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Inventis Limited

2015 Annual Report

Inventis Limited
ABN: 40 084 068 673

DIRECTORS' REPORT

The Directors present their report together with the financial report of the Group, being Inventis Limited ("The Company") and its subsidiaries ("Inventis"), for the financial year ended 30 June 2015 and the auditor's report thereon.

SECTION 1:

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Tony Noun MBA, FAIM, CFP, CIAM, A&CIPANZIP, Dip Li, AICD, JP
Executive Chairman (Part-time)

Tony Noun has more than 26 years professional and commercial experience with a proven track record of success. Tony's commercial experience, from both an investor and manager perspective, enables him to bring extensive financial and corporate experience to lead the Board and Management of Inventis Limited.

Tony is also an active director for a number of national and international companies that cover a broad range of industries and professional disciplines including financial services, health care, hospitality and manufacturing as well as sales and marketing.

Directorships held in other listed entities in the last 3 years: NIL.

Denis Pidcock MBA, BEng
Alternate Director

Denis has extensive experience in both senior level executive management and non-executive directorship roles across a wide range of industry fields in private, public and government corporations as well as considerable International involvement in Europe, the United States and South East Asia.

With a background in marketing, project design, financial and administrative management, compliance management and management of domestic and international merger and acquisition transactions, Denis brings a wealth of experience to Inventis Limited.

Directorships held in other listed entities in the last 3 years: NIL.

Alfred Kobylanski B.Bus, CPA, ACIS, ACSA
Alternate Director

Alfred has significant experience in finance and management within multinational organisations in Australia and in the United Kingdom. This experience includes manufacturing, information technology and financial services in both emerging and established markets.

Alfred's background in finance, general management, corporate governance as well as his knowledge of manufacturing and service organisations adds to the substantive body of knowledge at the Board and Senior Management level.

Directorships held in other listed entities in the last 3 years – NIL.

Peter Bobbin B.Com, LL.B, M. Tax, CTA
Non-Executive Director

Peter has practised as a solicitor for more than 27 years, is a former accountant, former university lecturer and is a Notary Public. He practices primarily in taxation strategy planning and commercial law and was recognised as Tax Advisor of the Year, 2015 (SME) by the Taxation Institute of Australia.

Peter has been the managing principal of his law firm Argyle Lawyers since 1995 and is a founding director of Future2 Foundation, a registered Australia-wide charity.

Directorships held in other listed entities in the last 3 years – NIL.

SECTION 1 (continued)

1. DIRECTORS (continued)

Anthony Mankarios MBA, CFTP, FAICD
Non-Executive Director

An Executive Director of Joyce Corporation Limited, Anthony is an experienced director and manager who has played a key role in Joyce's underlying business growth performances since 2010. He is also a non-executive director of KWB Group Pty Ltd, which is a fast growing kitchen connection and wallspan business; and Chairman of Man Investments and Consultants as well as being involved in a number of other private companies.

Anthony was the CEO of Oldfields Holdings Ltd, who led them on their path to growth success from 2003 (until 2010), that enabled them to become a market leader in both Aluminium scaffold and paint appliances. He also played a key role in the restructuring of this group and completed numerous finance and capital raising exercises.

His experience over the last 27 years spans a number of different sectors ranging from retail, wholesale and distribution, manufacturing as well as furniture retail / importing and Franchise businesses in Australia and in Asia.

Directorships held in other listed entities in the last 3 years – Joyce Corporation Limited.

2. COMPANY SECRETARY

Renuka Sharma Solicitor, ACIS, ACSA, ATI, JP, Tax Agent
Company Secretary and In-house Counsel

(17 April 2007 – 29 August 2014)
Re-appointed on Contract on 1 April 2015

Renuka has over the last 14 years held positions as Assistant Company Secretary, Company Secretary and Assistant to the Director, Finance and Administration of a number of companies in India, Australia and the United Kingdom.

Renuka has now started independent practice as a Solicitor and Tax Agent.

Alfred Kobylanski, B.Bus, CPA, ACIS, ACSA
Company Secretary

(29 August 2014 – 31 March 2015)

3. DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

	Board Meetings		External Auditor and the Board[1]	
Director	**A**	**B**	**A**	**B**
T Noun	11	11	3	3
A Mankarios	11	11	3	3
P Bobbin	11	11	3	3

A – Number of meetings attended.
B - Number of meetings held during the time the director held office during the year.

[1] The external auditor met with the Board thrice during the year together with management. With effect from 26 November 2008, following the restructure of the Board, the Board revoked the delegation of the Audit and Risk Management sub-committee as well as the Remuneration and Nomination sub-committee and undertook the tasks of these sub-committees itself.

SECTION 1 (continued)

4. DIRECTORS' INTERESTS

The relevant interest of each Director that held office during the year in the ordinary shares issued by Inventis Limited, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at 30 June 2015 is as follows:

		Number of Ordinary Shares			
Director	**30 June 2014**	**Acquired**	**Sale / Transfer**	**Cancelled**	**30 June 2015**
T Noun	50,044,160	-	-	-	50,044,160
A Kobylanski	29,633,320	-	-	-	29,633,320
P Bobbin	201,966,644	-	-	-	201,966,644
A Mankarios	86,429,862	-	-	-	86,429,862

5. CORPORATE GOVERNANCE STATEMENT INCLUDING REMUNERATION REPORT

The Directors of Inventis Limited are committed to achieving the highest standard of corporate governance. Except where specified in this statement, the recommendations set by the ASX Corporate Governance Council as outlined in *ASX Guidance Note 9A* have been followed. This statement is dated 28 August 2015 and has been approved by the Board on this date.

The Company website has a dedicated section dealing with its corporate governance on which can be found its corporate governance charter and policies. The documents can be accessed at http://www.inventis.com.au/governance/documents.shtml

5.1 Board and Management

5.1.1 Role of the Board

The role of the Board is to provide strategic guidance for Inventis and effective oversight of its Management.

The Board meets regularly to discharge its duties. The matters reserved for the Board as stated in the Company's Board Charter are:

- Setting Inventis' vision and deciding upon its business strategies and objectives;
- Appointing the leadership to put the strategies into effect;
- Monitoring the operational and financial position and performance of Inventis;
- Identifying the principal risks faced by Inventis and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
- Ensuring that Inventis' financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- Ensuring that investors and the market are fully informed of all material developments, in a timely manner;
- Appointing, and where appropriate, removing the Chairman and the Managing Director, approving other key executive appointments and dismissals of those reporting to the Managing Director as well as planning for executive succession;
- Overseeing and evaluating the performance of the Chairman and the Managing Director and other senior executives in the context of Inventis' strategies and objectives;
- Approving budgets and business plans and monitoring the progress of major capital expenditures, capital management as well as acquisitions and divestures;
- Ensuring compliance with all relevant laws, government regulators and accounting standards; and
- Ensuring that the business of Inventis and its subsidiaries is conducted openly and ethically.

SECTION 1 (continued)

5.1.2 Board's Delegation of Authority

The Board has delegated the day to day functions of the business to be performed by the senior executives under the guidance of the Executive Chairman (Part-time).

The Board ensures that it receives monthly reports from each senior executive and updates from the Executive Chairman (Part-time) with regard to the delegated authority, as and when requested by the Directors.

The Board meets 10 times in a year and review the performance of each of the senior executive by way of review of their respective reports for the month and face to face meeting.

5.1.3 Evaluation of performance of the Senior Executives

At the appointment stage, each senior executive is provided with their job description along with the principal statement and key performance indicators are set for measuring their performance in the probation period as well for the year ahead.

The Remuneration and Nomination Committee has set up the performance of the Managing Directors and the Chief Financial Officer according to the business plans of their respective divisions and the achievement of the targets stated therein.

The respective Managing Directors and the Chief Financial Officer consult with the senior executives directly reporting to them and set the Key performance indicators (KPIs) for each of them.

In the financial year ended 30 June 2015, due to restructuring of the businesses, no performance reviews were conducted.

5.1.4 Board and its performance

(a) Composition of the Board and Board Processes

During the period and until the date of reporting, the Board comprised of an Executive Chairman (Part-time) and two non-executive directors.

Each director has the right to access all relevant company information and to the Company's executives and, subject to prior consultation with the Executive Chairman and after obtaining the approvals of the fee payable for the advice, may seek independent professional advice from a suitably qualified adviser at the Company's expense. A copy of the advice received by the Director is made available to all other members of the Board.

In case of conferring in the presence of the Executive Chairman, Mr Peter Bobbin has been appointed as a Lead director to ensure that in such discussions, the executive director does not influence the non-executive / Independent directors.

At the time of appointment of a director or a senior executive, such director or senior executive discloses all interests to the Board. The Board puts in place a plan for management in case of any conflicts of interests. All the directors and senior executives are then required to inform any change in their interests at every Board Meeting. This process assists the Board to determine the independence of a director. The Company has put in place processes to ensure timely disclosure to the market of any changes in a director's interest.

As part of appointment process, all checks including but not limited to, credit check, reference check and criminal check are performed before an appointment is offered to a prospect as a director of the Company.

(b) The Chairperson

On 26 November 2008, the Board decided to change the structure of the Board to ensure the independence of the Board is maintained.

It was decided that for the time being the minimum number of directors comprise the Board.

The Independent non-executive directors appointed the then Managing Director Mr Tony Noun as the Chairperson. In fact Mr Noun is an Executive Chairman. The principle recommendations 2.2 and 2.3 are not adopted by the Company at this stage. The reason being Mr Tony Noun has been the Managing

SECTION 1 (continued)

(b) The Chairperson (continued)

Director and has knowledge with regard to operations of each division of the Group and hence is competent to drive the Company into the right direction.

In addition, Mr Peter Bobbin has been appointed as a lead director to ensure the independence of the Board is maintained.

(c) Company Secretary

With effect 1 April 2015, the Company Secretary function has become independent of the day to day functioning of the Company. The Company Secretary reports to the Board through the Chair and is responsible on all matters to do with proper functioning of the Board.

(d) Election and Re-election of Directors at an Annual General Meeting:

Currently, the restriction on the number of directors has been put on three. The three directors have high stakes as majority shareholders in the Company and are believed to be in a position to ensure success of the Company. The Part-time Executive Chairman is exempted from retirement under rotation in accordance with the Constitution of the Company.

The other two non-executive directors retire by rotation. At present the Company being a small entity with limited resources, has no plans to nominate new director/s at its forthcoming Annual General Meeting. All information with regard to existing directors is disclosed in the Annual Report and the directors speak for themselves at the time of re-election as to why they should be re-elected and are available to answer the queries from the security holders.

5.1.5 Evaluation of the Performance of the Board

The Board Evaluation is a continuous process and is carried out as part of Board meetings. The directors identify the areas which they need professional advice on and the Company Secretary ensures that appropriate professional advice is provided by engaging with such professionals as is required. The size of the Board being small and having a hands on approach, the evaluation of the performance of the Board is not done as a separate process.

In addition, as part of individual performance review, each director undergoes the process of performance evaluation as per the Company's policy. The Non-executive Directors performance is reviewed by the Executive Chairman while the Executive Chairman's performance is reviewed by the Non -Executive directors and the review is undertaken. However, for the year ended 30 June 2015, this review has been deferred due to restructuring of the Company.

5.2 Audit and Risk Management Committee

Since 26 November 2008, the Board has revoked the powers of its sub-committees and resolved that the Board as a whole will exercise the powers of Audit and Risk Management Committee. The current chair for the Committee is Anthony Mankarios who is a non-executive director and although is a majority shareholder is considered independent for this role.

The role of the Audit and Risk Management Committee is to provide advice and assistance to the Board to allow it to:

- Fulfil its audit, accounting and reporting obligations;
- Review the annual, half-year and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards (AASB's), and assessing whether the financial information is adequate for shareholder needs;
- Assess corporate risk assessment processes;
- Assess whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review;

SECTION 1 (continued)

5.2 Audit and Risk Management Committee (continued)

- Provide advice to the Board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001;
- Assess the adequacy of the internal control framework and the Company's code of ethical standards;
- Organise, review and report on any special reviews or investigations deemed necessary by the Board;
- Assess potential fraud situations and ensure prompt and appropriate rectification of any deficiencies or breakdowns identified in systems;
- Monitor the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements;
- Address any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX and financial institutions; and
- Review the performance of the external auditors on an annual basis.

