	0.05	(4.11)
Diluted earnings per share (cents)	6	0.05	(4.11)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2016

	Notes	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	8	3,274,405	2,613,645
Trade and other receivables	9	1,380,723	3,528,196
Inventories	10	3,649,659	3,342,004
Other current assets	18	281,025	472,430
Total current assets		**8,585,812**	**9,956,275**
Non current assets			
Property, plant & equipment	11	3,614,143	3,688,266
Intangible assets	12	914,292	923,530
Deferred tax assets	5	2,165,111	2,208,181
Total non current assets		6,693,546	6,819,977
Total assets		**15,279,358**	**16,776,252**
LIABILITIES			
Current liabilities			
Trade and other payables	13	576,994	1,329,694
Derivatives		88,691	-
Provisions	14	225,430	296,423
Employee Benefits Liability	15	326,195	322,905
Current tax payables		-	-
Other financial liabilities	17	5,586	832,592
Interest bearing liabilities	16	1,510,550	1,510,000
Total current liabilities		**2,733,446**	**4,291,614**
Non current liabilities			
Employee benefits liability	15	16,669	16,557
Deferred tax liabilities	5	-	8,037
Total non current liabilities		**16,669**	**24,594**
Total liabilities		**2,750,115**	**4,316,208**
Net assets		**12,529,243**	**12,460,044**
EQUITY			
Issued capital	19(a)	6,484,607	6,484,607
Accumulated profits / (losses)	4	6,044,636	5,975,437
Total equity		**12,529,243**	**12,460,044**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 31 March 2016

	Issued Capital	Accumulated Profit/(Losses)	Total
	$	$	$
Opening balance 1 April 2014	6,484,607	11,627,789	18,112,396
Total comprehensive income for the year	-	(5,652,352)	(5,652,352)
Dividend paid	-	-	-
At 31 March 2015	6,484,607	5,975,437	12,460,044
At 1 April 2015	6,484,607	5,975,437	12,460,044
Total comprehensive income for the year	-	69,199	69,199
Dividend paid	-	-	-
At 31 March 2016	6,484,607	6,044,636	12,529,243

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows for the year ended 31 March 2016

	Notes	2016	2015
		$	$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		20,883,393	36,615,399
Payments to suppliers, employees and others (inclusive of GST)		(19,333,906)	(26,306,956)
Tax paid		-	(183,285)
Interest received		30,306	7,956
Borrowing costs		(99,498)	(283,835)
Net cash flows provided by/(used in) operating activities	20 (b)	1,480,295	9,837,519
Cash flows from investing activities			
Payments for Intangible software		-	(22,780)
Payments for property, plant & equipment		-	(12,410)
Proceeds from property, plant & equipment		-	-
Net cash provided by/(used in) investing activities		-	(20,091)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(819,535)	(12,503,806)
Dividend Paid		-	-
Net cash used in financing activities		(819,535)	(12,503,806)
Net increase/(decrease) in cash held		**660,760**	**(2,693,299)**
Cash and cash equivalents at the beginning of the year		**2,613,645**	**5,306,944**
Cash and cash equivalents at end of the year	20 (a)	**3,274,405**	**2,613,645**

The accompanying notes form part of these financial statements

Notes to the financial statements

Note **Contents**

Notes to the financial statements for the year ended 31 March 2016

Corporate information

The financial report of TTA Holdings Limited ("the Company" or "TTA") for the year ended 31 March 2016 was authorised for issue in accordance with a resolution of the directors on 27 May 2016.

TTA is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

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

Note 1 - Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of TTA and its subsidiary (referred to as "the Group").

Basis of preparation

The financial report is a general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis except for certain assets and liabilities as disclosed which have been measured at fair value. The Company is domiciled in Australia and a for-profit entity for the purpose of preparing financial statements.

a) New Accounting Standards and Interpretations

(i) Accounting Standards and Interpretations issued but not yet effective.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2016 reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments (December 2014) (effective 1 January 2018)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

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: (i) the objective of the entity's business model for managing the financial assets; and (ii) 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. introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments
d. 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
e. where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
    - the change attributable to changes in credit risk are presented in other comprehensive income (OCI)
    - the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.
When these amendments are first adopted for the year ending 31 March 2019, they are unlikely to have any significant impact on the entity.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

a) New Accounting Standards and Interpretations (continued)

When this standard is first adopted for the year ending 31 March 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 15 Revenue from Contracts with Customers (effective 1 January 2018)

AASB 15: replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations:

- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue In the Australian context, AASB 15 will apply to contracts of not-for-profit (NFP) entities that are exchange transactions.

When this Standard is first adopted for the year ending 31 March 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

b) Statement of compliance

These consolidated financial statements comply with Australian Accounting Standards, which ensures compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling Interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The acquisition method of accounting is used to account for business combinations by the group (refer to note 1(o)).

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

d) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements 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 under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future years.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) *Significant accounting judgements*

Impairment of non-financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Recoverable amounts of relevant assets are assessed using value in use calculations which incorporate various key assumptions. For the purposes of undertaking the impairment assessment of land and building, they have been assessed as part of goodwill as disclosed in note 12 and no impairment loss was recognised for goodwill, land and building.

Taxation & Recovery of deferred tax assets

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets/liabilities, income tax payable recognised on the consolidated statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

(ii) *Significant accounting estimates and assumptions*

Impairment of goodwill

The Group determines whether goodwill is impaired annually. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which the goodwill is allocated. The key assumptions used are outlined in note 12.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Warranty provision

The Group generally offers 12 months warranty on its product range. Management estimates the expected performance of the products, number of customers who will actually use the warranty and how often and the costs of fulfilling the warranty. Historical warranty claims information, as well as recent trends that might suggest the past cost information may differ from future claims have been considered in determining this provision. Factors that could impact the estimated claim information include the quality of workmanship of the Group’s suppliers.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods
Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and ceases all involvement with the goods. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customers and the cessation of all management of these goods. Revenue is recognised net of volume discounts, rebates and returns. Accumulated experience is used to calculate the rebates and returns.

