Rules 4.2A.3

Appendix 4D

Half Yearly Report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Half Year Ended	31 December 2015
Previous Corresponding Reporting Period	31 December 2014

Results for Announcement to the Market

	$	**Percentage increase /(decrease) over previous corresponding period**
Revenue from continuing operations	6,002,255	(10.7%)
Profit from continuing operations after tax attributable to members	61,907	105.9%
Profit from discontinued operations after tax attributable to members	-	N/A
Net profit for the period attributable to members	61,907	104.2%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)		Not Applicable.

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Directors report.

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Directors have not recommended payment of an interim dividend.

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	0.0 cents	0.2 cents

Control Gained Over Entities Having Material Effect

Name of entity	None
Date control gained	N/A
Profit / (loss) from continuing operations since the date in the current period on which control was acquired	N/A
Profit / (loss) from continuing operations of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Audit/Review Status

This report is based on accounts to which one of the following applies:(Tick one)			
The accounts have been audited		The accounts have been subject to review	X
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not Applicable			

Attachments Forming Part of Appendix 4D

Attachment #	**Details**
1	Interim Consolidated Financial Report

Signed By	
Chairman ***Tony Noun***	***Non-executive Director*** ***Anthony Mankarios***
Dated this 7th day of March 2016	

INVENTIS LIMITED

AND ITS CONTROLLED ENTITIES

ABN 40 084 068 673

31 DECEMBER 2015

INTERIM CONSOLIDATED FINANCIAL REPORT

CONTENTS

DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial report for the six months ended 31 December 2015 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period were:

- Tony Noun
- Anthony Mankarios
- Peter Bobbin
- Denis Pidcock (Alternate Director)
- Alfred Kobylanski (Alternate Director)

Review of Operations

During the period under review, Inventis Limited completed its business restructuring as well as the relocation of all divisions to Eastern Creek, New South Wales. The group is now working as a single operation, headed by a General Manager, Mr Garry Valenzisi, who was appointed effective 1 February 2016. The financial results of the Group for the period under review may be summarised as follows:

		31-Dec 2015	31-Dec 2014	% Change
Sales	Continuing Operations			
	Technology	1,731,728	2,070,799	(16.4%)
	Furniture	4,270,527	4,653,115	(8.2%)
	Eliminations	0	0	
	Total Continuing Operations	6,002,255	6,723,914	(10.7%)
EBITDA	Continuing Operations			
	Technology	1,178,636	1,002,847	
	Furniture	1,373,781	1,762,953	
	Corporate / Share Services	(2,095,784)	(3,560,689)	
	Sub-total	456,633	(794,889)	157.4%
	Discontinued Operations			
	Net profit / (loss)	0.000	(391,702)	
	Sub-total	0.000	(391,702)	
Total EBITDA		456,633	(1,186,591)	
NPAT	Continuing Operations	61,907	(1,053,640)	105.9%
	Discontinued Operations	0	(432,712)	
Total NPAT		61,907	(1,486,352)	104.2%

Corporate Services

Effective 1 July 2015, shared services have been grouped as part of Corporate/Shared services segment, which led to a change in the composition of the Group's reportable segments as a result the comparative information for the prior year has been restated. Underlying corporate costs reduced by 23%.

Technology Division

The Technology Division's revenue for the first six month period to 31 December 2015 was $1,731,728, a 16% decrease over the corresponding period last year. This result is attributable in part to the re-orientation of the business and the substantive disruption caused by the move from Auburn to Pemulwuy and subsequently to the new premises at Eastern Creek. But for these disruptions, revenues for this period would have been higher as the technology division has a strong order book exceeding $1.2m.

Technology Division revenues in the second half of this financial year are expected to remain steady, whilst we bolster client relationships and return to consistent supply and manufacturing levels. A cross training matrix is now in place for all sales agents across the country, which will enable FY17 to commence with significant additional sales coverage nationally through the cross pollination of products, brands and solutions that are taken to the market place. Importantly, now that all restructuring of the business is complete, the Company is able to focus on core research and development strengths to produce a new suite of products to expand our reach and penetration and ensure continuity of technological leadership and innovation in the market.