5.2.1 Oversight of the Risk Management System

The Board oversees the establishment, implementation, and annual review of the Company's Risk Management System. Management has established and implemented a Risk Management System for assessing, monitoring, and managing operational, financial reporting, and compliance risks for the Group. The Executive Chairman (Part-Time) and the Chief Financial Officer have declared, in writing to the Board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. The operational and other risk management compliance and controls have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Group, and material associates and joint ventures.

5.2.2 Risk Profile

The Audit and Risk Management Committee reports quarterly on the status of risks through integrated risk management programmes aimed at ensuring risks are identified, assessed, and appropriately managed. Each business operational unit is responsible and accountable for implementing and managing the standards required by the programmes.

Major risks arise from such matters as actions by competitors, government policy changes, the impact of exchange rate movements on the price of raw materials and sales, difficulties in sourcing raw materials, environment, occupational health and safety, property, financial reporting, and the purchase, development and use of information systems.

The Audit and Risk Management Committee has direct access to any employee, the external auditors or any other independent experts and advisers as it considers appropriate in order to ensure that its responsibilities can be carried out effectively.

5.2.3 Risk Management, Compliance and Control

The Group strives to ensure that its products are of the highest standard. Towards this aim it has undertaken a program to achieve AS/NZS ISO 9001:2008 accreditation for each of its business segments.

The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

The Board's policy on internal control is comprehensive and comprises the Company's internal compliance and control systems, including:

Operating unit controls – Operating units confirm compliance with financial controls and procedures including information systems controls detailed in procedures manuals;

Functional speciality reporting – Key areas subject to regular reporting to the Board include Treasury Operations, Environmental, Legal and financial matters; and

SECTION 1 (continued)

5.2.3 Risk Management, Compliance and Control (continued)

Investment appraisal – Guidelines for capital expenditure include annual budgets, detailed appraisal and review procedures, levels of authority, and due diligence requirements where businesses are being acquired or divested.

Comprehensive practices have been established to ensure:

- Capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- Financial exposures are controlled, including the use of derivatives. Further details of the Company's policies relating to interest rate management, forward exchange rate management and credit risk management are included in the financial statements;
- Workplace health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- Business transactions are properly authorised and executed, monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly;
- Formal ethical standards appraisals are conducted for all employees to ensure that they are complying with the Company's Code of Ethics;
- A formal succession plan is also in place to ensure competent and knowledgeable employees fill senior positions when retirements or resignations occur;
- Financial reporting accuracy and compliance with the financial reporting regulatory framework; and
- Environmental regulation compliance.

5.3 Remuneration and Nomination Committee

On 26 November 2008, the Board revoked the powers of its sub-committees and resolved that the Board as a whole will exercise the powers of Remuneration and Nomination Committee.

The Committee has three members, Peter Bobbin is the Chair of the Committee who is a non-executive director. All directors are majority shareholders.

The role of the Remuneration and Nominations Committee is to provide recommendations to the Board on matters including:

- Appropriate remuneration policies and monitoring their implementation with respect to executives, senior managers, non-executive Directors and other key employees;
- Incentive schemes designed to enhance corporate and individual performance;
- Retention strategies for executives and senior management;
- Composition of the Board and competencies of Board members;
- Appointment and evaluation of the executive Directors and senior executives;
- Succession planning for Board members and senior executives; and
- Processes for the evaluation of the performance of the Managing Director and Directors.

Currently, the selection process screening for appointment of new directors is done by a third party and the Committee based on the Report of the third party including its recommendation to the Board.

During the financial year ended 30 June 2015, the Committee met as part of the Board meeting for review of restructure and establishment of Inventis HR Services Pty Limited, a wholly owned subsidiary of Inventis Limited which took over the human resources of the Group under one umbrella. The restructuring program is still continuing.

The recommendations also include all checks like credit check, reference check and criminal check as part of the report to the Board.

SECTION 1 (continued)

5.3.1 Board's Skill Matrix

The three current directors have a lot of diversified interests and hence provide a holistic view by complementing each other's strengths. Tony Noun is a professional with financial services license and has more than 26 years of experience in management of diversified companies from Superfund trustee companies to Cancer Care Centres to Lending and retail industry. In addition, since 2005, Tony Noun has been actively involved in the management of Inventis Group and has background knowledge for the Group to succeed..

Peter Bobbin is a professional with the recognition of Tax Advisor for the year from Tax Institute of Australia and is principal solicitor for his practice Argyle Lawyers.

Anthony Mankarios has more than 27 years' experience which spans a number of different sectors ranging from retail, wholesale and distribution, manufacturing as well as furniture retail / importing and Franchise businesses in Australia and in Asia.

In addition, the Company Secretary and the Chief Financial Officer add to the skills of the Board by their respective professional affiliations.

Any gaps which the Board or the directors identify are filled by engaging with the professionals from the field who advise the Board on the matters which the Board identifies need clarification or expert opinion.

5.3.2 Independence of Directors

All the three directors are majority shareholders of the Company. Although all the three directors have an interest, position, association or relationship with the Company due to being majority shareholders, the Board deems that this in fact is not a hindrance to independence of the Directors but is a boon for the Company as the directors have incentive to ensure that the decisions are in the interests of the security holders at large. Both the non-executive directors are deemed to be independent except when they disclose their respective interests in a transaction.

Tony Noun being with the Company for more than 10 years in an executive capacity is not deemed to be an independent director.

5.3.3 Continuous Improvement and Professional Development

As part of Standing Agenda of Board meetings, Continuous education is considered at each meeting. Having regard to various professional bodies the directors belong to, there is a CPD education requirement for each of the professions and the directors discuss various matters in an informal setting during the meeting. If during these discussions, a matter is identified for needing more attention, the Company Secretary is instructed to provide relevant information at the next Board meeting for the Board to discuss.

5.3.4 Principles used to determine the Nature and Amount of Remuneration

The remuneration policy of the Group has been designed to align director and executive objectives with shareholders and business objectives by providing a fixed remuneration component and in many cases offering incentives based on key performance areas affecting the Group's financial results.

The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives, and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

(a) Executive Directors and Senior Executives

The remuneration policy, setting terms and conditions for the Executive Directors and other senior executives, was developed by the Remuneration and Nominations Committee and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and performance incentives.

SECTION 1 (continued)

(a) Executive Directors and Senior Executives (continued)

The Remuneration Committee reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. Executives are offered a competitive base salary that comprises the fixed component of remuneration and rewards. Reference to external remuneration reports provides analysis to ensure base salary is set to reflect the market for a comparable role.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise at its discretion in relation to approving incentives and bonuses and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

In some parts of the Group commissions are paid. The commission is based upon individual and team pre-determined targets set by the Managing Director of the company concerned and are payable quarterly. Using a predetermined target ensures variable reward is only available when value has been created for Shareholders and when it is consistent with the business plan. The incentive pool is leveraged for performance above the threshold to provide an incentive for executives to out-perform.

(b) Non - Executive Directors

The Board policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment, and responsibilities. The Executive Directors' determine remuneration of the Non-executive Directors and review it annually, based on market practice, duties, and accountability. Independent external advice is sought where required. Fees for Non-executive Directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group.

(c) Retirement Allowances

No retirement allowances exist for Directors. The executives and executive directors employed on a full time basis receive a superannuation guarantee contribution as required by the Federal Government, which is currently 9.5%, but do not receive any other retirement benefits. Some individuals have however chosen to sacrifice part of their salary to increase payments towards superannuation.

(d) Appointment Letters and Induction Pack

Each employee including directors, have a written agreement referred to as principal statement which along with employee handbook sets out the terms and condition of their respective appointment.

5.4 Remuneration Report - audited

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Additional disclosures

A. Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group has been designed to align Director and executive objectives with shareholders and business objectives by providing a fixed remuneration component and offering incentive based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

Directors' fees

All remuneration paid to Directors is valued at the cost to the Group and expensed.

SECTION 1 (continued)

Executive pay

The executive pay and reward framework has three components:

- Base pay and benefits
- Short-term performance incentives
- Other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration. The Group approved its long-term equity linked performance incentives specifically for executives with effect from 1 July 2008.

Base pay and benefits

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. It includes Super Guarantee Charge at the rate prescribed by the Government from time to time.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. When required, external remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

Benefits

Executives receive benefits including car allowances.

Short-term performance incentives (STI)

If the Group achieves a predetermined profit target set by the Board, a short-term incentive (STI) pool is available to executives during the annual review. Cash incentives (bonuses) are payable on 30 September each year. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. The incentive pool is leveraged for performance above the threshold to provide an incentive for executives to out-perform.

The Group has a bonus incentive scheme for individual management employees. This is broadly based on the achievement of the Group profit objectives and the achievements of the individual KPIs.

A. Principles used to determine the nature and amount of remuneration

Other remuneration such as superannuation

The Directors and executives receive a superannuation guarantee contribution required by government, which is currently 9.5%, and do not receive any other retirement benefits. However, some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

Consequences of performance on shareholder wealth

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

	2015	2014	2013	2012	2011
Net (Loss) / profit attributable to equity holders of the parent ($)	(5,275,501)	(1,818,745)	2,947,658	(4,525,798)	(1,016,340)
Basic (Loss) / earnings per share	(0.9)c	(0.4)c	1.6c	(3.8)c	(1.0)c

Dividends, share price and return on capital are not considered in setting STI. The overall level of key management personnel's compensation takes into account the performance of the Group over a number of years.

SECTION 1 (continued)

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel of the Group are set out in the following tables.

For the year ended 30 June 2015, the key management personnel of the Group included the Directors listed in the Directors Report and the following executive officers:

Consolidated Entity:

Andrew Skaltsounis – Managing Director, Inventis Technology Pty Limited

Resigned 12 September 2014

Parent Entity:

Alfred Kobylanski – Chief Financial Officer.

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)

B. Details of remuneration (continued)

		Short-term					Post-employment	Other long term	Termination Pay		
		Salary & Fees	Other Benefits	Cash & Bonus	Non-monetary benefits	Total	Superannuation Benefits	Long service leave	Includes Unused Long Service Leave and unused Annual Leave	Total including benefits	Proportion of remuneration performance related
Company											
Non-Executive Directors		$	$	$	$	$	$	$	$	$	$
Mr. Peter Bobbin[1]	**2015**	**43,935**	**-**	**-**	**-**	**43,395**	**4,174**	**-**	**-**	**48,109**	**-**
	2014	51,270	-	-	-	51,270	4,049	-	-	55,318	-
Mr. Denis Pidcock [2]	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	29,105	-	-	-	29,105	168	-	-	29,273	-
Mr. Charles Wright[3]	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	45,930	-	-	-	45,930	-	-	-	45,930	-
Mr. Anthony Mankarios	**2015**	**48,000**	**-**	**-**	**-**	**48,000**	**-**	**-**	**-**	**48,000**	**-**
	2014	48,000	-	-	-	48,000	-	-	-	48,000	**-**
Executive Directors											
Mr. Tony Noun [4]	**2015**	**189,761**	**-**	**-**	**-**	**189,761**	**19,990**	**-**	**-**	**209,751**	**-**
	2014	282,735	-	-	-	282,735	23,217	-	-	305,952	-
Other Key Management Personnel											
Mr. Alfred Kobylanski[5]	**2015**	**165,091**	**-**	**-**	**-**	**165,091**	**15,684**	**-**	**-**	**180,774**	**-**
Chief Financial Officer	2014	208,650	-	-	-	208,650	27,108	-	-	235,758	-

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)
B. Details of remuneration (continued)

		Short-term					Post-employment	Other long term	Termination Pay		
		Salary & Fees	Other Benefits	Cash & Bonus	Non-monetary benefits	Total	Superannuation Benefits	Long service leave	Includes Unused Long Service Leave and unused Annual Leave	Total including benefits	Proportion of remuneration performance related
Consolidated Entity											
Key Management Personnel											
Mr Andrew Skaltsounis Resigned 12 September 2014	**2015**	**26,376**	**3,938**	**-**	**-**	**30,314**	**4,268**	**-**	**19,417**	**53,999**	**-**
Managing Director with effect 1 August 2012	2014	139,643	20,800	-	-	160,443	11,921	-	-	172,364	-

Please Note:

1. The 2014 Gross pay of Peter Bobbin includes remuneration owed to him for the years 2012-2013 of $7,334.
2. The 2014 Gross pay of Denis Pidcock includes remuneration owed to him for the years 2011-2013 of $27,274.
3. The 2014 Gross Fees of Charles Wright includes remuneration owed to him for the years 2011-2013 of $45,930.
4. The 2014 Gross Pay of Tony Noun includes remuneration owed to him for the years 2011-13 of $133,382.
5. The 2014 Gross Pay of Alfred Kobylanski includes remuneration owed to him for the years 2011-13 of $45,686.