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

Dividends
Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

All revenue is stated net of the amount of goods and services tax (“GST”).

f) Interest-bearing liabilities

All loans and borrowings are initially recorded at fair value, net of transaction costs incurred.

Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial positions when the obligation specified in the contract is discharged, cancelled or expire. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial amount of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

h) Cash and cash equivalents

Cash and cash equivalents recognised in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the consolidated statement of financial position.

i) Provisions and Employee benefits

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled, inclusive of on-costs. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows, inclusive of on-costs.

j) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

j) Investments and other financial assets (continued)

Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the year established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Subsequent measurement

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

(ii) Loans and receivables
Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Impairment
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(i) Assets carried at amortised cost
For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

k) Issued capital

Ordinary shares are classified as equity.Transaction costs incurred on the issue of equity instruments are recognised directly in equity, net of any tax effect, as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

l) Inventories

Inventories include finished goods and spare parts used for repair. Inventories are measured at the lower of cost and net realisable value. The cost of purchased products includes the purchase price, freight, and other delivery costs after deducting rebates and discounts. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

m) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency"). These consolidated financial statements are presented in Australian dollars, which is TTA's functional and presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing 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. The group utlises forward exchange contract as outlined in Note 25.

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.

n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the 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 as applicable.
- Receivables and payables, which 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 consolidated statement of financial position.

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

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

o) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Goodwill is measured as described above. Goodwill on acquisitions of subsidiaries is included in intangible assets.
Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

o) Business combination (continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units), to which the goodwill relates.

TTA performs its impairment testing as at 31 March each year using a value in use, discounted cash flow methodology. Refer to note 12 for further details.

When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

p) Impairment of non-financial assets other than goodwill and finite life intangibles

Non-financial assets other than goodwill and finite life intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

TTA conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that 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 an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

q) Income tax

The income tax expense /(benefit) for the year comprises current and deferred income tax expenses/(benefits).

Current income tax
Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax
Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

q) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidation
The Company and its subsidiary have formed an income tax consolidation group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are managed using the stand-alone taxpayer approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiary are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from May 2008. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

r) Intangible assets

(i) Goodwill
Refer to note 1 (o).

(ii) IT development and software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

s) **Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

t) **Trade and other payables**

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

u) **Property, plant and equipment**

Property, plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the year of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting year.

The following Depreciation rates are used in the calculation of depreciation:

Depreciation rates are:	**2016**	**2015**
Computer equipment	20% to 30%	20% to 30%
Plant and equipment	15% to 40%	15% to 40%
Motor Vehicles	30%	30%
Buildings	2.5%	2.5%

The carrying values of plant and equipment, leasehold improvements and equipment under finance lease are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Profit or loss. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Notes to the financial statements for the year ended 31 March 2016

Note 1 - Summary of significant accounting policies (continued)

v) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent entity, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of issued ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

w) Trade and other receivables

Trade receivables which generally have 30-60 day terms are initially recognized at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment.

Collectability of Trade receivables is reviewed on an on-going basis. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognized where there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of expected future cash flows, discounted at the original effective interest rate.

x) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. As the Group does not qualify for hedging accounting, changes in the fair value of all its derivative instrument are recognised immediately in profit or loss and are included in other income or other expenses.

y) Parent entity financial information

The financial information for the parent entity, as disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiary are accounted for at cost in the financial statements of Company. Dividends received from subsidiary are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

In preparing these consolidated financial statements, the accounting requirements specific to reverse acquisition as stated in AASB 3 Business Combination has been applied and all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Accounting policies of subsidiaries have been changed to ensure consistency with that of the Group.

Notes to the financial statements for the year ended 31 March 2016

2. Revenue

	2016 $	2015 $
Continuing operations:		
Revenue from operating activities		
Revenue from sale of goods	16,768,045	27,498,117
Revenue from services	89,206	93,695
	16,857,251	27,591,812
Revenue from non-operating activities		
Interest income - financial institutions	30,306	7,956
Gain from disposal of fixed assets	-	(8,084)
	30,306	(128)
Total revenue from continuing operations	**16,887,557**	**27,591,684**

3. Expenses and gains/(losses) included in profit

Profit before income tax has been determined after:

	2016 $	2015 $
Depreciation and amortisation:		
Office equipment	1,845	6,941
Plant and equipment	651	8,587
Building improvements	59,852	59,851
Computers	11,777	19,462
Leasehold improvements	-	-
Total depreciation of non current assets	74,125	94,841
Amortisation of non-current assets:		
Amortisation of computer software	9,236	13,558
Total depreciation and amortisation expense	83,361	108,399
Lease expense	32,567	101,811
Unrealised/Realised FX gains/ (loss)	(94,714)	112,438

Notes to the financial statements for the year ended 31 March 2016

4. Accumulated profit/(losses)

	2016 $	2015 $
Accumulated profits/(losses) at beginning of the financial year	5,975,437	11,627,789
Dividend paid	-	-
Net profit/ (Loss)	69,199	(5,652,352)
Accumulated profit/(losses) at end of the financial year	6,044,636	5,975,437

5. Income tax

	2016 $	2015 $
a) Income tax expense		
Current tax expense/ (benefit)	(352,790)	(1,293,383)
Deferred tax expense related to the origination and reversal of temporary differences	387,823	590,161
Adjustment for Prior Year Under/(Over) Provision	-	13,981
Total tax expense in the statement of comprehensive income	35,033	(689,241)
b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense/(benefit) in the financial statements as follows:		
Profit/ (Loss) from continuing operations before income tax expense	104,232	(6,341,593)
Income tax (benefit)/ expense calculated at 30% (2015: 30%)	31,270	(1,902,478)
Tax effect of amounts which are not deductible in calculation taxable income:		
Non deductible expenses	3,763	3,075
Goodwill impairment	-	606,020
Adjustments for Prior Year Under /(Over) Provision	-	13,981
Income tax benefit/ tax losses not brought to account	-	590,161
Income tax (benefit)/ expense	35,033	(689,241)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting year.