Furniture Division

The Furniture Division's revenue for the first six months of this year was $4,270,527 which is 8% below the same period last year.

Now that the disruption associated with the relocation from Pemulwuy to the joint facility at Eastern Creek has ceased, the results for Gregory Commercial Furniture is expected to improve. In addition the business has successfully patented new seating technology that will be launched in March 2016. Gregory Commercial Furniture is returning to its market position of leadership in ergonomics, design and technology. The new EOS seating solution that will feature our new seating technology accompanied by our new Storm range of chairs are just two examples of why Gregory is a twice Australian Design Award winner.

Financial Review

The Group's sales from continuing operations for the period ended 31 December 2015 were $6,002,255. This is a $721,659 decrease on the comparative period. Overall, Revenue forecast for the full year from continuing operations is expected to be in the range of $12 million to $13 million.

This year to date Continuing operations EBITDA profit was $456,633 this is a $1,251,522 million improvement on last year's result for the same period. EBITDA for the period includes a one off recovery of amounts previously written off in relation to the overall investment in New Zealand.

The Group's Continuing Operations Net Profit after Tax (NPAT) is $61,907 for the period ended 31 December 2015, which is a $1,115,547 continuing improvement on the same period last year and a $1,548,259 dollar improvement overall when taking into account discontinued operations.

The Company finished the first half of this financial year with an open sales book carry over value of $1.9 million, which was further supported by active outstanding quotation/tenders of $8.4 million, which provides a solid opportunity pipeline into the second half of the year. Further, the final quarter of FY16 will also yield a planned operational cost reduction in the vicinity of 5.5%.

Planning has commenced in all divisions to ensure that FY17 growth objectives are obtained; positive signs early in this area indicate that Inventis Technology, Opentec Solutions and Gregory Commercial Furniture are now structured to capture double digit revenue growth in that financial year.

In addition, the Directors reviewed and assessed whether there has been any impairment to assets held by the cash generating units, for this current reporting period. KPMG, the Company's auditors disagreed with the Directors' findings in relation to non-current assets, as it pertains to the Furniture Division. Noting that impairment modelling is developed using judgements and estimates of future events (refer "Note 3b"), the Directors, reviewed the modelling provided by management, conducted further investigations and obtained independent advice, which also concluded that the model used by the Company is reasonable. Please refer to "Note 9" (impairment of assets), on page 15 of this Report.

Events Subsequent to Reporting Date

Save the appointment of the new General Manager, Mr Garry Valenzisi, effective 1 February 2016, there has not arisen in the interval between the end of the half year ended 31 December 2015 and the date of this report any item, transaction or event of a material nature 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 the affairs of the Group, in future financial years.

Dividends

The Directors do not recommend the payment of a dividend.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included following the director's report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Tony Noun
Chairman
SYDNEY, on this 7th day of March 2016.

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 review for the half-year ended 31 December 2015 there have been:

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

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

KPMG

KPMG

Malcolm Kafer

Malcolm Kafer
Partner

Sydney

7 March 2016

Inventis Limited
Condensed Consolidated Interim Statement of Financial Position
As at 31 December 2015

	Note	31 Dec 2015	30 Jun 2015
Assets			
Cash and cash equivalents		475,467	162,050
Trade and other receivables		2,015,175	2,171,696
Inventories		2,449,827	2,363,280
Prepayments		610,861	20,375
Total current assets		5,551,330	4,717,401
Non-current assets			
Property, plant and equipment	7	400,483	290,632
Other financial assets		17,617	11,309
Intangible assets	9	3,960,519	4,040,771
Total non-current assets		4,378,619	4,342,712
Total Assets		9,929,949	9,060,113
Liabilities			
Trade and other payables		3,645,248	3,652,820
Interest-bearing liabilities	8	1,126,060	1,097,540
Employee benefits		922,573	1,129,624
Total current liabilities		5,693,881	5,879,984
Non-current liabilities			
Interest-bearing liabilities	8	3,500,000	2,500,000
Employee benefits		78,662	86,765
Total non-current liabilities		3,578,662	2,586,765
Total liabilities		9,272,543	8,466,749
Net assets		657,406	593,364
Equity			
Share capital		32,579,575	32,579,575
Reserves		(1,096,276)	(1,097,121)
Accumulated losses		(30,825,893)	(30,889,090)
Total equity		657,406	593,364