The above amounts were previously accrued for by the Group in prior reporting periods, however, were only paid to Directors and Key Management Personnel during 2014.

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)

C. Service agreements

It is the Group's policy that service contracts for key management personnel are unlimited in term but capable of termination on notice by either party. The Board has determined a notice period of three months for the Executive Chairman (Part-time) and the Chief Financial Officer.

The key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The service contracts outline the components of compensation paid to the key management personnel but do not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

Tony Noun is the Executive Chairman (Part-time) of the Group and receives remuneration in accordance with a contract of employment dated 1 January 2007, as amended from time to time.

Alfred Kobylanski is the Chief Financial Officer of the Group and receives remuneration in accordance with a contract of employment dated 1 October 2007, as amended from time to time.

Andrew Skaltsounis was the Managing Director of Inventis Technology Pty Limited and received remuneration for the year ended 30 June 2015, in accordance with a contract of employment dated 1 August 2012, as amended from time to time.

D. Additional disclosures

Directors' and Executive Officers' Compensation Parent Entity and Group

Details of the nature and amount of each major element of compensation of each Director of the Parent Company and the Group, the Chief Financial Officer and relevant Group executives as other key management personnel are set out in the tables on pages 14 and 15.

Non-Executive Directors

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2004 AGM, is not to exceed $250,000 per annum and is set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. Directors' base fees are presently set at $48,000 per annum, with the Non-Executive Chairperson set at $98,000 per annum. As the current Chairperson is an Executive Director he is not being paid this additional fee.

Non-Executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of one committee. Currently there are no sub-committees to the Board.

In the event any non-executive director is required to do an executive role for a short period of time, a separate remuneration amount for the executive role is paid in addition to their director's remuneration.

Options

The Group has established an Employee Performance Option Plan (EPOP) to assist in the attraction, retention, and motivation of employees, senior executives and Executive Directors of the Group. The EPOP is not available to the Non-Executive Directors.

The EPOP is administered by the Board which may determine:

- Which executives and employees are eligible to participate;
- The criteria relevant to the selection of eligible executives and employees; and
- The ineligibility of an executive or employee to participate in the EPOP if in the Board's opinion participation by that executive or employee would constitute a breach of the rules of EPOP, or of the Company's Constitution, or of the ASX Listing Rules, or of any law of any jurisdictions.

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)

D. Additional disclosures (continued)

A person eligible for participation in the EPOP means either a person who is an employee of the Company or any of its associated entities as an executive or an employee on a full time or part time basis and is declared by the Committee to be eligible to participate in the EPOP.

The EPOP was approved with effect from 1 July 2008. No options have been granted in the period since activation, as at the date of this Report.

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors	Executive Directors
Denis Pidcock (Alternate Director)	Tony Noun
Peter Bobbin	Alfred Kobylanski (Alternate Director)
Anthony Mankarios	

Executives	
Alfred Kobylanski (Chief Financial Officer) Company secretary until 31 March 2015	Renuka Sharma (Company Secretary) from 1 April 2015
Tony Noun (Managing Director) Furniture Division	Andrew Skaltsounis (Managing Director / Sales Director) Technology Division (Up to 12 September 2014)

i. Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see Note 8(i)) is as follows:

		Consolidated	
	Note	**2015**	**2014**
Short term employee benefits		399,491	570,017
Other long term benefits		-	-
Post-employment benefits		57,887	59,985
Termination benefits		-	-
Share-based payments		-	-
		457,378	630,002

ii. Individual directors and executives compensation disclosures

The Company paid interest of $97,756 (2014: $54,922), information technology service fees of $109,605 (2014: $35,488), obtained a loan of $2,500,000 (2014: Repaid a loan of $1,056,000) to entities associated with Tony Noun and obtained and repaid a loan of $25,000 from Tony Noun during the year.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

iii. Loans from key management personnel and their related parties

Loan amounts owed to an entity associated with Tony Noun as at the reporting date were $2,500,000 (2014: $ nil).

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)

D. Additional disclosures (continued)

iv. Other key management personnel transactions

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

v. Movements in shares

The movement during the reporting period in the number of ordinary shares in Inventis Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2014	Holding at the date of appointment	Purchases	Sales / transfers	Held at 30 June 2015
Directors					
Tony Noun	50,044,160	-	-	-	50,044,160
Executives					
Alfred Kobylanski	29,633,320	-	-	-	29,633,320

Changes in shares held by key management personnel in the period after the reporting date and prior to the date when the financial report is authorised for issue:

	Held at 1 July 2015	Purchases	Sales / transfers	Held at 28 September 2015
Directors				
Tony Noun	50,044,160	-	-	50,044,160
Executives				
Alfred Kobylanski	29,633,320	-	-	29,633,320

5.5 Ethical standards and policies

5.5.1 Code of Conduct and Ethics

All Directors, executives, and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The Board reviews the Code of Conduct and Ethics regularly and processes are in place to promote and communicate these policies.

The Code of Conduct and Ethics established by the Board deal with:

- maintaining appropriate legal and ethical standards in dealings with business associates, advisers and regulators, competitors, employees and any other stakeholders of Inventis;
- processes for the directors and senior executives to declare any conflict of interest when it arises and keeping the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest and Directors' must withdraw themselves from any discussion pertaining to any matter in which a Director has a material personal interest. Details of Director related entity transactions with the Company and the Group are set out in the Financial Statements;
- maintaining appropriate core Company values and objectives;
- processes on fulfilling responsibilities to shareholders by delivering shareholder value;
- ensuring the usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure;

SECTION 1 (continued)

5.5 Ethical standards and policies (continued)

5.5.1 Code of Conduct and Ethics (continued)

- fulfilling responsibilities to clients, customers and consumers by maintaining high standards of product quality, service standards, commitments to fair value, and safety of goods produced;
- maintaining employment practices such as occupational health and safety, employment opportunity, the community activities, sponsorships and donations;
- maintaining employee privacy by the appropriate use of privileged or confidential information;
- avoiding conflicts of interest;
- preventing Directors and senior executives from taking advantage of property, information or position for personal gain;
- maintaining confidentiality of corporate information;
- ensuring that the Company, Directors and all employees are fair in their dealings;
- ensuring compliance with laws; and
- establishing a basis for reporting of unethical behaviour.

5.5.2 Share trading policy

Directors and senior executives may acquire or dispose of shares in the Company, but are prohibited from dealing in Company shares:

- Except between 3 and 21 days after either the release of the Company's half-year and annual results to the Australian Securities Exchange ('ASX'), the Annual General Meeting or any other major announcement; and
- Whilst in possession of price sensitive information not yet released to the market.

Directors and senior executives are required to:

- Raise the awareness of legal prohibitions including transactions with colleagues and external advisers;
- Provide details of intended trading in the Company's shares;
- Provide subsequent confirmation of the trade;
- Advise of any unusual circumstances where discretions may have been exercised in cases such as financial hardship; and
- Comply with insider trading provisions of the Corporations Act 2001.

If an order has been placed during the trade window and it has not been completely fulfilled, the Board has authority to approve the amount of unfulfilled order to remain in the market after the trading window for such time period as the Board thinks fit.

At each Board meeting, the Chairperson advises the members present including the senior officers, with regard to the Share Trading Policy.

These requirements also apply to all senior officers of the Group.

5.5.3 Environmental policy

The Group is committed to achieving a high standard of environmental performance. Environmental performance is monitored by the Board and as part of this the Board:

- Sets and communicates the environmental objectives and targets of the Company;
- Monitors progress against these objectives and targets; and
- Implements environmental management plans in areas which may have a significant environmental impact.

Based on the results of enquiries made, the Board is not aware of any significant environmental issues for the period covered by this report.

SECTION 1 (continued)

5.5 Ethical standards and policies (continued)

5.5.4 Equal Opportunity Policy:

The Company has implemented an Equal Opportunity Policy, the main objectives of this policy are to:

- Ensure all employees are treated with fairness and respect;
- Ensure no employee is discriminated against because of gender or race;
- Ensure all employees have equal access to opportunities that are available at work for enhancement of one's skills and position;
- Promote merit in employment.

The Company is committed to diversity and the Company's objective has and continues to be: to seek, appoint and promote based on skill, experience and capability not gender race or any other criteria.

At one stage the Company had the following as women senior executives:

- Head of the Furniture Division;
- Head of the Technology Division;
- Company Secretary and In-house Counsel; and
- The Human Resources Manager.

As at 30 June 2015, the Company had the following female staff:

Company Name	Female Staff	Total Staff	Percentage
Corporate Division	1	4	25%
Furniture Division	14	43	32%
Technology Division	7	27	26%

Currently, the Board positions have been restricted to three by the Board and Shareholders. For the year ended 30 June 2015, The Company Secretary and In-house Counsel was a female who attended all Board meetings.

5.6 Communication with shareholders

5.6.1 Timely and continuous disclosure

(a) Policies and processes in place with regard to continuous disclosure

The Company has the following processes in place to ensure continuous disclosure in a timely manner:

Director Disclosure Agreements – The Company has entered into Director Disclosure Agreements as per the Guidance Note 26 of ASX Listing Rules. Each Director understands that in case of change of any interest, he/she has to inform the Company within 3 business days of such change;

Monthly Disclosure – At each monthly Board meeting, the Directors are individually asked of any change in their interests to ensure that if there has been a breach of not informing the Company in time of any change, it is rectified at this stage;

(a) Policies and processes in place with regard to continuous disclosure (continued)

Continuous Disclosure Checklist – There is a continuous disclosure checklist process implemented in the Quality System of the Company under the Corporate Governance Procedure. This checklist is comprehensive and enables the executives to check whether any event or happening of any event is to be disclosed to the market or not at any particular moment of time.

Training – A new measure of provision of training has been introduced to ensure that all executives know their responsibilities with regard to confidentiality, timely disclosure, insider trading, trading policy and other relevant corporate governance matters.

(b) Shareholder communication

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's

SECTION 1 (continued)

5.6 Communication with shareholders (continued)

5.6.1 Timely and continuous disclosure (continued)

(b) Shareholder communication (continued)

securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases.

In summary, the Continuous Disclosure Policy operates as follows:

- The Executive Chairman, the Chief Financial Officer and the Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX;
- All matters that are of a nature as to reasonably expect that they would affect the price of the Company's shares are advised to the ASX on the day they are discovered, and all senior executives must follow a 'Continuous Disclosure Discovery' process, which involves monitoring all areas of the Group's internal and external environment;
- The half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it. The full Annual Financial Report is available to all shareholders should they request it;
- Proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders;
- All announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX;
- The full texts of notices of meetings and associated explanatory material are placed on the Company's website; and
- The external auditor attends the Annual General Meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

All of the above information, including that of the previous three years, is made available on the Company's website within one day of public release.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as separate resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, the Remuneration Report, and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.

SECTION 2:

1. PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were the manufacture and sale of commercial furniture, electronic controllers and computers.

2. FINANCIAL REVIEW

	2015	2014	2013	2012	2011
Net (Loss) / profit attributable to equity holders of the parent ($)	(5,275,501)	(1,818,745)	2,947,658	(4,525,798)	(1,016,340)
Basic (loss) / earnings per share	(0.9)c	(0.4)c	1.6c	(3.8)c	(1.0)c

SECTION 2: (continued)

3. FINANCIAL CONDITION

Capital structure

As at the reporting date the number of shares on issue was 598,173,281 (2014: 598,173,281) and as of the date of filing this report the number of shares on issue were 598,173,281. At the reporting date the share capital of the Group stood at $32,579,575 (2014: $32,579,575) and net equity stood at $593,364 (2014: $4,808,943).

Liquidity and funding

As at the reporting date, cash and cash equivalents on hand of the Group stood at $162,050 (2014: $173,417).

Total current assets stood at $4,717,401 (2014: $6,939,471) and current liabilities stood at $5,879,894 (2014: $6,755,436) making the liquidity ratio 0.80 (2014: 1.027).