	2016	2015
c) Recognition of Deferred Tax Assets		
Aggregate deferred tax credited to income		
- Temporary Differences	(395,860)	(630,422)
- Carried forward losses	352,790	1,293,383
	(43,070)	662,961
d) Recognition of Deferred Tax Liability		
- Temporary Differences	8,037	40,261
	(35,033)	703,222

Notes to the financial statements for the year ended 31 March 2016

5. Income tax (Cont'd)

e) The deferred tax balances comprises temporary differences attributable to:

2016

	Opening balance	Charged to Income	Charged to Equity	Closing balance
Gross deferred tax assets				
Provision for stock obsolescence	648,005	(370,935)	-	277,070
Accruals	33,259	3,782	-	37,041
Derivatives	-	26,607	-	26,607
Provision for employee entitlements	101,838	1,021	-	102,859
Other provisions	131,696	(56,335)	-	75,361
Tax losses	1,293,383	352,790		1,646,173
	2,208,181	(43,070)	-	2,165,111
Gross deferred tax liabilities				
Other Debtors – Interest receivable	-	-	-	-
Prepayments	(8,037)	8,037	-	-
Property, plant and equipment	-	-	-	-
	(8,037)	8,037	-	-

2015

	Opening balance	Charged to Income	Charged to Equity	Closing balance
Gross deferred tax assets				
Unrealised losses – derivatives	15,218	(15,218)	-	-
Provision for stock obsolescence	583,088	64,917	-	648,005
Accruals	165,087	(131,828)	-	33,259
Provision for employee entitlements	236,598	(134,760)	-	101,838
Other provisions	545,229	(413,533)	-	131,696
Tax losses	-	1,293,383		1,293,383
	1,545,220	662,961	-	2,208,181
Gross deferred tax liabilities				
Other Debtors – Interest receivable	-	-	-	-
Prepayments	(48,298)	40,261	-	(8,037)
Property, plant and equipment	-	-	-	-
	(48,298)	40,261	-	(8,037)

	2016	**2015**
	$	**$**
f) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	689,028	1,967,203
Potential tax benefit @ 30%	206,708	590,161

Notes to the financial statements for the year ended 31 March 2016

6. Earnings per share

	2016 Cents	2015 Cents
a) Basic and diluted earnings per share		
Profit/ (Loss) from continuing operations attributable to the ordinary equity holders of the company	0.05	(4.11)
Basic and diluted earnings per share	0.05	(4.11)
Net result used in the calculation of basic and diluted earnings	69,199	(5,652,352)

	2016	2015
b) Weighted average number of ordinary shares used		
Used in the calculation of basic and diluted earnings per share	137,423,410	137,423,410

Potential ordinary shares that are not dilutive and not used in the calculation of diluted EPS:
There were no Share Options issued in 2016 and 2015 financial year.

	2016 $	2015 $
c) Reconciliation of earnings used in calculating earnings per share for basic and diluted earnings per share		
Profit/ (Loss) from continuing operations attributable to the ordinary equity holders of the company	69,199	(5,652,352)
Profit/ (Loss) from discontinued operations	-	-
Basic and diluted earnings per share	69,199	(5,652,352)

7. Dividends

	2016 $	2015 $
The Board of Directors did not recommend for any dividend to be paid for the year ended 31 March 2016 and 31 March 2015.	-	-

Notes to the financial statements for the year ended 31 March 2016

8. Cash and cash equivalents

	2016 $	2015 $
Cash at bank and on hand	3,274,405	2,613,645

9. Trade and other receivables

	2016 $	2015 $
Trade receivables (net of rebates)	1,384,357	3,531,659
Allowance for impairment	(3,634)	(3,463)
	1,380,723	3,528,196
Other receivables	-	-
	-	-
	1,380,723	3,528,196

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The Group did not incur any impairment loss in 2016 (2015: $NIL). The Group has no significant concentration of credit risk with respect to any single retailer. The following table details the Group's trade and other receivables exposed to credit risk with aging analysis. The receivables that remain within trade terms are considered to be of high credit quality.

The ageing analysis of trade receivable is as follows :

	Total $	0-30days 0-31$	31-60 Days $	61-90days $	> 90days $
2016	1,380,723	1,197,782	171,471	11,470	-
2015	3,528,196	3,123,556	392,058	7,652	4,930

10. Inventories

	2016 $	2015 $
Current		
Inventory on hand	4,515,430	5,071,277
Inventory in transit	57,792	430,740
Provision for obsolescence	(923,563)	(2,160,013)
Total	3,649,659	3,342,004

Reconciliation of provisions for obsolescence

	2016 $	2015 $
Opening balance	2,160,013	1,943,625
Charge for the year	1,635,736	1,933,332
Amount write off/ (back)	(2,872,186)	(1,716,944)
Closing Balance	**923,563**	**2,160,013**