The notes on pages 9 to 18 are an integral part of this interim financial report

Inventis Limited
Condensed Consolidated Interim Statement of Comprehensive Income
For the Half Year Ended 31 December 2015

	Note	31 Dec 2015	31 Dec 2014
Continuing Operations			
Revenue		6,002,255	6,723,914
Cost of Sales		(3,351,552)	(3,344,279)
Gross Profit		2,650,703	3,379,635
Other income	6	829,583	(1,843)
Expenses			
Manufacturing and operations		(1,048,120)	(1,427,239)
Engineering and quality assurance		(306,877)	(440,714)
Administration		(760,675)	(993,743)
Sales and marketing		(997,581)	(1,333,791)
Results from operating activities		367,033	(817,695)
Finance Income		2,863	1,930
Finance expense		(307,989)	(237,875)
Net Finance expense		(305,126)	(235,945)
Profit / (loss) before income tax		61,907	(1,053,640)
Income tax benefit		-	-
Profit / (loss) from continuing operations		61,907	(1,053,640)
Discontinued operation			
(Loss) from discontinued operation, net of income tax	5	-	(432,712)
Profit / (loss) for the period		61,907	(1,486,352)
Other Comprehensive income			
Foreign currency translation differences for foreign operations		845	(313,790)
Other comprehensive income / (expense) for the period, net of income tax		845	(313,790)
Total comprehensive profit / (loss) for the period		62,752	(1,800,142)
Profit / (loss) per share		**Cents**	**Cents**
Basic profit / (loss) per share		0.01	(0.3)
Diluted profit / (loss) per share		0.01	(0.3)
Continuing operations			
Basic profit / (loss) per share		0.01	(0.2)
Diluted profit / (loss) per share		0.01	(0.2)

The notes on pages 9 to 18 are an integral part of this interim financial report

Inventis Limited
Condensed Consolidated Interim Statement of Changes in Equity
For the Half Year Ended 31 December 2015

	Issued Capital	Translation Reserve	Accumulated Losses	Total Equity
Balance As at 1 July 2014	32,579,575	(2,159,007)	(25,612,213)	4,808,355
Total comprehensive income for the period				
Loss for the period	-	-	(1,486,352)	(1,486,352)
Other comprehensive income				
Foreign currency translation differences for foreign operations	-	(313,790)	-	(313,790)
Total other comprehensive income for the period	-	(313,790)	-	(313,790)
Total comprehensive income/ (loss) for the period	-	(313,790)	(1,486,352)	(1,800,142)
Balance as at 31 December 2014	32,579,575	(2,472,797)	(27,098,565)	3,008,213
Balance As at 1 July 2015	32,579,575	(1,097,121)	(30,889,090)	593,364
Total comprehensive income for the period				
Loss for the period	-	-	61,907	61,907
Other comprehensive income				
Foreign currency translation differences for foreign operations	-	845	-	845
Total other comprehensive (loss) / income for the period	-	845	-	845
Total comprehensive (loss) / income for the period	-	845	61,907	62,752
Total Transactions with owners recorded directly in equity				
- Other	-	-	1,290	1,290
Balance as at 31 December 2015	32,579,575	(1,096,276)	(30,825,893)	657,406

The notes on pages 9 to 18 are an integral part of this interim financial report

Inventis Limited
Condensed Consolidated Interim Statement of Cash Flows
For the Half Year Ended 31 December 2015

	Note	31 Dec 2015	31 Dec 2014
Cash flows from operating activities			
Receipts from customers		7,186,447	9,547,000
Payments to suppliers and employees		(7,477,226)	(10,178,644)
Cash generated from operations		(290,779)	(631,644)
Interest received		2,863	1,930
Interest paid		(284,228)	(139,371)
Net cash used in operating activities		(572,144)	(769,084)
Cash flows from investing activities			
Purchase of fixed assets		(142,959)	(81,790)
Net cash (used in) investing activities		(142,959)	(81,790)
Cash flows from financing activities			
Proceeds from rights offer			
Proceeds from borrowings		1,388,520	1,044,117
Repayment of borrowings		(360,000)	-
Net cash from financing activities		1,028,520	1,044,117
Net increase in cash and cash equivalents		313,417	193,242
Cash and cash equivalents at 1 July		162,050	172,877
Cash and cash equivalents at 31 December		475,467	366,119