The Group has available to it $9.0 million in funding of which $3.6 million has been activated and as at the reporting date, $5.4 million was unused.

Cash flows from operations

In the financial year net cash outflows of the Group from operating activities were $2,009,554 (2014: ($1,720,249)).

Net cash outflows from investing activities during the financial year were $98,908 (2014:$96,000) of which $98,908 was used (2014: $96,000) for purchase of plant and equipment.

In the financial year there was a net decrease in cash and cash equivalents of $11,367 (2014 Net Increase: $8,287).

4. PRINCIPAL BUSINESSES

A commentary on the two operating divisions is set out below:

Technology Division:

The Technology Division's revenue for the year ended 30 June 2015 was $3,556,333 as compared to $5,388,569 for the previous financial year.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the year was a loss of $923,024 as compared to a profit $196,866 for the same period last year.

Although the results for this year are very disappointing, the restructure of the business has ensured that it is now stabilised as part of the "one company" approach to the business, which coupled with its newly created sales-team structure, is starting to bear fruit.

Furniture Division:

The Furniture Division's continuing operations revenue for the year ended 30 June 2015 was $8,800,250 and was $123,462 above for the previous financial year.

EBITDA is a loss of $743,966 as compared to a minor loss of $14,333 in the previous financial year.

The results of the Commercial Furniture Division in Australia are a clear indication as to the benefits that are now starting to flow through from the enhanced procurement, product rationalisation and cost control strategies. All of which, will materialise in full during the 2016 Financial Year.

This underlying growth and strengthening of the bottom line will be further enhanced by our newly patented ergonomic chair and design registrations, coupled with capitalising on our European partnerships to consolidate and strengthen our market position in the coming years. More importantly, our results going forward will be underpinned by our continuing "Preferred Supplier Agreements" with major Local, State and National institutions as well as being confirmed as an approved supplier for many Federal, State and Local Government bodies, which Gregory is now enjoying for the first time in 7 years.

Group Results Commentary:

The results for this period incorporate restructuring costs incurred as well as provisions and accruals for the immediate plans relating to the conclusion of the restructure program. Further, the economic climate remained relatively unchanged; and the expected uplift in local market conditions failed to materialise, largely due to low business confidence as a result of the depressed economic climate. Notwithstanding the aforesaid, the Group continued to work through the streamlining of its operations and is now poised to reap the benefits of its restructure.

SECTION 2: (continued)

4. PRINCIPAL BUSINESSES (continued)

Furniture Division (continued)

The Board is implementing the next phase of its strategy focused on generating additional sales revenue, across both the Furniture and Technology Divisions to ensure positive outcomes in the 2016 financial year. As part of this, both Australian Divisions have been consolidated operationally, so as to streamline the administrative, marketing, operations and support functions, the full benefit of which, will materialise in the 2016 financial year.

As part of the continuing restructuring, the assets of the business in New Zealand were sold and the NZ Company placed into voluntary liquidation. This removed the ongoing cash drain on the Group from the NZ operations.

Future Outlook for the Group:

The Board's perseverance with the restructure, despite the challenging environment, will ensure the Group's return to profitability in 2016. This is now being achieved by:

1. Strengthening the business development culture of the Group by ensuring sales and marketing is the focus of the Group;
2. Streamlined manufacturing and administrative operations;
3. Bringing back in-house previously outsourced products for cost-sharing and reduced overall product cost as well as enhanced reliability and quality of both components and finished goods;
4. Launch of patented ergonomic seating technology and design patents, which are synonymous with Inventis and Gregory as innovators and leaders in their respective markets;
5. Finalising the implementation of the procurement strategy;
6. Strengthening of the balance sheet through long term funding and improved asset management;
7. A substantive experienced sales team is now in place in both Queensland and Victoria, in addition to our historic market place of NSW and both States are performing in accordance with the plans; and
8. Strengthening the Corporate structure with the establishment post year end of wholly-owned subsidiaries such as Inventis HR services Pty Ltd employing all staff and Inventis Properties Pty Ltd holding all property assets.

The Board is confident that the current sales targets, coupled with the benefits of the above initiatives will produce a positive result in the coming period.

5. REVIEW OF OPERATIONS AND ACTIVITIES

Financial Review

The consolidated results for the financial year ended 30 June 2015 are:

	2015	2014
Sales Continuing Operations	12,537,202	14,074,933
(Loss) from Continuing Operations after tax	(4,350,894)	(1,345,264)
Profit from Discontinued Operation after tax	(924,607)	(473,481)
(Loss) / profit after tax for the period	(5,275,501)	(1,818,945)

SECTION 2: (continued)

6. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

Segmented results

Segmental information for the year ended 30 June 2015 is:

Actuals	2015		2014	
	Sales	EBITDA	Sales	EBITDA
Furniture Division	8,800,250	(743,966)	8,662,343	(14,333)
Technology Division	3,556,333	(923,024)	5,388,569	196,866
Corporate Division	-	(2,213,685)	24,304	(977,728)
Total Continuing Operations	12,356,583	(3,790,675)	14,075,216	(795,195)
Discontinued Operations	1,788,438	(871,004)	2,720,545	(435,305)
	14,145,021	(4,661,678)	16,794,721	(1,230,500)

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year up to the date of this Report.

8. DIVIDENDS

No dividend has been declared or paid relating to the current year. Dividends were paid to Convertible Preference Shareholders of $1,377 (2014: $719).

9. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

10. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has agreed to indemnify the current Directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Auditor is not indemnified.

Insurance premiums

Since the end of the previous financial year the Company has paid insurance premiums of $24,884 (2014: $14,515) in respect of Directors' and Officers' liability insurance for current and former Directors and Officers of the Company. The insurance premiums relate to:

- Costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and

Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual Officers of the Company.

11. NON-AUDIT SERVICES

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of these non-audit services during the year by the auditor is compatible with, and did not compromise the auditor independence requirements of the Corporation Act 2001. Details of amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services are disclosed below:

SECTION 2: (continued)

11. NON-AUDIT SERVICES (continued)

	Note	Consolidated 2015	2014
Audit Services			
Auditors of the Company			
KPMG Australia:			
Audit and review of financial reports		139,000	144,943
KPMG overseas:			
Audit and review of financial reports		-	20,518
		139,000	165,461
Other services		6,500	6,500
Total Auditor's Remuneration		145,500	171,961

12. PROCEEDINGS ON BEHALF OF THE COMPANY

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

13. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 26 and forms part of the Directors' Report for the financial year ended 30 June 2015.

This report is made with a resolution of the Directors:

Tony Noun Executive Chairman	Anthony Mankarios Director

Dated at Sydney this 30 September 2015

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

To: the directors of Inventis Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Malcolm Kafer

Malcolm Kafer
Partner

Sydney

30 September 2015

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated	
	Note	2015	2014
Continuing operations			
Revenue		12,537,202	14,106,181
Cost of sales		(6,785,564)	(7,722,599)
Gross Profit		5,751,638	6,383,582
Other income		-	-
Expenses			
Manufacturing & operations		(2,804,151)	(1,835,587)
Engineering & quality assurance		(813,222)	(1,125,164)
Administration		(3,506,358)	(2,645,012)
Sales & marketing		(2,521,296)	(1,878,393)
Results from operating activities	*8*	(3,893,389)	(1,100,574)
Finance income		9,253	39,352
Finance expense		(466,758)	(361,768)
Net finance expense	*9*	(457,505)	(322,416)
Loss before income tax		(4,350,894)	(1,422,990)
Income tax benefit / (expense)	*10*	-	27,837
Loss from continuing operations		(4,350,894)	(1,395,153)
Discontinued operation			
Loss from discontinued operation, net of income tax	*7*	(924,607)	(423,592)
Loss for the period		(5,275,501)	(1,818,745)
Other comprehensive income			
Items that are or may be reclassified to the profit or loss			
Foreign currency translation differences for foreign operations - continuing operations		235,493	(517,810)
Foreign currency translation differences for foreign operations - discontinued operations		826,393	-
Other comprehensive income for the period, net of income tax		1,061,886	(517,810)
Total comprehensive (loss) / income for the period		(4,213,615)	(2,336,555)
(Loss) / earnings per share			
Basic (loss) / earnings per share	*23*	(0.9)c	(0.4)c
Diluted (loss) / earnings per share	*23*	(0.9)c	(0.4)c
Continuing operations			
Basic loss per share	*23*	(0.7)c	(0.4)c
Diluted loss per share	23	(0.7)c	(0.4)c

The notes on pages 32 to 64 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Attributable to equity holders of the Company			
	Share capital	Foreign currency retranslation	(Accumulated losses)	Total equity
Balance at 1 July 2013	29,021,004	(1,641,197)	(23,787,035)	3,592,772
Total comprehensive income for the period				
Loss for the period	-	-	(1,818,745)	(1,818,745)
Other comprehensive income				
Foreign currency translation differences for foreign operations				
- continuing operations	-	(517,810)	-	(517,810)
Total other comprehensive income	-	(517,810)	-	(517,810)
Total comprehensive loss for the period	-	(517,810)	(1,818,745)	(2,336,555)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of ordinary shares	3,542,374	-	-	3,542,374
Issue of convertible preference shares	16,197	-	-	16,197
Dividends	-	-	(719)	(719)
Other	-	-	(5,126)	(5,126)
Total contributions by and distributions to owners	3,558,571	-	(5,845)	3,552,726
Total transactions with owners	3,558,571	-	(5,845)	3,552,726
Balance at 30 June 2014	**32,579,575**	**(2,159,007)**	**(25,611,625)**	**4,808,943**

The notes on pages 32 to 64 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Attributable to equity holders of the Company			
	Share capital	Foreign currency retranslation	(Accumulated losses)	Total equity
Balance at 1 July 2014	32,579,575	(2,159,007)	(25,611,625)	4,808,943
Total comprehensive income for the period				
Loss for the period			(5,275,501)	(5,275,501)
Other comprehensive income				-
Foreign currency translation differences for foreign operations - continuing operations	-	235,493	-	235,493
Foreign currency translation differences for foreign operations - discontinued operations	-	826,393	-	826,393
Net change in fair value of cash flow hedges transferred to profit or loss, net of tax				-
Net change in fair value of available-for-sale financial assets, net of tax				-
Defined benefit plan actuarial gains and losses, net of tax				-
Total other comprehensive income	-	1,061,886	(5,275,501)	(4,213,615)
Total comprehensive loss for the period	-	1,061,886	(5,275,501)	(4,213,615)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of ordinary shares				
Issue of convertible preference shares				
Dividends	.	-	(1,377)	(1,377)
Other	.	-	(587)	(587)
Total contributions by and distributions to owners	-	-	(1,964)	(1,964)
Total transactions with owners	-	-	(1,964)	(1,964)
Balance at 30 June 2015	**32,579,575**	**(1,097,121)**	**(30,889,090)**	**593,364**

The notes on pages 32 to 64 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015	2014
Assets			
Cash and cash equivalents	*11*	162,050	173,417
Trade and other receivables	*12*	2,171,696	3,145,092
Inventories	*13*	2,363,280	3,608,910
Prepayments		20,375	12,052
Total current assets		4,717,401	6,939,471
Non-current assets			
Property, plant and equipment	*16*	290,632	524,996
Other financial assets	*14*	11,309	72,085
Intangible assets	*17*	4,040,771	4,121,837
Total non-current assets		4,342,712	4,718,918
Total assets		9,060,113	11,658,389
Liabilities			
Trade and other payables	*18*	3,652,820	4,002,313
Interest-bearing liabilities	*19*	1,097,540	1,576,470
Employee benefits	*21*	1,129,624	1,176,354
Total current liabilities		5,879,984	6,755,137
Non-current liabilities			
Interest-bearing liabilities	*19*	2,500,000	-
Employee benefits	*21*	86,765	94,009
Total non-current liabilities		2,586,765	94,009
Total liabilities		8,466,749	6,849,146
Net assets		593,364	4,809,243
Equity			
Share capital	*22*	32,579,575	32,579,575
Reserves	*22*	(1,097,121)	(2,159,007)
Accumulated losses		(30,889,090)	(25,611,625)
Total equity		593,364	4,808,943

The notes on pages 32 to 64 are an integral part of these consolidated financial statements

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015	2014
Cash flows from operating activities			
Receipts from customers		16,331,186	19,562,901
Payments to suppliers and employees		(17,982,072)	(20,967,422)
Cash generated from operations		(1,650,886)	(1,404,521)
Interest received		9,253	5,670
Interest paid		(367,921)	(321,398)
Net cash (used in) operating activities	*31*	(2,009,554)	(1,720,249)
Cash flows from investing activities			
Purchase of fixed assets	*16*	(98,908)	(96,000)
Net cash (used in) investing activities		(98,908)	(96,000)
Cash flows from financing activities			
Proceeds from rights offer		-	3,558,571
Proceeds from borrowings		2,500,000	-
Repayment of borrowings		(402,905)	(1,734,035)
Net cash from financing activities		2,097,095	1,824,536
Net increase / (decrease) / in cash and cash equivalents		(11,367)	8,287
Cash and cash equivalents at 1 July		173,417	165,130
Cash and cash equivalents at 30 June	*11*	162,050	173,417

The notes on pages 32 to 64 are an integral part of these consolidated financial statements

Contents

NOTE 1 REPORTING ENTITY

Inventis Limited (the "Company") is a company domiciled in Australia and incorporated in Australia. The current address of the Company's registered office is Building 1A, Greystanes Park East, 1-5 Reconciliation Rise, Pemulwuy NSW 2145. The Financial Statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a "for profit" entity and a manufacturer of products and services including ergonomic office furniture, electronic control systems and ruggedised computing products (see Note 6 – Segment Reporting).