Notes to the financial statements for the year ended 31 March 2016

11. Property, Plant and Equipment

	Motor vehicles	Plant and equipment	Computers	Leasehold Improve-ments	Land	Building Improve-ments	Office Equipment	Total
	$	$	$	$	$	$	$	$
Gross carrying amount								
Balance at 31 March 2014	13,587	169,876	488,156	63,510	1,673,000	2,380,445	217,011	5,005,585
Disposal	(13,587)	(56,094)	(171,348)	(58,555)	-	-	(41,337)	(340,921)
Re-class	-	(13,027)	-	(4,955)	-	-	17,982	-
Additions	-		27,092	-	-	-	1,152	28,244
Balance at 31 March 2015	-	100,755	343,900	-	1,673,000	2,380,445	194,808	4,692,908
Additions	-	-	-	-	-	-	-	-
Disposals		(4,843)	(43,350)	-	-	-	(13,724)	(61,917)
re-class	-	-	-	-	-	-	-	-
Balance at 31 March 2016	-	95,912	300,550	-	1,673,000	2,380,445	181,084	4,630,991
Accumulated Depreciation								
Balance at 31 March 2014	13,587	135,842	470,286	63,279	-	333,920	211,135	1,228,049
Disposals	(13,587)	(32,554)	(171,184)	(58,556)	-	-	(42,367)	(318,248)
re-class	-	(12,093)		(4,723)		-	16,816	-
Depreciation expense	-	8,587	19,462	-	-	59,851	6,941	94,841
Balance at 31 March 2015	-	99,782	318,564	-	-	393,771	192,525	1,004,642
Disposals	-	(4,843)	(43,350)	-	-	-	(13,724)	(61,917)
re-class	-	-	-	-	-	-	-	-
Depreciation expense	-	651	11,777	-	-	59,852	1,845	74,125
Balance at 31 March 2016	-	95,590	286,991	-	-	453,623	180,646	1,016,850
Net carrying amount								
As at 31 March 2015	-	973	25,336	-	1,673,000	1,986,674	2,283	3,688,266
As at 31 March 2016	-	322	13,559	-	1,673,000	1,926,822	440	3,614,143

Notes to the financial statements for the year ended 31 March 2016

12. Intangible assets

	2016 $	2015 $
Goodwill (a)	900,852	900,852
Other intangibles	-	-
Computer software	165,504	165,504
Accumulated amortisation	(152,064)	(142,826)
Total	914,292	923,530

Reconciliation of movement in Goodwill

	2016 $	2015 $
Opening Goodwill	900,852	2,920,918
Impairment charge	-	(2,020,066)
Closing Goodwill	900,852	900,852

a) Key assumptions used for value-in-use calculations

The recoverable amount of goodwill has been determined based on value in use calculations using cash flow projections based on cash flow budget approved by the directors covering a five year period using a pre-tax discount rate of 13%. The cash flow projections have been prepared using assumptions which are consistent with the Group's historical financial performance, and allowed for new initiatives to be implemented. Some of the key assumptions made are as follows:

- Year 1 projections reflects the budget of 2016/2017. Year 2 to 5 is based on historical revenue;
- no growth rate in revenue has been budgeted for but an increase in expenses of 3% per annum has been allowed, for years 2 – 5; and
- Costs have been determined taking into account of historical gross margins and estimated average inflation rate.

Discount rate reflects management's estimate of the time value and the risks specific to the Group. In determining the discount rate, regard was given to the weighted average cost of capital of the entity as a whole and adjusted for business risk specific to the Group.

There are no internally generated intangible assets within the Group. The remaining Goodwill acquired through business combination has been tested at the level of cash generating unit.

The above discounted cash flows model supports the carrying value of land and building improvements disclosed in note 11 in 2016 and 2015, which is the way the Group has historically undertaken its assessment.

Notes to the financial statements for the year ended 31 March 2016

13. Trade and other payables

	2016 $	2015 $
Current		
Trade payables	279,920	962,709
GST payable	33,663	9,502
Payroll tax, PAYG, Superannuation	67,844	156,034
Other current payables	116,427	101,517
Other Accruals	79,140	99,932
	576,994	1,329,694

14. Provisions

	2016 $	2015 $
Warranties and returns	225,430	296,423

15. Employee benefits liabilities

Current		
Annual leave liability	149,256	156,040
Long service leave liability	176,939	166,865
	326,195	322,905
Non-Current		
Employee benefits – non current	16,669	16,557
	16,669	16,557

Movements in provisions
Movement in each class of provision during the financial year are set out below :

	31 March 2016		31 March 2015	
	Employee Bonus	Warranties and return	Employee Bonus	Warranties and return
	$	$	$	$
Opening balance	-	296,423	27,722	717,331
Charge for the year	-	1,217,191	-	2,262,359
Settled during the year	-	(1,288,184)	(27,722)	(2,683,267)
Closing balance	-	225,430	-	296,423
Current Closing balance	-	225,430	-	296,423
Non Current Closing balance	-	-	-	-

Provision for Warranty

The provision has been recognised by estimating warranty claims in respect of products sold which are under warranty at balance date. The provision for warranty has been based on historical sales and the total percentage of claims made against those sales, taking into the accounts the other factors outlined in Note 1 (d).

Notes to the financial statements for the year ended 31 March 2016

16. Interest Bearing Liabilities

	2016 $	2015 $
Current		
Business Market Loan (i)/ Commercial Bill	1,510,550	1,510,000
Total Current	1,510,550	1,510,000
Non-Current		
Commercial Bill	-	-
	-	-

Unless otherwise stated, the carrying amount of the Group's current and non current borrowings approximates their fair value.

(i) The Business Market Loan is secured by the property situated in Thomastown as disclosed in note 11.