The notes on pages 9 to 18 are an integral part of this interim financial report

Note 1: Reporting Entity

Inventis Limited (the "Company") is a company domiciled in Australia and incorporated in Australia. The address of the Company's registered office is Unit 4 Southridge Estate, 2 Southridge Street, Eastern Creek, NSW, 2766. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report for the Group, as at and for the year ended 30 June 2015 is available upon request from the Company's registered office or at www.inventis.com.au

Note 2: Basis of Preparation

a. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2015 and any public announcements made by Inventis Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The consolidated interim financial report was authorised for issue by the Board of Directors on 07 March 2016.

b. Basis of measurement

The interim financial report has been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value

c. Functional and presentation currency

This interim financial report is presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

d. Assets held for sale and discontinued operations - prior period

As at 31 December 2014, the Directors were in active negotiations for the sale of the Gregory Commercial Furniture (New Zealand) operations. Therefore as at 31 December 2014, this disposal group comprising assets and liabilities were classified as held-for-sale and the business was considered a discontinued operation as it was highly probable any value would be recovered primarily through sale rather than through continuing use.

On the 16 February 2015, the Gregory Commercial Furniture (New Zealand) business was sold to new owners.

Immediately before classification as held-for-sale, the assets of the disposal group, were remeasured in accordance with the Group's other accounting policies (no adjustments were made in respect of asset values as at 31 December 2014). In addition, the operation was classified as a discontinued operation, and the comparative statement of profit or loss and other comprehensive income was re-presented as if the operation had been discontinued from the start of the comparative period**.**

Note 3: Significant Accounting Policies

a. The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2015.

b. Estimates

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

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2015, except for key estimates and assumptions in relation to the Gregory Commercial Furniture CGU, which are disclosed in Note 9.

The directors assessed, for the purposes of the interim financial report, whether the cash generating units are impaired. The Directors concluded that there is no impairment to those assets as at this reporting period.

Impairment modelling is developed using judgements and estimates of future events, as outlined above, the Directors, reviewed the modelling, conducted further investigations and obtained independent advice, which also concluded that the model used by the Company is reasonable.

c. The Group has elected not to early adopt any accounting standards and amendments.

Note 4: Operating Segments

The Group comprises the following main business segments:

> ***Furniture Division***. The design, manufacture and sale of a range of commercial furniture including, office chairs, tables, lounges, and workstations.

> ***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 disclosure 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.

NOTE 4: Operating segments continued

	Furniture Division		Technology Division		Discontinued		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Total revenue	4,270,527	4,653,115	1,731,728	2,070,799	-	1,602,905	6,005,255	8,326,819
Inter-segment revenue	-	-	-	-	-	-		-
Interest revenue	999	1,755	26	160	-	35	1,025	1,950
Interest expense	(70,631)	(88,637)	(27,803)	(34,427)	-	(26,434)	(98,434)	(149,498)
Depreciation and amortisation	(23,350)	(26,012)	(90,010)	(95,297)	-	(13,328)	(113,360)	(134,637)
Reportable segment profit / (loss) before income tax	1,280,799	1,650,060	1,060,849	873,283	-	(432,712)	2,341,648	2,090,631
Other material non-cash items								
Unrealised foreign exchange loss on related party loan (loss)/gain	-	-	-	-	-	125,633	-	125,633
Reportable segment assets	2,968,235	8,961,685	3,545,253	4,563,722	-	1,346,384	6,513,488	14,871,791
Reportable segment liabilities	(4,190,827)	(5,491,565)	(121,844)	(1,080,828)	-	(8,383,448)	(4,312,671)	(14,955,841)

Effective 1 July 2015, shared services have been grouped as part of Corporate/Shared services, which led to a change in the composition of the Group’s reportable segments. In accordance with AASB 8 Operating Segments, corresponding information for the prior year has been restated.