On 28 April 2006, the Company acquired 100% of the issued share capital of Inventis Technology Pty Limited (formerly known as PNE Electronics Pty Limited, hereinafter referred to as 'Inventis Technology') and its wholly owned subsidiaries and consideration was paid by way of exchange of shares in the Company, in exchange for all of PNE shares.

Under Australian Accounting Standards, this transaction was accounted for as a business combination. In applying the requirements of AASB 3 "Business Combinations" to the Group:

- Inventis Limited is the legal parent entity of the Group and presents consolidated financial information; and
- Inventis Technology, which is neither the legal parent nor legal acquirer, is deemed to be the accounting parent of the Group.

The consolidated financial information incorporates the assets and liabilities of all entities deemed to be acquired by Inventis Technology, including the Company, and the results of these entities for the period from which those entities are accounted for as being acquired by Inventis Technology.

Issued capital

Issued capital is shown on the basis that the acquisition of Inventis Technology at 28 April 2006 by the Company was accounted for as a reverse acquisition. Issued share capital comprises of the share capital of Inventis Technology prior to the reverse acquisition, the share capital deemed to be issued as a result of the acquisition, and the share capital issued by the Company to outside shareholders after the date of the acquisition, net of costs relating to capital raising activities.

The actual number of shares on issue as disclosed in Note 22 is that of the Company.

NOTE 2 BASIS OF PREPARATION

(a) Statement of compliance

The Financial Report has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act, 2001. The Financial Statements were authorised for issue by the Board of Directors on 30 September 2015.

These consolidated financial statements have been prepared in accordance with and in compliance with IFRS.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets and liabilities which are recognised initially at fair value.

The methods used to measure fair values are discussed further in Note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

NOTE 2 BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

- Note 15(i) and (ii) – Tax assets and liabilities
- Note 17 – Intangible assets

(e) Going concern

The financial report has been prepared on the going concern basis of accounting, which assumes, the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2015, the Group recorded a full year loss of $5,275,501 which include the non-cash adjustments for the divestment of the New Zealand operations. The Group also incurred net cash outflows from operating activities of $2,009,554 for the year ended 30 June 2015. As at 30 June 2015, the Group's current liabilities exceeded its current assets by $1,162,583.

In relation to the Directors' assessment of the ability of the Group to continue as a going concern, and therefore, the basis of preparation of this financial report, the directors have considered the following:

- The Directors have reviewed the cash flow forecasts for the Group and believe that there will be sufficient cash inflows and facilities available to enable the Group to fund its operations for at least 12 months from the date these financial statements have been approved;
- Management have forecast to generate a profit and positive cash flows for the year ended 30 June 2016 and for the year ended 30 June 2017 and the Directors believe this will be the case;
- Management has restructured the Group's businesses, which has lowered its cost base for future years. Included in 2015 expenses are costs associated with the restructure, which will not recur in 2016.
- The Group has a strong pipeline of sales. Further, year to date sales and improving gross profit margins have been achieved in the Australian operations for the period subsequent to the end of the financial year;
- The Directors are confident that the Group has sufficient facilities in place to meet the Group's requirements for 2016. The Group has two finance facilities in place at 30 June 2015, as follows:
  - A debtor finance facility of $4,000,000 to Scottish Pacific drawn to $1,097,540 at balance date; and
  - A term loan facility with THN Capital Solutions Pty Limited, a related party of the Group, of $5,000,000, drawn to $2,500,000 at balance date. This term loan contains certain conditions which must be met prior to any further draw downs, including that the debtor finance facility noted above be fully repaid and that the Group have no obligations to any third parties other than ordinary trade creditors.

The term loan facility includes certain covenants, which the Group was unable to meet at 30 June 2015. These anticipated breaches of loan covenants were waived by THN Capital Solutions Pty Limited prior to year end; and

- The Directors are aware of the importance of achieving the budget for 2016 and current Group finance and funding being both available and maintained.

In the event that the Group does not operate profitably, have access to adequate financing facilities and generate adequate cash from operations, there is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern, which will mean that in those circumstances, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have concluded that it is appropriate to prepare the financial report on a going concern basis, as they are confident the Group will be able to pay its debts as and when they become due and payable through positive cash flows from operations and finance facilities. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

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NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

i. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Inventis Limited ("Company" or "Parent Entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Inventis Limited and its subsidiaries together are referred to in these Financial Statements as the Group or the Consolidated Entity.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is achieved when the company 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 company controls an investee if and only if the company has all the following:

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

The company reassess 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 listed above. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 July 2009

For acquisitions on or after 1 July 2009, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions between 1 July 2004 and 1 July 2009

For acquisitions between 1 July 2004 and 1 July 2009, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the translation reserve in equity.

(c) Financial instruments

i. Non-derivative financial instruments

The Group initially recognises trade and other receivables at the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provision of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, trade and other receivables, and other financial assets. Cash and cash equivalents comprise cash balances and call deposits. Accounting for finance income and expense is discussed in Note 3(o).

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

ii. Non-derivative financial liabilities

All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise interest bearing liabilities and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

iii. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Convertible Preference Shares

The Company has on issue Convertible Preference Shares, most of the Preference Shareholders have already converted these into Ordinary Shares. The automatic conversion date for these preference shares is 30 December 2016.

Dividends

Dividends are recognised as a liability in the period in which they are declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(d) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised through profit or loss.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis, for assets acquired after 2008 and diminishing value prior to 2008, over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation Rates calculated under the straight line method (unless otherwise stated) for the current and comparative periods are as follows:

Leasehold improvements 2.5%

Plant and equipment 9% -50%

Furniture and fittings 11.25% -40%

Motor vehicles 22.5%

Leased plant and equipment 20% -33%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Intangible assets

i. Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3(a) (iii).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs (see note 3(d)(i)). Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

iii. Intellectual property, customer relationships, patents and trademarks

Intellectual property, customer relationships and brands have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over their estimated useful lives, which vary from 2 to 6 years.

The Group, on the acquisition of Opentec Solutions Pty Limited, Impart Special Products Pty Limited, Damba Furniture Pty Limited and the restructure of Gregory Commercial Furniture Pty Limited, undertook purchase price allocations and valuation of each company's intangible assets at the date of acquisition or restructure. As a result the Group determined various amortisation lives of intellectual property, customer relationships and brand names associated with the acquisition of these companies.

The amortisation periods used in the Financial Statements are:

Customer relationships 5 years

iv. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

vi. Amortisation

(f) Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. **Leases**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's Statement of Financial Position. Costs incurred under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

(g) Inventories

Raw materials and stores, work in progress and finished goods are measured at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Impairment

i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

Loans and receivables

The Group considers evidence of impairment for trade and other receivables and other financial assets at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment (continued)

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU.

Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Non-current assets and liabilities held for sale

Non-current assets and liabilities or disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

ii. Long service leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the reporting date. Consideration is given to expected future salaries and wage levels, experience of employee departures and periods of service.

Expected future payments are discounted using high quality corporate bond rates at reporting date with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Employee benefits (continued)

iii. Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of reporting date are recognised in respect of employees' services rendered up to reporting date and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of other payables and liabilities for annual leave are included as part of employee benefits provision.

iv. Bonus plans

v. The Group recognises an expense and a liability for bonuses when the entity is contractually obliged to make such payments or where there is past practice that has created a constructive obligation. **Employee performance option plan**

The Group has an Employee Performance Option Plan ("EPOP") available to assist in the attraction, retention, and motivation of employees, senior executives and Executive Directors of the Group. The EPOP is not available to the Non-Executive Directors of the Group. This plan has been approved with effect from 1 July 2008. No options have been granted to date.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue

A sale is recorded when the goods have been delivered to the customer which is when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing managerial involvement and the amount of revenue can be measured reliably. Revenue from the sale of goods is 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.

Revenue from services rendered is recognised in the profit or loss once the service has been rendered.

(m) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(n) Finance income and finance expenses

Finance income comprises interest income on funds invested and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets, and foreign currency losses that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(o) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group with effect from 29 April 2006. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Inventis Limited.

(p) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(q) Discontinued operations

A discontinued operation is a component of the Group’s business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (refer Note 3(i)), if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(s) Segment reporting

The Group comprises the following main business segments:

- Furniture Division. The design, manufacture and sale of a range of commercial furniture, which includes office chairs, tables, lounges, and workstations; and

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Segment reporting (continued)

- Technology Division. The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

A corporate head office function provides the Group with finance, human resources and IT services, however this corporate function does not satisfy the requirements for disclosures as a reportable segment.

Information regarding the operations of each reportable segment is included in Note 6. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Inter-segment pricing is determined on an arm's length basis.

(t) Presentation of financial statements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- AASB 9: Financial Instruments (December 2014); and
- AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards Arising from AASB15

The Group will adopt these standards from their relevant adoption dates and the impact of the adoptions have not yet been assessed.

NOTE 4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

i. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

NOTE 5 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk
- currency risk
- interest rate risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is 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 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, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are

NOTE 5 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

Goods are sold subject to retention of title clauses, 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.

The Group holds credit risk insurance to limit the exposure to any customer and provide protection against bad debts.

The Group has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 Group maintains sufficient cash, and funding facilities including invoice factoring facilities totalling $4.0m, which as at the reporting date $1.1m was used. The Group also has access to short term loan funding from a related party (refer Note 26(iii)).

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 does not have a significant exposure to equity price risk.

The Group does not enter into derivatives. All market risk transactions are carried out within guidelines set by the Board.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian dollar (AUD), but also the New Zealand dollar (NZD) and US dollar (USD). The currencies in which these transactions primarily are denominated are AUD and USD.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's Technology Division both purchases and sells internationally in USD. International sales and purchases are operated through USD bank accounts. This provides a limited natural hedge against foreign exchange risk. The Group's Furniture Division operates in the New Zealand market and thus has exposure to foreign exchange risk. However this business has been placed into liquidation during the current year,

Interest rate risk

The Group's fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in short-term receivables and payables are not exposed to interest rate risk.

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the result from operating activities divided by total shareholders' equity.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor the Group are subject to externally imposed capital requirements.