17. Other financial liabilities

	2016 $	2015 $
Amount owing to ultimate parent entity – TTI	5,586	832,592
	5,586	832,592

Notes to the financial statements for the year ended 31 March 2016

18. Other current assets

	2016 $	2015 $
Prepayments	281,025	472,430
Total	281,025	472,430

19. Issued capital

	2016 $	2015 $
Fully paid ordinary shares	6,484,607	6,484,607
Total	6,484,607	6,484,607

a) Issued and fully paid-up ordinary shares
SUMMARY:

	2016 $	2015 $
Opening Balance	6,484,607	6,484,607
Movement during the financial year	-	-
Balance at year end		
137,423,410 fully paid ordinary shares (no par value)	6,484,607	6,484,607

b) Movement in shares on issue

	2016 Number of ordinary shares	2015 Number of ordinary shares
Balance at the beginning of the financial year	137,423,410	137,423,410
Balance at end of financial year	137,423,410	137,423,410

Notes to the financial statements for the year ended 31 March 2016

19. Issued capital (Cont'd)

(c) Terms and conditions of issued capital

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The company does not have a limited authorised capital and issued shares have no par value.

The company has 137,423,410 shares on issue.

Options

The Company has no options on issue as at 31 March 2016 (there were none in 2015).

(d) Capital Management

Management controls the capital of the Group in order to maintain a reasonable debt to equity ratio, provide shareholders with a reasonable rate of return and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements. Management effectively manage the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These include the management of debt levels and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior period.

	2016 $	2015 $
Total borrowings	2,181,821	3,672,286
Less cash and cash equivalents	(3,274,405)	(2,613,645)
Net debt	(1,092,584)	1,058,641
Total equity	12,529,243	12,460,044
Total capital	13,621,827	13,518,685
Gearing ratio	-N/A-	8%

20. Consolidated Statement of Cash Flows

(a) Reconciliation of cash flow from operating activities

For the purposes of the consolidated statement of cash flow, cash includes cash on hand and in banks and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdrafts. Cash at the end of the year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	2016 $	2015 $
Cash at bank and on hand	3,274,405	2,613,645

Notes to the financial statements for the year ended 31 March 2016

20. Consolidated Statement of Cash Flow (Cont'd)

b) Reconciliation of operating profit/(loss) after income tax to net cash flows from operating activities:

	2016 $	2015 $
Net Profit/(loss) after tax	69,199	(5,652,352)
Non cash items:		
Depreciation expense	83,361	108,399
Amortisation expense	-	-
Changes to provisions	-	50,726
Goodwill impairment	-	2,020,066
Profit / (loss) on sale of assets	-	8,084
Changes in assets and liabilities:		
Decrease in debtors	2,127,651	5,742,372
(Increase)/decrease in other receivables	189,713	(57,099)
(Increase)/decrease in inventories	(307,655)	10,138,318
(Increase) deferred tax asset	43,070	(662,961)
Increase/(decrease) in payables and other financial liability	(649,417)	(699,915)
(Decrease) in tax payable	-	(169,304)
(Decrease) in employee benefits liabilities	3,403	(449,198)
(Decrease) in provisions	(70,993)	(499,356)
Increase/(decrease) in deferred tax liability	(8,037)	(40,261)
Cash inflow/(outflow) from operating activities	**1,480,295**	**9,837,519**

c) Credit stand-by arrangement with Bank of Melbourne

	2016 $	2015 $
Credit facility	-	23,000,000
Amount utilised	-	-

The major facilities include:
- currency exposure management
- multi-option (letter of credit, trade refinancing, invoice discounting and bank guarantee)

21. Subsequent event

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years, other than the matters already highlighted in the body of Directors' report and in these consolidated financial statements.

Notes to the financial statements for the year ended 31 March 2016

22. Contingent liabilities

There were no material contingent liabilities as at 31 March 2016 and 2015.

23. Segment information

The Group operates in only one segment, which is distribution of electronic goods to leading retailers in the Australian market.

24. Parent entity disclosure

(a) Summary financial information
The individual financial statements for the parent entity show the following aggregate amounts:

	2016 $	2015 $
Statement of financial position		
Current assets	843,269	1,705,201
Non-Current assets	12,290,236	12,290,236
Total assets	13,133,505	13,995,437
Current liabilities	673,461	1,535,393
Total liabilities	673,461	1,535,393
Net Assets	12,460,044	12,460,044
Shareholders' equity		
Issued capital	31,624,326	31,624,326
Accumulated losses	(19,164,282)	(19,164,282)
	12,460,044	12,460,044
Profit or (loss) for the year	158,296	(12,167,793)
Total comprehensive income/(expense)	158,296	(12,167,793)

(b) Guarantees entered into by the parent entity
No guarantees were entered into by the parent entity.

(c) Contingent liabilities of the parent entity
The parent entity did not have any contingent liabilities as at 31 March 2016 or 2015.

(d) Contractual commitments for the acquisition of property, plant or equipment
As at 31 March 2016, the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

(e) Controlled entity of TTA

Name	Country of Incorporation	Percentage of equity held 2016	Percentage of equity held 2015	Acquisition Date	Investment 2016 $	Investment 2015 $
TEAC Australia Pty Limited	Australia	100%	100%	22 May 2008	24,458,028	24,458,028
Total					24,458,028	24,458,028

All entities within the Group operated solely in their place of incorporation. All entities are members of a tax consolidated group where the head entity is TTA Holdings Ltd.

(f) Parent Entity - Deferred Tax

No Deferred assets or liabilities have been recognised in relation to the Parent Entity for the current or comparative year.

Unused tax losses in relation to the parent entity have not been booked as a deferred tax asset on the basis of uncertainty regarding recoverability.

Notes to the financial statements for the year ended 31 March 2016

25. Financial risk management

The Group's financial instruments consist mainly of cash and cash equivalents, accounts receivable, other financial assets, trade and other payables and interest bearing liabilities.