NOTE 4: Operating segments continued

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

	31 Dec 2015	31 Dec 2014
Revenues		
Total revenue for reportable segments	6,002,255	8,326,819
Elimination of inter-segment revenues	-	-
Elimination of Discontinued operations	-	(1,602,905)
Corporate revenues	-	-
Consolidated revenue from continuing operations	6,002,255	6,723,914
Profit or Loss		
Total profit / (loss) for reportable segments	2,341,648	2,090,631
Elimination of inter-segment (profit) / loss	-	-
Elimination of Discontinued operations	-	432,712
Unallocated amounts: other corporate expenses	(2,279,741)	(3,576,983)
Consolidated loss before income tax from continuing operations	61,907	(1,053,640)

	31 Dec 2015	31 Dec 2014
Assets		
Total assets for reportable segments	6,513,488	14,871,791
Eliminations / Corporate entity	3,416,460	(3,644,967)
Consolidated total assets	9,929,948	11,226,824
Liabilities		
Total liabilities for reportable segments	(4,312,671)	(14,955,841)
Eliminations / Corporate entity	(4,959,872)	6,737,818
Consolidated total liabilities	(9,272,543)	(8,218,023)

Other material items 2015 (including discontinued operations)

	Reportable Segment Totals	Adjustments	Consolidated Totals
Reversal of lease provisions	254,907	-	254,907
Loan recovery	-	539,590	539,590
Interest revenue	1,025	1,838	2,863
Interest expense	(98,434)	(185,794)	(284,228)
Depreciation and amortisation	(113,360)	-	(113,360)
Other material items 2014 (including discontinued operations)			
Interest revenue	1,950	15	1,965
Interest expense	(149,498)	(16,320)	(165,818)
Depreciation and amortisation	(134,637)	-	(134,637)
Unrealised foreign exchange gain on related party loan	125,633	-	125,633

NOTE 4: Operating segments continued

Geographical Segments

The Group operated in two geographical areas being Australia (whole of 2014 and 2015) and New Zealand (whole of 2014 and until February 2015).

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

	31 Dec 2015		31 Dec 2014	
	Revenues	**Non-current assets**	**Revenues**	**Non-current assets**
Australia	6,002,255	4,378,619	6,723,914	4,521,730
New Zealand	-	-	1,602,905	-
Total	6,002,255	4,378,619	8,326,819	4,521,730

NOTE 5: Discontinued operations

Gregory Commercial Furniture (NZ) Limited

As at 31 December 2014, Gregory Commercial Furniture (NZ) Limited was being actively marketed for sale and on the 16th February 2015 the business of the company was sold. The financial position and results relating to that entity were accounted on a basis other than going concern in the financial statements for the half years ended 31 December 2014. As part of the sale terms the Gregory Commercial Furniture Australian division obtained royalty rights that have resulted in small payments from the purchaser to the Australian operations. These payments are not separately reported upon.

	Consolidated Entity	
	2015	**2014**
Results of discontinued operations		
Revenue	-	1,414,213
Other income	-	10,199
Expenses	-	(1,956,358)
Profit on de-recognition	-	-
Results from operating activities	-	(531,946)
Finance income	-	125,668
Finance expense	-	(26,434)
Net finance costs	-	99,234
Income tax expense	-	-
Profit for the period	-	(432,712)

NOTE 5: Discontinued operations continued

	Consolidated Entity	
	2015	**2014**
	cents	**Cents**
Basic earnings per share	-	(0.1)
Diluted earnings per share	-	(0.1)

	Consolidated Entity	
(in thousands of AUD)	**2015**	**2014**
Cash flows from discontinued operations		
Net cash used in operating activities	-	(424,907)
Net cash from investing activities	-	(59,052)
Net cash from financing activities	-	451,597
Net cash from discontinued operations	-	32,363

NOTE 6: Other Income and Expenses

	2015	**2014**
Loan recovery	539,590	-
Reversal of lease provision	254,907	-
Other income and expense	35,086	(1,843)
Total other income / expense	829,583	(1,843)

NOTE 7: Property Plant and Equipment

Acquisitions and disposals – Continuing Operations

During the six months ended 31 December 2015 $142,959 Group assets were acquired (2014: $81,790).