NOTE 6 SEGMENT REPORTING

The Group comprises the following main business segments:

- Furniture Division. The design, manufacture and sale of a range of commercial furniture, which includes office chairs, tables, lounges, and workstations; and
- Technology Division. The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

A corporate head office function provides the Group with finance, human resources and IT services, however this corporate function does not satisfy the requirements for disclosures as a reportable segment.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

	Furniture Division		Technology Division		Furniture / Technology Division (discontinued)		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Total revenue	8,996,435	8,811,343	3,556,333	5,388,570	1,788,438	2,837,540	14,341,206	17,037,453
Inter-segment revenue	(196,185)	(134,555)	-	-	-	(132,481)	(196,185)	(267,036)
Total external revenue	8,800,250	8,676,788	3,556,333	5,388,570	1,788,438	2,705,059	14,145,021	16,770,417
Interest revenue	3,252	3,699	5,952	213	36	-	9,240	3,912
Interest expense	177,666	130,958	55,471	88,922	34,988	83,330	268,125	303,210
Depreciation and amortisation	49,283	48,637	187,256	176,145	18,650	36,937	255,189	261,719
Capital expenditure	3,863	3,863	29,189	29,189	65,856	13,780	98,908	46,832
Reportable segment (loss) /profit before income tax	(967,663)	(710,701)	(1,159,798)	(178,987)	(924,607)	(429,592)	(3,052,068)	(1,319,280)
Other material non-cash items:								
Related party loan impairment	-	-	-	110,998	1,353,395	(110,998)	1,353,395	-
Reportable segment assets	2,756,612	9,501,416	3,252,487	4,520,436	-	(4,936,136)	6,009,099	9,085,716
Reportable segment liabilities	(5,260,003)	(5,139,876)	(891,217)	(823,950)	-	(1,352,672)	(6,151,220)	(7,316,498)

Other items 2015	Reportable segment totals	Corporate / Eliminations	Consolidated totals
Interest revenue	9,240	13	9,253
Interest expense	(268,125)	(64,808)	(332,933)
Capital expenditure	98,098	-	98,098
Depreciation and amortisation	255,189	-	255,189
Intercompany loan impairment / forgiveness	1,353,395	(1,353,395)	-

Other items 2014		Corporate / Eliminations	Consolidated totals
Interest revenue	3,912	1,758	5,670
Interest expense	(303,210)	(18,188)	(321,398)
Capital expenditure	46,832	-	46,832
Depreciation and amortisation	261,719	9,790	271,509

NOTE 6 SEGMENT REPORTING (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2015	2014
Revenues		
Total revenue for reportable segments	14,341,206	17,037,453
Elimination of inter-segment revenue	(196,185)	(267,036)
Elimination of discontinued operations	(1,607,819)	(2,688,540)
Corporate Revenues	-	24,304
Consolidated revenue from continuing operations	12,537,202	14,106,181
Profit or loss		
Total (loss) / profit for reportable segments	(3,052,068)	(1,319,280)
Elimination of inter-segment profits/(loss)	-	-
Elimination of discontinued operations	924,607	423,592
Elimination of related party loan impairment	-	-
Unallocated amounts: other corporate expenses	(2,223,433)	(499,465)
Consolidated loss before income tax from continuing operations	(4,350,894)	(1,395,153)
Assets		
Total assets for reportable segments	6,009,099	9,085,715
Eliminations and other corporate assets	3,051,014	2,572,674
Consolidated total assets	9,060,113	11,658,389
Liabilities		
Total liabilities for reportable segments	(6,151,220)	(7,316,497)
Eliminations and other corporate liabilities	(2,315,529)	467,054
Consolidated total liabilities	(8,466,749)	(6,849,443)

Geographical segments
The Group operates in two geographical areas being Australia and New Zealand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	2015		2014	
	Revenues	Non-current assets	Revenues	Non-current assets
Australia	12,537,202	4,342,712	13,957,181	4,570,477
New Zealand (discontinued)	1,608,003	-	2,837,540	155,200
Total	14,145,205	4,342,712	16,794,721	4,725,677

NOTE 7 DISCONTINUED OPERATION

Pavilion 1894137 Limited (In Liquidation) (Formerly Gregory Commercial Furniture NZ Limited)

On 3rd March 2015, the Board of Directors of Inventis Limited appointed a Liquidator to its New Zealand based wholly owned subsidiary Gregory Commercial Furniture NZ Limited. The action of placing this company into liquidation was taken by the Board after the sale of the commercial operations of company.

The values used to calculate the trading in discounted operations were based upon the records as at 3rd March 2015 having regarding to the sale agreement of the commercial operations.

The Directors have assessed that they no longer control the entity following the appointment of the liquidator and have therefore deconsolidated from the date of the liquidators appointment.

NOTE 7 DISCONTINUED OPERATION (continued)

	Consolidated 2015	2014
Results of discontinued operations		
Revenue	1,788,438	2,688,540
Expenses	(2,350,534)	(3,838,265)
Gain on de-recognition (i)	624,864	69,050
Results from operating activities	62,768	(1,080,675)
Finance Income	443	731,413
Finance Expense	(987,818)	(83,330)
Net Finance Costs	(987,375)	648,083
Loss for the year	(924,607)	(432,592)
Basic earnings per share	(0.2)	(0.1)
Diluted earnings per share	(0.2)	(0.1)
Cash flows used in discontinued operations		
Net cash used in operating activities	(637,045)	(1,369,921)
Net cash from investing activities	(65,856)	-
Net cash used in financing activities	418,693	1,367,364
Net cash used in discontinued operations	(284,208)	(2,557)

Note i. In 2014 the amount relates to the deregistration of dormant companies.

NOTE 8 EXPENSES

(i) Personnel expenses

	Consolidated 2015	2014
Wages and salaries	3,948,387	4,081,239
Other associated personnel expenses	876,880	726,947
Contributions to defined contribution plans	472,318	420,181
(Decrease) / increase in liability for annual leave	(65,091)	(9,097)
(Decrease) / increase in liability for long-service leave	(2,246)	(12,940)
	5,230,248	5,206,330

NOTE 8 EXPENSES (continued)

(ii) Profit / (loss) from continuing operations includes the following specific expenses

	2015	2014
Depreciation	78,031	91,435
Amortisation	158,508	144,145
Research & development	660,612	895,825
Rental expense on operating leases: minimum lease payment	1,276,707	949,163
Impairment of financial assets	14,888	10,978
Net loss on disposal of assets held for sale (continuing operations)	(52,786)	(32,426)

NOTE 9 FINANCE INCOME AND FINANCE EXPENSES RECOGNISED IN PROFIT OR LOSS

	Consolidated 2015	2014
Interest income on bank deposits	9,253	5,670
Net foreign exchange gain	-	33,682
Finance income	9,253	39,352
Interest expense on financial liabilities measured at amortised cost	(332,933)	(238,068)
Net foreign exchange loss	(133,825)	(123,700)
Finance expense	(466,758)	(361,768)
Net finance income / (expense)	(457,505)	(322,416)

NOTE 10 INCOME TAX BENEFIT / EXPENSE

	Consolidated 2015	Consolidated 2014
Current tax benefit		
Current period	-	27,837
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Tax losses and temporary differences derecognised for prior years	-	-
Income tax benefit / (expense)	-	27,837

Numerical reconciliation between tax (benefit)/expense and pre-tax net (loss)/profit

	Consolidated 2015	Consolidated 2014
Total income tax expense		
Loss from continuing operations excluding income tax	(4,350,894)	(1,395,153)
Profit / (loss) from discontinued operations excluding income tax	(924,607)	(423,592)
Profit / (loss) excluding income tax	(5,275,501)	(1,818,745)
Income tax using the Company's domestic tax rate of 30%	(1,582,650)	(545,624)
Australian tax losses not recognised	1,305,268	363,361
Foreign jurisdictions losses not recognised	277,382	154,426
Tax (benefit) expense	-	(27,837)

NOTE 11 CASH AND CASH EQUIVALENTS

	Consolidated 2015	Consolidated 2014
Bank balances	162,050	173,417
Cash and cash equivalents in the statement of cash flows	162,050	173,417

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24.

NOTE 12 TRADE AND OTHER RECEIVABLES

	Consolidated 2015	Consolidated 2014
Current		
Trade receivables	2,104,160	2,868,037
Provision for impairment loss	(27,799)	(35,690)
Other receivables	95,335	312,745
	2,171,696	3,145,092

Bad and Doubtful Trade Receivables
The Group maintains trade receivables insurance which has an excess of $5,000 per claim and the provision for impairment loss is discussed at Note 24 which includes specific impairment provisions for bad and doubtful debt.

Other Receivables

Other receivables amounts primarily comprise GST recoverable and certain balances generally arising from transactions outside the usual operating activities of the Group. Interest and /or security are not normally obtained.

Effective interest rates and credit risk

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 24.

Other receivables are non interest-bearing.

Receivables denominated in currencies other than the functional currency comprise $ nil of trade receivables denominated in NZ Dollars (2014: $654,114) and $35,213 of trade and other receivables denominated in US Dollars (2014: $618).

NOTE 13 INVENTORIES

	Consolidated 2015	2014
Raw materials and consumables	1,945,809	2,998,412
Work in progress	171,878	188,502
Finished goods	233,327	410,509
Stock in transit	12,266	11,487
Inventories stated at lower of cost and net realisable value	2,363,280	3,608,910

In the 2015 financial year raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to $ (2014: $9,334,460). An increase in the provision for impairment of $ (2014: 32,598) has been recognised in relation to certain obsolete inventories.

NOTE 14 OTHER FINANCIAL ASSETS

	Consolidated 2015	2014
Non-current		
Rental deposits	6,136	66,671
Other investments	5,173	5,414
	11,309	72,085

NOTE 15 TAX ASSETS AND LIABILITIES

i. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated 2015	2014
NZ tax losses – GCF(NZ)	-	2,029,002
Tax losses – Australian entities	4,275,593	1,817,325
Temporary differences	470,000	470,167
	4,745,593	4,316,494

The deductible tax losses and temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

ii. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated	Assets 2015	Assets 2014	Liabilities 2015	Liabilities 2014	Net 2015	Net 2014
Tax losses	-	-	-	-	-	-
Net tax assets	-	-	-	-	-	-

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

	2015					2014				
	Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Total	Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	Cost	**Cost**	Cost	**Cost**		Cost	**Cost**	Cost	**Cost**	
Balance at 1 July	-	417,636	75,470	31,890	524,996	13,000	442,000	122,000	39,000	616,000
Additions	-	51,322	47,586	-	98,908	-	74,000	22,000	-	96,000
Depreciation for the year	-	(67,352)	(24,498)	(4,832)	(96,682)	(13,000)	(62,364)	(45,530)	(6,110)	(127,004)
Disposals	-	(152,578)	(84,014)	-	(236,592)	-	(36,000)	(23,000)	(1,000)	(60,000)
Balance at 30 June	-	249,028	14,544	27,058	290,630	-	417,636	75,470	31,890	524,996
At 30 June										
Cost	-	1,723,545	301,049	59,165	2,083,759	32,744	2,626,699	435,008	94,281	3,188,732
Accumulated depreciation	-	(1,490,671)	(267,011)	(35,445)	(1,793,127)	(32,744)	(2,209,063)	(359,538)	(62,391)	(2,663,736)
Carrying amount	-	232,874	34,038	23,720	290,632	-	417,636	75,470	31,890	524,996
Carrying amounts										
At beginning of financial year	-	417,636	75,470	31,890	524,996	13,000	442,000	122,000	39,000	616,000
At end of financial year	-	232,874	34,038	23,720	290,632	-	417,636	75,470	31,890	524,996

NOTE 17 INTANGIBLE ASSETS

	2015					2014				
	Goodwill	Patents and trademarks	Customer Relationships	Development costs	Total	Goodwill	Patents and trademarks	Customer Relationships	Development costs	Total
Balance at 1 July	3,060,934	55,000	132,875	873,028	4,121,837	3,060,934	68,995	132,875	888,355	4,151,159
Capitalisation of Project expenses	-	-	-	77,442	77,442	-	-	-	128,000	128,000
Amortisation for the year	-	(21,359)	-	(137,149)	(158,508)	-	(13,995)	-	(143,327)	(157,322)
Balance at 30 June	3,060,934	33,641	132,875	813,321	4,040,771	3,060,934	55,000	132,875	873,028	4,121,837
At 30 June										
Cost	3,137,166	1,753,000	1,086,623	1,791,351	7,768,140	3,137,166	1,753,000	1,086,623	1,713,909	7,690,698
Accumulated amortisation and impairment	(76,232)	(1,719,359)	(953,748)	(978,030)	(3,727,369)	(76,232)	(1,698,000)	(953,748)	(840,881)	(3,568,861)
Carrying amount	3,060,934	33,641	132,875	813,321	4,040,771	3,060,934	55,000	132,875	873,028	4,121,837
Carrying amounts										
At beginning of financial year	3,060,934	55,000	132,875	873,028	4,121,837	3,060,934	68,995	132,875	888,355	4,151,159
At end of financial year	3,060,934	33,641	132,875	813,321	4,040,771	3,060,934	55,000	132,875	873,028	4,121,837

NOTE 17 INTANGIBLE ASSETS (continued)
Amortisation and impairment charge

The amortisation is allocated as an expense to Administration expense.