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 of the financial statements**.**

b) Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk;
- Interest rate risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Quantitative disclosures are also included in this note.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is also responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set out appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Financial risk management policy
The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to currency risk, financing and interest rate risk. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include reviewing credit risk policies and future cash flow requirements.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including default risk of the industry and country in which the customers operate, has less of an influence on credit risk. Geographically there is no concentration of credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group reviews external ratings, when available. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining debtors insurance or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

In monitoring customers' credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties.

Notes to the financial statements for the year ended 31 March 2016

25. Financial risk management (Cont'd)

Generally goods sold are registered with personal property security registrar, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

Credit risk related to balances held with banks and other financial institutions is managed by investing funds with counter parties with a A+ rating.

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

	Note	2016 $	2015 $
Cash and cash equivalents	8	3,274,405	2,613,645
Trade receivables	9	1,380,723	3,528,196
		4,655,128	6,141,841

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating interest rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt. The Group analyses its interest rate exposure on an ongoing basis and involves potential renewal of existing positions, alternative financial and alternative mixed of fixed and variable interest rate.

The following table details the consolidated entity's exposure to interest rate risk as at 31 March 2016

			Fixed interest rate maturity				
	Average interest rate	**Variable interest rate $**	**Less than 1 year $**	**1 to 5 years $**	**More than 5 years $**	**Non interest bearing $**	**Total $**
Financial assets							
Cash and cash equivalent	1.3%	3,274,405	-	-	-	-	3,274,405
Trade and other receivables	-	-	-	-	-	1,380,723	1,380,723
Total financial assets	1.3%	3,274,405	-	-	-	1,380,723	4,655,128
Financial liabilities							
Trade and Payables	-	-	-	-	-	576,994	576,994
Business Market Loan	4.4%	1,510,550	1,510,550	-	-	-	1,510,550
Total financial liabilities		1,510,550	1,510,550	-	-	576,994	2,087,544
Net financial assets/(Liabilities)		**1,763,855**	**(1,510,550)**	**-**	**-**	**803,729**	**2,567,584**

Notes to the financial statements for the year ended 31 March 2016

25. Financial risk management (Cont'd)

Interest rate risk (Continued)

	Average interest rate	Variable interest rate $	Fixed interest rate maturity Less than 1 year $	1 to 5 years $	More than 5 years $	Non interest bearing $	Total $
Financial assets							
Cash and cash equivalent	1.7%	2,613,645	-	-	-	-	2,613,645
Trade and other receivables	-	-	-	-	-	3,528,196	3,528,196
Total financial assets	1.7%	2,613,645	-	-	-	3,528,196	6,141,841
Financial liabilities							
Trade and Payables	-	-	-	-	-	1,329,694	1,329,694
Commercial Bill	4.5%	1,510,000	1,510,000	-	-	-	1,510,000
Total financial liabilities		1,510,000	1,510,000	-	-	1,329,694	2,839,694
Net financial assets/(Liabilities)		**1,103,645**	**(1,510,000)**	**-**	**-**	**2,198,502**	**3,302,147**

The following table details the Group's exposure to interest rate risk as at 31 March 2015.

Cash flow sensitivity for variable rate instruments
A change of 100 basis points ('bp') in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

There is minimal interest rate exposure for the Group in 2016 or 2015.

	Net profit after tax higher/ (lower) 2016 $	 2015 $	Other comprehensive income higher/ (lower) 2016 $	 2015 $
+1% (100 basis points)	(17,600)	(11,000)	-	-
-0.5%(50 basis points)	8,800	5,000	-	-

The Group had minimal interest risk exposure in 2016 and 2015.

An increase of 100 basis points ("bp") in interest rates at the reporting date would have had the equal opposite effect on the above instruments to the amounts shown above, on the basis that the other variables remain constant.

Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on the Group's current credit rating, relationships with financial institutions, the level of debt that is expected to be renewed as well as a review of the last two year's historical movements and economic forecasters' expectations.
- A price sensitivity of derivatives has been based on a reasonably possible movement of interest rates at balance dates by applying the change as a parallel shift in the forward curve.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

Notes to the financial statements for the year ended 31 March 2016

25. Financial risk management (Cont'd)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft, bank loan, finance leases and available credit lines.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is based on the contractual terms of the underlying contract, where the counter party has a choice of when the amount is paid. The liability is allocated to the earliest period in which the Group can be required to pay.

2016

Non-derivative	**6 mths or less $**	**6-12 mths $**	**1-2 years $**	**2-5 years $**	**More than 5 years $**	**Total $**
Financial Liabilities						
Trade and other payables	665,685	-	-	-	-	665,685
Other financial liabilities	5,586	-	-	-	-	5,586
Business Market Loan	1,510,550	-	-	-	-	1,510,550
	2,181,821	-	-	-	-	2,181,821
Financial assets						
Cash and cash equivalent	3,274,405	-	-	-	-	3,274,405
Trade and other receivables	1,380,723	-	-	-	-	1,380,723
	4,655,128	-	-	-	-	4,655,128
Derivatives						
Foreign Exchange contract	(88,691)	-	-	-	-	(88,691)
Net Settled inflow/ (outflow)	(88,691)	-	-	-	-	(88,691)

Notes to the financial statements for the year ended 31 March 2016

25. Financial risk management (Cont'd)

2015 **Non-derivative financial liabilities**	**6 mths or less** **$**	**6-12 mths** **$**	**1-2 years** **$**	**2-5 years** **$**	**More than 5 years** **$**	**Total** **$**
Trade and other payables	1,329,694	-	-	-	-	1,329,694
Other financial liabilities	832,592	-	-	-	-	832,592
Commercial bill	1,510,000	-	-	-	-	1,510,000
	3,672,286	-	-	-	-	3,672,286
Financial assets						
Cash and cash equivalent	2,613,645	-	-	-	-	2,613,645
Trade and other receivables	3,528,196	-	-	-	-	3,528,196
	6,141,841	-	-	-	-	6,141,841

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group'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 the return.