Note 8: Loans and Borrowings

The following loans and borrowings (non-current and current) were issued and repaid during the six months ended 31 December 2015:

	Currency	**Interest Rate %**	**Face Value**	**Carrying Amount**
Balance as 30 June 2015				3,597,540
Proceeds				
Related Party Loan		5.45 – 11.75		1,360,000
Net Debtors invoice finance	AUD	8.89 – 8.92		28,520
Repayments				
Related Party Loan	AUD	5.45		(360,000)
Balance as 31 December 2015				4,626,060

The Related Party Loan facility includes certain covenants, which the Group was unable to meet at 31 December 2015. These anticipated breaches of loan covenants were waived by THN Capital Solutions Pty Limited prior to period end.

Note 9: Intangible Assets

	Consolidate Entity	
	2015	**2014**
Goodwill	3,060,934	3,060,934
Patents and trademarks	1,753,000	1,753,000
Accumulated amortisation	(1,730,038)	(1,719,359)
Customer relationships	1,086,623	1,086,623
Accumulated amortisation	(935,748)	(953,748)
Development costs	1,791,351	1,791,351
Accumulated amortisation	(1,047,603)	(978,030)
Total intangible assets	3,960,519	4,040,771

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 4.

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

	31 Dec 2015	**30 June 15**
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.

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:

2016 Value in use assumptions – Impart Special Products Pty Limited:

The significant estimates and assumptions for the Impart Special Products CGU are the same as those applied in the Annual Report for the year ended 30 June 2015.

Note 9: Intangible Assets continued

2016 Value in use assumptions – Gregory Commercial Furniture Pty Limited:

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 3 year period to 30 June 2020 were extrapolated using a constant growth rate. Key assumptions in this value in use model have changed since the year ended 30 June 2015 and are therefore shown below:

Gregory Commercial Furniture Pty Limited	
Revenue growth in approved forecast for year ended 30 June 2016	(8.8%)
Revenue growth in approved forecast for year ended 30 June 2017	26.5%
Annual average revenue growth per annum 2018 - 2020	5.5%
Inflation per annum	3.0%
Price Growth per annum	5.7%
Cost growth per annum	3.0%
Pre-tax discount rate	18.6%

The estimated recoverable amount of the CGU exceeds its carrying amount by approximately $712,320 for Gregory Commercial Furniture and $5,770,499 for the Technology Division. Management has identified that a reasonably possible change in a key assumption could cause the carrying amount to exceed the recoverable amount.

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 10:Related Parties

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

Non-executive directors

Tony Noun – Chairman (Appointed 1 February 2016)
Anthony Mankarios
Peter Bobbin
Dennis Pidcock (Alternate Director)

Executive Directors

Tony Noun (1 July 2015 - 1 February 2016)
Alfred Kobylanski (Alternate Director)

Executives – Key Management Personnel

Tony Noun (1 July 2015 - 1 February 2016)
Garry Valenzisi (Appointed 1 February 2016)
Alfred Kobylanski

i. *Key management personnel compensation*

Key management personnel receive compensation in the form of short term employee benefits and post employment benefits

ii. *Other key management personnel transactions*

Two loans provided by entities associated with Tony Noun was provided to the Company during the period for $360,000 and $1,000,000 (2014: $1,015,240) and repayments of $360,000 were made.

The Company paid principal of $360,000 and interest of $175,281 (2014: $14,581 – interest) to entities associated with Mr Tony Noun for the provision of the related party loans.

From time to time, key management personnel of the Group, or their related entities, may purchase from or sell to the Group goods and services. These sales and 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.

iii. *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 2015	**Purchases/ (disposal)**	**Held at 26 February 2016**
Tony Noun	50,044,160	-	50,044,160
Peter Bobbin	201,966,644	-	201,966,644
Anthony Mankarios	86,429,862	-	86,429,862
Alfred Kobylanski	29,633,320	-	29,633,320

NOTE 11: 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 half-year period ended 31 December 2015, the Group disclosed a half year profit of $61,907 which includes the recovery of $539,590 from subsidiaries in liquidation, and $254,907 from non-cash reversals of provisions no longer required. The Group also incurred net cash outflows from operating activities of $572,144 for the half year ended 31 December 2015.