Any impairment loss is recognised through profit or loss and is allocated to Administration expenses for continuing operations.

Valuation of identifiable intangibles at acquisition (at fair value)

- Customer Relationships – This was valued on a discounted cash flow basis, taking into account future revenues and likely "churn" rates in customer turnover. The discount rate was based on a weighted average cost of capital for the Company; and
- Patents and Trademarks – These were also based on a notional royalty basis and were discounted using a weighted average cost of capital for the Company.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments reported in Note 6.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	2015	2014
Gregory Commercial Furniture Pty Limited	2,565,258	2,565,258
Impart Special Products Pty Limited	495,676	495,676
	3,060,934	3,060,934

For the following entities, the recoverable amount of the cash generating unit of each business was based on its value in use:-

- Gregory Commercial Furniture Pty Limited ("GCFAu")
- Impart Special Products Pty Limited ("Impart")

No impairment losses were incurred in the current or prior years.

The estimated recoverable amount of the CGU exceed its carrying amount by approximately $8,268,910 for GCF and $1,278,120 for Technology. Management has identified that a reasonably possible change in a key assumption could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Minimum perpetual annual revenue growth	2015	2014
Gregory Commercial Furniture Pty Limited	7.53%	9.00%
Inventis Technology Pty Limited	5.87%	7.08%

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

NOTE 17 INTANGIBLE ASSETS (continued)

2015 Value in use assumptions:

Cash flows were projected based on the Management approved forecasts for the financial year ending 30 June 2016 and 30 June 2017, cash flows for further 4 year period to 30 June 2021 were extrapolated using a constant growth rate.

	Gregory Commercial Furniture Pty Limited	**Inventis Technology Pty Limited**
Revenue growth in approved forecast for year ended 30 June 2016	50.6%	21.1%
Revenue growth in approved forecasts for year ended 30 June 2017	3.0%	3.0%
Annual average revenue growth per annum 2018 – 2021	3.4%	4.1%
Inflation per annum	3.0%	3.0%
Price growth per annum	9.4%	7.5%
Cost growth per annum	3.0%	3.0%
Pre-tax discount rate	12.61%	12.61%

2014 Value in use assumptions:

Cash flows were projected based on the Management approved forecast for the financial year ending 30 June 2015 and 30 June 2016. Cash flows for further 4 year period to 30 June 2020 were extrapolated using a constant growth rate.

	Gregory Commercial Furniture Pty Limited	**Inventis Technology Pty Limited**
Revenue growth in approved forecast for year ended 30 June 2015	35.6%	(2.0%)
Revenue growth in approved forecasts for year ended 30 June 2016	15.0%	26.6%
Annual average revenue growth per annum 2017 – 2020	5.1%	3.9%
Inflation per annum	4.2%	4.2%
Price growth per annum	5.1%	4.2%
Cost growth per annum	3.4%	1.8%
Pre-tax discount rate	12.11%	12.11%

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data).

NOTE 18 TRADE AND OTHER PAYABLES

	Consolidated	
	2015	**2014**
Trade payables	2,222,466	2,738,041
Other trade payables	178,997	236,395
GST Payable	120,181	119,172
Non-trade payables and accrued expenses	1,131,176	908,705
	3,652,820	4,002,313

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 24.

NOTE 19 INTEREST BEARING LIABILITIES

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 24.

	Consolidated 2015	2014
Current liabilities		
Debtors finance facility	1,097,540	1,576,470
	1,097,540	1,576,470
Non-current liabilities		
Loan from related party (Note 26(iii))	2,500,000	-
	2,500,000	-
Total interest bearing liabilities	3,597,540	1,576,470

Terms and debt repayment schedule
Terms and conditions of outstanding loans were as follows:

Consolidated	Currency	Interest rate	Year of maturity	2015 Face value	2015 Carrying amount	2014 Face value	2014 Carrying amount
Debtors financing facility	NZD	10.95%	2015	-	-	378,580	378,580
Debtors financing facility	AUD	9.25%-9.48%	2016	1,097,540	1,097,540	1,197,890	1,197,890
Interest bearing long term debt	AUD	11.75%	2018	2,500,000	2,500,000	-	-

The secured loan for the comparative period was secured by a mortgage over the Group's land and buildings.

NOTE 20 OPERATING LEASES

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Consolidated 2015	2014
Within one year	305,645	1,210,137
Later than one year but not later than five years	37,085	1,197,348
	342,730	2,407,485

The Group leases a number of warehouse, factory facilities and offices under operating leases. The leases run for a period of between 2 and 5 years, with varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Some leases have an option to renew the lease after the expiry date. Lease payments are increased every year to reflect market rent.

During the year ended 30 June 2015 $1,317,804 (2014: $949,110) was recognised as an expense in the statement of profit or loss and other comprehensive income in respect of operating leases.

NOTE 21 EMPLOYEE BENEFITS

	Consolidated 2015	2014
Current		
Liability for annual leave	342,752	407,843
Liability for long service leave	229,525	224,527
Other employee benefits	557,347	544,282
Total employee benefits - current	1,129,624	1,176,652
Non-current		
Liability for long service leave	86,765	94,009
Total employee benefits - non-current	86,765	94,009

NOTE 22 CAPITAL AND RESERVES

Share capital
Equity Share Capital

	Ordinary shares		Non-redeemable preference shares	
	2015	2014	2014	2014
In issue at 1 July	598,173,281	246,428,257	539,899	-
Issued for cash	-	36,964,230	-	105,467,028
Reclassification - converted to ordinary shares	-	314,780,794	-	(104,927,129)
In issue at 30 June	598,173,281	598,173,281	539,899	539,899

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

Ordinary shares (continued)

The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

Non-redeemable preference shares

Holders of these shares receive a non-cumulative dividend at a rate of 8.50% per annum at the Company's discretion, or whenever dividends to ordinary shareholders are declared. They do not have rights to participate in any additional dividends declared for ordinary shareholders. These shares do not carry the right to vote.

No share options have been issued.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Dividends

The following dividends were declared and paid by the Company for the year.

in AUD Dollars	2015	2014
0.0 cents per qualifying ordinary share (2014: 0.0 cents)	-	-
0.0013 cents per non-redeemable preference share (2014: 0.0013 cents)	1,377	719
	1,377	719

After the reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences.

	2015	2014
0.0 cents per qualifying ordinary share (2014:0.0 cents)	-	-
0.0 cents per non-redeemable preference share (2014: 0.0 cents)	-	-
	-	-

In AUD Dollars	2015	2014
Dividend franking account		
Amount of franking credits available to shareholders of Inventis Ltd for subsequent financial years	1,539,248	1,539,248

Dividend franking account

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has also assumed the benefit of $1,539,248 (2014: $1,539,248) franking credits.

The 30 per cent franking credits are available to shareholders of Inventis Limited for subsequent financial years.

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and

(d) Franking credits that the entity may be prevented from distributing in subsequent years.

NOTE 23 EARNINGS/(LOSS) PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss) per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of $5,275,501 (2014: $1,818,745) and a weighted average number of ordinary shares outstanding of 598,173,281 (2014: 429,017,998). The calculation of basic loss per share for continuing operations at 30 June 2015 was based on the losses attributable to ordinary shareholders for continuing operations of $4,350,894 (2014: $1,395,152) and the same weighted average number of shares.

Weighted average number of ordinary shares

	Consolidated	
	2015	2014
Issued ordinary shares at beginning of the period	598,173,281	246,428,257
Weighted average number of ordinary shares at the end of the period	598,173,281	429,017,998

Diluted earnings per share

The calculation of diluted loss per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of $5,275,501 (2014: $1,818,745) and a weighted average number of ordinary shares outstanding of 598,173,281 (2014: 429,017,998) The calculation of diluted loss per share for continuing operations at 30 June 2015 was based on the losses attributable to ordinary shareholders for continuing operations of $4,350,894 (2014: $1,395,152) and the same weighted average number of shares.

Profit / (loss) attributable to ordinary shareholders (diluted)

Profit / (loss) attributable to ordinary shareholders – continuing operations (diluted)

	Consolidated	
	2015	2014
Net loss from continuing operations attributable to ordinary shareholders (basic)	5,275,501	1,818,745
Net loss from continuing operations attributable to ordinary shareholders (diluted)	5,275,501	1,818,745

Weighted average number of ordinary shares (diluted)

	Consolidated	
	2015	2014
Weighted average number of ordinary shares (basic)	598,173,281	429,017,998
Weighted average number of ordinary shares (diluted) at 30 June	598,173,281	429,017,998

There were no options outstanding which have a dilutionary effect on the weighted average number of ordinary shares.

NOTE 24 FINANCIAL INSTRUMENTS

Exposure to Credit Risk

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

		Consolidated	
	Note	2015	2014
Cash and cash equivalents	*11*	162,050	173,417
Trade and other receivables	*12*	2,171,696	3,145,092
		2,333,746	3,318,509

The Group's maximum exposure to credit risk for trade receivables at the reporting date by geographical region was:

		Consolidated	
	Note	2015	2014
Australia		2,104,160	2,260,180
New Zealand		-	607,857
	12	2,104,160	2,868,037

NOTE 24 FINANCIAL INSTRUMENTS (continued)

Exposure to Credit Risk (continued)

The Group's maximum exposure to credit risk for trade receivables at the reporting date by customer type was:

	Note	Consolidated 2015	2014
End user customer		1,032,925	1,430,993
Distributors		384,395	486,785
Government		686,840	950,259
	12	2,104,160	2,868,037

Impairment Losses

The Group's receivable aging at the reporting date was as follows:

Consolidated	Gross 2015	Impairment 2015	Gross 2014	Impairment 2014
Current	1,296,714	-	1,677,419	-
Past due 30 days	627,178	-	868,762	-
Past due 60 days	98,055	-	241,435	-
Past due 90 days and over	82,213	27,799	80,421	35,690
	2,104,160	27,799	2,868,037	35,690

The movement in the allowance for impairment in respect of trade receivables in the consolidated group during the year was as follows:

	Note	2015	2014
Balance 1 July		35,690	71,802
Impairment (reversal) / loss recognised		(7,891)	(36,112)
Balance at 30 June		27,799	35,690

The impairment loss provision of $27,799 (2014: $35,690) has been determined after specific review of all outstanding amounts greater than 90 days taking into account any likely debtors insurance claims.

The Group believes that no further impairment allowance is necessary in respect of trade receivables than that already identified and provided for.

Currency risk
Exposure to currency risk
The Group's exposure to foreign currency risk at reporting date was as follows, based upon notional amounts:

	Note	Consolidated $NZD	$USD
30 June 2015			
Trade receivables		-	21,526
Trade payables		-	(388,650)
Net exposure		-	(367,124)
Estimated forecast sales		30,000	175,000
Estimated forecast purchases		-	(2,703,247)
Gross Exposure		30,000	(2,895,371)
30 June 2014			
Trade receivables		603,992	687
Trade payables		(493,626)	(563,645)
Net exposure		110,366	(562,958)
Estimated forecast sales		5,748,940	300,000
Estimated forecast purchases		(716,862)	(8,945,000)
Gross Exposure		5,142,444	(9,207,958)

The following significant rates applied during the year:

NOTE 24 FINANCIAL INSTRUMENTS (continued)

	Average rate		Reporting date spot rate	
	2015	2014	2015	2014
NZD 1.00 = AUD	0.9304	0.9098	0.8854	0.9293
USD 1.00 = AUD	1.202	1.0868	1.3021	1.0616

Sensitivity Analysis

A 10 percent strengthening of the Australian dollar against the New Zealand dollar at 30 June would have increased/ (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

Consolidated	30-Jun-15		30-Jun-14	
	Equity	Profit or loss	Equity	Profit or loss
NZD	-	-	1,367,491	52,697

A 10 percent weakening of the Australian dollar against the New Zealand dollar as at 30 June would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Note	Consolidated Carrying Amount 2015	2014
Fixed rate instruments			
Financial assets			
Cash and cash equivalents	*11*	162,050	173,417
		162,050	173,417
Variable rate instruments			
Financial liabilities			
Debtors financing facility		(1,097,540)	(1,576,470)
Secured loan		(2,500,000)	-
		(3,597,540)	(1,576,470)

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points on the interest rates charged would have increased / (decreased) the profit and loss by the amounts shown below which is also the net cash flow effect. The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Note	Increase 100bp $	Decrease 100bp $
30 June 2015			
Variable rate instruments		(12,874)	12,874
30 June 2014			
Variable rate instruments		(16,549)	16,549

NOTE 24 FINANCIAL INSTRUMENTS (continued)

Effective interest rates and repricing analysis

In respect of interest-bearing financial liabilities, the following tables indicate their average effective interest rates at the reporting date and the periods in which they mature or, if earlier, re-priced.