The Group made use of foreign currency contracts during the years ended 31 March 2016 and 2015 with the purpose of managing the Group foreign exchange risk. The Board will continue monitoring the Group's exposure to market risk and in the event that derivatives and or financial liabilities are entered into, the Board will consider the costs and benefits of seeking to apply hedge accounting in order to manage volatility in profit and loss. The fair value of these contracts (liability) as at 31 March 2016 was (88,991). (2015: nil).

Foreign exchange risk
Foreign currency risk is continuously monitored by management which analyses exposure by degree and magnitude of risk. The Group has material transactions between businesses in Australia and overseas which would give rise to payables in foreign currency. The Group's exposure to the fluctuation in US Dollars is high as goods are purchased and settled predominantly in USD. The Group enters into forward exchange contract upon the placing of orders to suppliers.

The Group's foreign currency risk is shown below.

	2016 **$**	**2015** $
Cash and cash equivalents	-	-
Trade and other payables	-	(134,403)
Banking facilities	-	-
Net exposure	-	(134,403)

Notes to the financial statements for the year ended 31 March 2016

25. Financial risk management (Cont'd)

At 31 March 2016, had the Australian dollar moved, as illustrated in the table below, with all other variable held constant, post tax profit and other comprehensive income would have been affected as follows:

	Net profit after tax higher/ (lower)		**Other comprehensive income higher/ (lower)**	
	31 March 2016	**31 March 2015**	**31 March 2016**	**31 March 2015**
	$	**$**	**$**	**$**
AUD to US Dollar + 10%	-	(13,000)	-	-
AUD to US Dollar - 10%	-	13,000	-	-

Significant assumptions used in the foreign currency exposure sensitivity analysis include;

- The reasonably possible movement was calculated by taking the USD spot rate as at balance date, moving this spot rate by reasonably possible movements and then re-converting the USD into AUD with the "new spot rate". This methodology reflects the translation methodology undertaken by the Group.
- A price sensitivity of derivatives has been based on a reasonably possible movement of spot rates at the balance dates not on forward rates.
- The sensitivity does not include financial instruments that are non-monetary items as these are not considered to give rise to currency risk .

Net fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

There are 3 methods available for estimating the fair value of financial instruments. These methods comprise :

a) Level 1 – The fair value is calculated using quoted prices in active markets.
b) Level 2 – The fair value is estimated using inputs other than quoted in level 1 that are observable for the assets or liabilities either directly (as prices) or indirectly (derived from prices).
c) Level 3 – The fair value is estimated using inputs for the assets or liabilities that are not based on observable market data.

The fair value of financial instruments as well as the methods used to estimate fair values are summarised on table below.

	2016				**2015**			
	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	Total	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	Total
Consolidated								
Financial Liabilities								
Derivative instruments								
Foreign exchange contracts	-	88,991	-		-	-	-	-
	-	88,991	-		**-**	-	**-**	-

Notes to the financial statements for the year ended 31 March 2016

26. Expenditure commitments

	2016 $	2015 $
Sponsorships		
- not later than one year	-	50,000
Lease expenditure commitments		
Finance leases (non-cancellable)		
Minimum lease payments		
- not later than one year	-	-
- later than one year but not later than five years	-	-
Total minimum payments		
Future finance charges	-	-
Liability	-	-
Lease Liabilities		
Current (note 16)	-	-
Non current (note 16)	-	-
Total	-	-

Lease expenditure commitments comprise equipment and motor vehicle leases, with varying terms and conditions.

Operating Leases

Leases relating to copier machines in the office lease terms of between under two and half years. The Group has an option to purchase the leased asset at the expiry of the lease year.

Minimum Lease Payments	2016 $	2015 $
Rental leases (non-cancellable)		
Not later than one year	32,040	32,040
Later than one year but not later than five years	37,380	69,420
Total minimum payments	69,420	101,460

27. Auditor's remuneration

	2016 $	2015 $
Amounts received or due and receivable by the auditors for:		
Auditing or reviewing the financial reports of the entity and any other entity in the consolidated entity	75,000	75,000
Total remuneration of auditors	75,000	75,000

Notes to the financial statements for the year ended 31 March 2016

28. Key management personnel and related parties disclosures

(a) Key management personnel compensation

	2016 $	2015 $
Short term employee benefits	551,661	879,044
Post employment benefits	54,864	293,417
Other long term benefits	-	-
Share based benefits	-	-
Total compensation of key personnel	606,525	1,172,461

Detailed remuneration disclosures are provided in the remuneration report on pages 9 to 12.

(b) Loan disclosures

There are no related party loans between the Company and/or companies within the Group and any of the key management personnel as at 31 March 2016 and 2015.

No loans were made by the parent entity or any of its subsidiaries to any key management personnel, including their personally related entities during the years ended 31 March 2016 and 2015.

(c) Other transactions with key management personnel

There are no other related party transactions between the parent entity and any of the key management personnel.

Notes to the financial statements for the year ended 31 March 2016

28. Key management personnel and related parties disclosures (Cont'd)

(d) Ultimate parent entity

The parent entity (TTA Holding Limited) is ultimately controlled by TT International Limited (TTI), which is incorporated and domiciled in Singapore. TTI owns 85.5% of the issues capital in TTA. The Group trades with TTI (on normal terms and conditions no more favourable that those available to other parties unless otherwise stated) during the year.