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 this interim financial report has 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;
- Management has restructured the Group's businesses, which has lowered its cost base for future years;
- The Directors are confident that the Group has sufficient facilities in place to meet the Group's requirements for 2016 and beyond. The Group has two finance facilities in place at 31 December 2015, as follows:
  - A debtor finance facility of $4,000,000 to Scottish Pacific drawn to $1,126,060 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 $3,500,000 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 31 December 2015. These anticipated breaches of loan covenants were waived by THN Capital Solutions Pty Limited prior to period 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.

The ability of the Group to continue as a going concern is dependent on it operating profitably, having access to adequate financing facilities and generating adequate cash from operations. There is a material uncertainty that the Group will operate profitably, have access to adequate financing facilities and generate adequate cash from operations that may cast doubt on the Group's ability to continue as a going concern.

The Directors have concluded that it is appropriate to prepare the interim financial report on a going concern basis, as they are sufficiently 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 interim financial report 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.

NOTE 12: Contingent Liabilities

The Directors are not aware of any contingent liabilities in existence at reporting date.

NOTE 13: Events Subsequent to Reporting Date

Save the appointment of the new General Manager, Mr Garry Valenzisi, effective 1 February 2016, there has not arisen in the interval between the end of the half year ended 31 December 2015 and the date of this report any item, transaction or event of a material nature 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 the affairs of the Group, in future financial years.

Directors' Declaration

In the opinion of the directors of Inventis Limited ("the Company"):

(1) the financial statements and notes set out on pages 5 to 18, are in accordance with the Corporations Act 2001 including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the six month period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

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

Dated at Sydney this 7th day of March 2016

Signed in accordance with a resolution of the directors.

Tony Noun
Executive Chairman

Independent auditor's review report to the members of Inventis Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Inventis Limited ("the Company"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2015, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 13 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 half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Inventis Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

KPMG

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

Basis for Qualified Conclusion

Impairment of assets

Australian Accounting Standard AASB 136 *Impairment of Assets* requires that the Group estimate the recoverable amount of an asset where there is an indication that the asset may be impaired. In accordance with AASB 136 *Impairment of Assets*, management performed an impairment review of assets as at 31 December 2015 and did not identify an asset impairment. The requirements of AASB 136 *Impairment of Assets* include the calculation of the recoverable amount of the Group's cash generating units, which is a complex process involving multiple inputs and requiring management to make a number of forecasts and assumptions. We have examined the information provided to us by management regarding its assessment of the recoverable amount of assets, and disagree with certain of the inputs, forecasts and assumptions utilised in its calculation of the recoverable amount. If the inputs, forecasts and assumptions that we believe are appropriate had been used by management, then an impairment to the carrying amount of one cash generating unit of $2,875,364 would have been recognised. As a result of this impairment, Intangible Assets would decrease by $2,620,258, Property, Plant and Equipment would decrease by $255,106, Net Assets would decrease by $2,875,364 and Profit for the Period and earnings per share would decrease by $2,875,364 and 0.48 cents per share respectively for the period ended 31 December 2015.

Qualified Conclusion

Except for the effects on the interim financial report that result from the qualification in the preceding paragraph, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Inventis Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Emphasis of Matter in relation to going concern

Without further modifying our conclusion, we draw attention to Note 11, which sets out the basis on which the directors have prepared the interim financial report on a going concern basis. The interim financial report discloses a half year profit of $61,907 and net assets of $657,406. Taking into consideration our Basis for Qualified Conclusion matter, the half year profit is revised to be a loss of $2,813,457 and net assets is revised to be net liabilities of $2,217,958. Note 11 outlines various measures the Group is using to manage its continuation as a going concern, including risks outlined in its ability to make future profits and secure sufficient future funding.

As stated in Note 11, there is a material uncertainty that the Group will operate profitably, have access to adequate financing facilities and generate adequate cash from operations that 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.

KPMG

KPMG

Malcolm Kafer

Malcolm Kafer
Partner

Sydney

7 March 2016