Consolidated	2015							2014						
	Average interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Average interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Variable rate instruments														
Debtors financing facility	9.03%	1,097,540	1,097,540	-	-	-	-	9.89%	1,576,540	1,576,470				
Loan from related party	11.75%	3,576,922	-	-	-	3,576,922	-	0.00%	-	-	-	-	-	-
Carrying amount		4,674,462	1,097,540	-	-	3,576,922	-		1,576,470	1,576,470	-	-	-	-

NOTE 24 FINANCIAL INSTRUMENTS (continued)

Effective interest rates and repricing analysis (continued)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	2,171,696	2,171,696	3,145,092	3,145,092
Cash and cash equivalents	162,050	162,050	173,417	173,417
Debtors financing facility	(1,097,540)	(1,097,540)	(1,576,470)	(1,576,470)
Trade and other payables	(3,652,820)	(3,652,820)	(4,002,313)	(4,002,313)
Related Party Loan	(2,500,000)	(2,500,000)	-	-

NOTE 25 CAPITAL AND OTHER COMMITMENTS

		Consolidated	
	Note	2015	2014
Capital expendiutre commitments within twelve months		-	-

NOTE 26 RELATED PARTIES

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors	Executive Directors
Denis Pidcock (Alternate Director)	Tony Noun
Peter Bobbin	Alfred Kobylanski (Alternate Director)
Anthony Mankarios	

Executives	
Alfred Kobylanski (Chief Financial Officer) Company secretary until 31 March 2015	Renuka Sharma (Company Secretary) from 1 April 2015
Tony Noun (Managing Director) Furniture Division	Andrew Skalsounis (Managing Director / Sales Director) Technology Division (Up to 12 September 2014)

NOTE 26 RELATED PARTIES (continued)

i. Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see Note 8(i)) is as follows:

	Note	Consolidated 2015	2014
Short term employee benefits		399,491	570,017
Other long term benefits		-	-
Post-employment benefits		57,887	59,985
Termination benefits		-	-
Share-based payments		-	-
		457,378	630,002

ii. Individual directors and executives compensation disclosures

Information regarding individual directors and executive's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report section of the Directors' report on pages 12 to 16.

The Company paid interest of $97,756 (2014: $54,922), information technology services $109,605 (2104: $35,488), obtained a loan of $2,500,000 (2014: Repaid a loan of $1,056,000) to an entities associated with Tony Noun and obtain and repaid a loan of $25,000 from Tony Noun during the year.

The company obtain and repaid a loan of $25,000 from Anthony Mankarios during the year and last was paid fees for capital raising of $12,198 to an entity associated with Anthony Mankarios.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

iii. Loans from key management personnel and their related parties

Loan amounts owed to an entity associated with Tony Noun as at the reporting date were $2,500,000 (2014: nil).

iv. Other key management personnel transactions

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

v. Movements in shares

The movement during the reporting period in the number of ordinary shares in Inventis Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2014	Holding at the date of appointment	Purchases	Sales / transfers	Held at 30 June 2015
Directors					
Tony Noun	50,044,160	-	-	-	50,044,160
Peter Bobbin	201,966,644	-	-	-	201,966,644
Anthony Mankarios	86,429,862	-	-	-	86,429,862
Executives					
Alfred Kobylanski	29,633,320	-	-	-	29,633,320

	Held at 1 July 2013	Holding at Date of Appointment	Purchases	Sales / transfers	Held at 30 June 2014
Directors					
Tony Noun	21,447,500	-	28,596,660	-	50,044,160
Peter Bobbin	85,700,000	-	116,266,644	-	201,966,644
Anthony Mankarios	-	-	86,429,862	-	86,429,862
Executives					
Alfred Kobylanski	12,700,000	-	16,933,320	-	29,633,320

Changes in shares held by key management personnel in the period after the reporting date and prior to the date when the financial report is authorised for issue:

	Held at 1 July 2015	Purchases	Sales / transfers	Held at 28 September 2015
Directors				
Tony Noun	50,044,160	-	-	50,044,160
Peter Bobbin	201,966,644	-	-	201,966,644
Anthony Mankarios	86,429,862	-	-	86,429,862
Executives				
Alfred Kobylanski	29,633,320	-	-	29,633,320

NOTE 27 GROUP ENTITIES

Significant subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

Parent Entity	Significant Subsidiaries	Country of Entity	% Interest	
			2015	2014
Inventis Limited	Gregory Commercial Furniture Pty Limited	Australia	100	100
	Inventis Technology Pty Limited	Australia	100	100
	Opentec Solutions Pty Limited	Australia	100	100
	Inventis (NZ) Limited	New Zealand	100	100
	Pavilion 1894137 Limited (In Liquidation) (Formerly Gregory Commercial Furniture NZ Limited)	New Zealand	100	100
	Inventis HR Services Pty Limited	Australia	100	0
	Inventis Properties Pty Limited	Australia	100	0

The proportion of ownership interest is equal to the proportion of voting power held.

NOTE 28 PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2015 the parent company of the Group was Inventis Limited.

	Note	Company 2015	2014
Results of the parent entity			
Income / (loss) for the period		(2,304,084)	63,232
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(2,304,084)	63,232
Financial position of parent entity at year end			
Current assets		6,959,422	6,467,087
Total assets		21,646,091	21,167,594
Current liabilities		(844,769)	(565,717)
Total liabilities		(3,378,333)	(595,752)
Total equity of the parent entity comprising of:			
Share capital		41,522,005	41,522,005
Accumulated losses		(23,254,247)	(20,950,163)
Total equity		18,267,758	20,571,842

NOTE 29 SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

NOTE 30 AUDITOR'S REMUNERATION

	Note	Consolidated 2015	2014
Audit Services			
Auditors of the Company			
KPMG Australia:			
Audit and review of financial reports		139,000	144,943
KPMG overseas:			
Audit and review of financial reports		-	20,518
		139,000	165,461
Other services		6,500	6,500
Total Auditor's Remuneration		145,500	171,961

NOTE 31 RECONCILIATION OF (LOSS) AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities		
(Loss)/profit after tax	(5,275,501)	(1,818,745)
Adjustment for non-cash items:		
Depreciation	96,682	128,372
Amortisation of intangible assets	158,508	144,145
Net interest costs/(income)	359,326	315,728
Unrealised foreign exchange gains/(losses)	133,418	(752,916)
Loss on sale of property plant and equipment	52,786	45,407
Income tax expense	-	(27,837)
(Profit)/loss on de-recognition of discontinued operations	925,421	(69,110)
Operating loss before changes in working capital	(3,549,360)	(2,034,956)
Decrease in trade and other receivables	973,396	1,087,908
(Increase)/decrease in prepayments	(8,323)	10,948
Decrease in inventories	1,245,630	135,090
Decrease in trade and other payables	(260,298)	(562,173)
Decrease in employee benefits	(54,273)	(41,338)
Interest received	9,288	5,670
Interest paid	(365,614)	(321,398)
Net cash outflow from operating activities	(2,009,554)	(1,720,249)

DIRECTORS' DECLARATION

1. In the opinion of the directors of Inventis Limited ('the Company'):

   a. the financial statements and notes set out on pages 31 to 65 and the Remuneration report in section 5.4 of the Directors' 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 30 June 2015 and of its performance, for the financial year ended on that date; and

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

   b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2015.

3. The directors draw attention to note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Tony Noun Executive Chairman	Anthony Mankarios Director

Dated at Sydney this 30th day of September 2015

Independent auditor's report to the members of Inventis Limited

Report on the financial report

We have audited the accompanying financial report of Inventis Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 31 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group 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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In Note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independent auditor's report to the members of Inventis Limited (continued)

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 the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(e), which sets out the basis on which the directors have prepared the financial report on a going concern basis. These matters as set forth in Note 2(e), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included in paragraph 5.4 of the Directors' Report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Inventis Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Malcolm Kafer

Malcolm Kafer
Partner

Sydney

30 September 2015

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below:

1. Shareholdings (as at 30 June 2015)

Substantial Shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number Held
REN Nominees Pty Limited and Associates	199,733,320
Richtoll Pty Ltd	43,124,931
Toveken Properties Pty Ltd	43,124,931
Tony Hassan Noun and Associates	40,710,832
David Rex George Littlejohn and Associates	30,333,328

2. Voting rights

Ordinary shares

Every ordinary share is entitled to one vote when a poll is called, otherwise each member present t at the meeting or by proxy has one vote on a show of hands.

Distribution of equity security holders

Category	Ordinary Shares
1 -1,000	13,648
1,001 – 5,000	392,058
5,001-10,000	511,541
10,0001-100,000	3,886,764
100,001-9,999,999,999	593,369,270
Rounding Total	**598,173,281**

The number of shareholders holding less that a marketable parcel of ordinary shares is 267 as at 31 August 2015.

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.0050 per unit	100,000	267	4,404,011

3. Unquoted equity securities

Securities Exchange

The Company is listed on the Australian Securities Exchange. The home exchange is Sydney.

Other information

Inventis Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. All ordinary shares are listed on the Australian Securities Exchanges.

On-market buy-back

There is no current on-market buy back.

4. Twenty largest shareholders

Rank	Name	Units at 28 September 2015	% of Units
1	REN Nominees Pty Ltd <EN Family A/c>	99,866,660	16.70
2	REN Nominees Pty Ltd <RN Famly A/c>	99,866,660	16.70
3	Richtoll Pty Ltd	43,124,931	7.21
4	Toveken Properties Pty Ltd	43,124,931	7.21
5	Mr Tony Hassan Noun	40,710,832	6.81
6	Dr David Rex George Littlejohn	30,333,328	5.07
7	Baseline Professional Services Pty Limited <Kobylanski Super Fund A/c>	29,166,656	4.88
8	Falafel Investments Pty Limited <Grant Super Fund A/c>	17,498,592	2.93
9	Nicholas P S Olissoff	15,000,000	2.51
10	Russell Roy Maloney	12,499,998	2.09
11	Mr Paul Anthony Floro	9,799,992	1.64
12	Baldman Investments Pty Ltd <Richards Family A/C>	8,101,883	1.35
13	Seyone Partners Pty Ltd <Seyone Super Fund A/C>	8,000,000	1.34
14	M & D Littlejohn Pty Limited <M & D Littlejohn S/F A/c>	7,466,660	1.25
15	Himmeleberg Investments Pty Limited <Himmelberg Super Fund A/C>	7,124,693	1.19
16	Falcon Fire Protection P/L <Falcon Fire Protect S/F A/C>	6,600,000	1.10
17	Mr Donald James Miller	6,000,000	1.00
18	Draycom Investments Pty Limited	5,882,449	0.98
19	Wongala Superannuation Pty Limited <Littlejohn Super Fund A/C>	5,599,992	0.94
20	Brian Paul Hermann + John Charles Erkkila	5,285,550	0.88
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES	**501,053,807**	**83.76**
	Total Remaining Holders Balance	**97,119,474**	**16.24**

5. Offices and Officers

Tony H Noun, Executive Chairman (Part-time)

Anthony Mankarios, Non-Executive Director

Peter Bobbin, Non-Executive Director

Alfred Kobylanski, Chief Financial Officer

6. Company Secretary

Renuka Sharma

Principal Registered Office

Inventis Limited

Building 1A, Greystanes Park East

1-5 Reconciliation Rise

Pemulwuy NSW 2145

Telephone: +61 2 8916 6840

Facsimile: +61 2 9631 2488

Location of Share Registries

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street

Sydney NSW 2000

Telephone: +61 2 8234 5400

Facsimile: +61 2 8234 5455

Auditors

KPMG

10 Shelley Street

Sydney NSW 2000

Solicitors

DLA Piper

Level 22, No.1 Martin Place

Sydney NSW 2000

And

HWL Ebsworth Lawyers

Level 14, Australia Square,

264-278 George Street

Sydney NSW 2000