There were no goods purchased paid on behalf during the financial year. That is a total fee of $391,019 (charged by Akira Corporation Pte Ltd) (2015: $416,625) was charged. As at year end, the amount owing to TTI is disclosed in note 17.

(e) Transactions with other related parties

There are no other transactions between the parent entity and any other related party.

(f) Inter-group balances and transactions

Within the group, the following transactions took place:

	2016 $	2015 $
Payment of Dividend by TEAC Australia Pty Ltd to TTA Holdings Limited	-	-
Service fees charged by TTA Holdings Limited to TEAC Australia Pty Ltd	158,296	176,804
Amounts owing to TTA Holdings Limited by TEAC Australia Pty Ltd	840,000	1,700,240
Amounts owing from TTA Holdings Limited to TEAC Australia Pty Ltd	(662,267)	(1,522,280)
	336,029	354,764

Directors' Declaration

In accordance with a resolution of the directors of TTA Holdings Limited, I state that in the opinion of the directors:

(a) the financial statements and notes of the Company and the additional disclosures included in the Directors' report designated as the Remuneration Report are in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Group's financial position as at 31 March 2016 and of its performance for the financial year ended on that date; and

ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

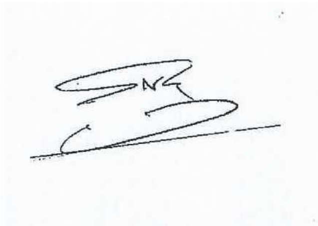
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(c) the financial statements also comply with International Financial Reporting Standards as disclosed in note 1 (b).

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Controller required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Board



Sng Sze Hiang
Director
27 May 2016

Grant Thornton

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Independent Auditor's Report
To the Members of TTA Holdings Limited

Report on the financial report

We have audited the accompanying financial report of TTA Holdings Limited (the "Company"), which comprises the consolidated statement of financial position as at 31 March 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's opinion

In our opinion:

a the financial report of TTA Holdings Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 31 March 2016 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 9 to 12 of the directors' report for the year ended 31 March 2016. 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.

Grant Thornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of TTA Holdings Limited for the year ended 31 March 2016, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Simon Trivett

S. C. Trivett
Partner - Audit & Assurance

Melbourne, 27 May 2016

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 31 March 2016.

(a) Distribution of equity securities

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

Distribution of Shareholdings	Number of Holders	Number of Shares
1-1,000	79	14,069
1,001-5,000	155	426,026
5,001-10,000	247	2,362,061
10,001-100,000	106	3,508,244
100,001 and over	32	131,113,010
Total Number of Shareholders	**619**	**137,423,410**
The number of shareholders holding less than a marketable parcel of shares are:	534	3,029,013

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
	Name of Holder	**Number of Shares**	**Percentage of Ordinary Shares**
1.	TT International Limited	117,500,000	85.50
2.	Ms Jessie Elizabeth Spencer	2,360,000	1.72
3.	Warrion Orchards Pty Ltd <Warrion Orchards A/C>	1,807,869	1.32
4.	Mr David Scicluna + Mr Anthony Scicluna	1,055,619	0.77
5.	Yambla Bay Pty Ltd <Pamplemousse S/F A/C>	1,025,000	0.75
6.	Marko Nominees Pty Ltd <No 1 A/C>	1,000,000	0.73
7.	Dingfox Pty Ltd <Dingfox A/C>	600,223	0.44
8.	Mrs Lesley Mary Webster	500,000	0.36
9.	Mr Milton Yannis	423,541	0.31
10.	Mr Peter Howells	405,150	0.29
11.	Abn Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	390,731	0.28
12.	Mr Trevor Neil Hay	315,466	0.23
13.	Mr Jerzy Potapowicz	300,000	0.22
14.	Webb Walker Investments Pty Ltd	300,000	0.22
15.	Mr Ianaki Semerdziev	298,983	0.22
16.	Hooraysies Pty Ltd <Mosaic A/C>	273,490	0.20
17.	Mr Mark Long	221,272	0.16
18.	Dr Julie Maree Joyner	212,585	0.15
19.	Mr Paul Klokas	200,000	0.15
20.	Mr Warren Eric Melling + Mrs Susan Gail Melling <Melling Gang Superfund A/C>	200,000	0.15
	Total Top 20 holders of ordinary shares as at 31 March 2016	**129,389,929**	**94.17**
	Total issued capital	**137,423,410**	**100.00**

A. ASX ADDITIONAL INFORMATION (CONT'D)

(c) 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 Held
TTI (associated with directors Sng Sze Hiang and Julia Tong Jia Pi)	117,500,000	85.50%

(d) Voting rights

The voting rights attaching to each class of equity securities are set out below:

Subject to any special rights or restrictions for the time being attaching to any class of Shares and Articles 14.3, 14.6, 14.7, 14.8 and 15.10:

(a) on a show of hands at a meeting of Members, every Eligible Voter present has one vote; and

(b) on a poll at a meeting of Members, every Eligible Member (not being a Corporation) present in person or by proxy or attorney, and every Eligible Member (being a Corporation) present by a Representative or by proxy or attorney, has one vote for each Share that Eligible Member holds, but:

(i) if at any time there is on issue any Share which has not been fully Paid Up that Share on a poll will confer only that fraction of one vote which the amount paid (not credited) on that Share, excluding any amounts paid up in advance of the applicable due date for payment, bears to the total amounts paid and payable (excluding amounts credited) on that Share; and

(ii) if the total number of votes to which an Eligible Member is entitled on a poll does not constitute a whole number, then the Company will disregard the fractional part of that total.

(e) Option holders information

The Company has issued (or may issue in the future) Options over unissued capital. The Company has a no options on issue.