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Rules 4.2A.3

Appendix 4D

Half Yearly Report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Half Year Ended	31 December 2017
Previous Corresponding Reporting Period	31 December 2016

Results for Announcement to the Market

	$	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	3,688,857	(43.5%)
(Loss) from continuing operations after tax attributable to members	(1,661,575)	(472.4%)
Net loss for the period attributable to members	(1,661,575)	(472.4%)

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	(0.5) cents	(0.5) 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 28th day of February 2018	

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INVENTIS LIMITED

AND ITS CONTROLLED ENTITIES

ABN 40 084 068 673

31 DECEMBER 2017

INTERIM CONSOLIDATED FINANCIAL REPORT

CONTENTS

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DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial report for the six months ended 31 December 2017 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
- Alfred Kobylanski (Alternate Director)
- Denis Pidcock (Alternate Director – resigned 30 August 2017)

Review of Operations

During the period under review, Inventis Limited has encountered a number of challenges with the loss of a General Manager and a number of its sales staff.

Included in the results is an amount of $87,067 for the impairment of goodwill for the furniture division. The Directors felt that while the initial assessment found no impairment, a review of the sensitivity assessment indicated a minor impairment, which has been taken up in this half year. The Directors will again reassess the carrying amounts of goodwill at the full year.

As a result, of the challenges and write down the performance of the group for the first six months as follows:

	31-Dec 2017	31-Dec 2016	% Change
Revenue - Continuing Operations	3,688,857	6,528,541	(43.5%)
EBITDA - Continuing Operations	(1,119,698)	962,141	(216.4%)
NPAT - Continuing Operations	(1,661,575)	446,165	(472.4%)

The Company's position is expected to improve in in the second half of this financial year (to 30 June 2018) due to the current ramp up of sales order pipeline resulting from contracts recently won by Gregory Commercial Furniture and Inventis Technologies. The second half is expected to be profitable and thus reduce the overall loss for the year to be in the order of $1.0 million.

The appointment of Mr Paul Vranich to the role of General Manager will drive this performance turnaround. Paul has extensive sales and marketing experience including the recruitment, training and managing a sales team for peak performance.

The recent acquisition of two new government panel contracts will further support our two existing government contracts which have proved immensely valuable to the company.

In addition to this, the recruitment of new experienced sales representatives is well under way and we expect to have them start coming on board from March 2018, which coupled with the expansion of our channel partners by twenty-two new distributors, will undoubtedly create a lift in sales revenue.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the half year ended 31 December 2017 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.

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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 28th day of February 2018.

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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

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DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF INVENTIS LIMITED

As lead auditor for the review of Inventis Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Saxon
Partner

BDO East Coast Partnership

Sydney, 28 February 2018

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

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Inventis Limited
Consolidated Statement of Financial Position
As at 31 December 2017

	Note	31 Dec 2017	30 Jun 2017
Assets			
Cash and cash equivalents		516,874	403,143
Trade and other receivables		2,070,941	2,423,218
Inventories		2,510,806	2,566,521
Prepayments		64,391	13,963
Total current assets		5,163,012	5,406,845
Non-current assets			
Property, plant and equipment	5	269,776	325,922
Other financial assets		15,722	15,085
Intangible assets		3,432,525	3,600,658
Total non-current assets		3,718,023	3,941,665
Total Assets		8,881,035	9,348,510
Liabilities			
Trade and other payables		3,404,045	3,471,809
Interest-bearing liabilities	6	1,800,533	4,455,354
Employee benefits		629,620	748,981
Total current liabilities		5,834,198	8,676,144
Non-current liabilities			
Interest-bearing liabilities	6	3,000,000	-
Employee benefits		21,595	23,860
Total non-current liabilities		3,021,595	23,860
Total liabilities		8,855,793	8,700,004
Net assets		25,242	648,506
Equity			
Share capital		33,618,685	32,579,575
Reserves		(1,096,663)	(1,095,864)
Accumulated losses		(32,496,780)	(30,835,205)
Total equity		25,242	648,506

The notes on pages 8 to 15 are an integral part of this interim financial report

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Inventis Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2017

	Note	31 Dec 2017	31 Dec 2016
Continuing Operations			
Revenue		3,688,857	6,528,541
Cost of Sales		(2,260,467)	(3,125,131)
Gross Profit		1,428,390	3,403,410
Other income		22,870	322,642
Expenses			
Manufacturing and operations		(861,995)	(840,041)
Engineering and quality assurance		(194,871)	(225,519)
Administration		(753,557)	(860,821)
Sales and marketing		(905,030)	(973,333)
Impairment of Goodwill		(87,067)	-
Results from operating activities		(1,351,260)	826,338
Finance Income		18,383	20,381
Finance expense		(328,698)	(400,554)
Net Finance expense		(310,315)	(380,173)
(Loss) / profit before income tax		(1,661,575)	446,165
Income tax benefit		-	-
(Loss) / profit for the period		(1,661,575)	446,165
Other Comprehensive income			
Foreign currency translation differences for foreign operations		(799)	158
Other comprehensive (loss) / income for the period, net of income tax		(799)	158
Total comprehensive (loss) / profit for the period		(1,662,374)	446,323
Profit / (loss) per share		**Cents**	Cents
Basic (loss) / profit per share		(0.27)	0.07
Diluted (loss) / profit per share		(0.27)	0.07
Continuing operations			
Diluted (loss) / profit per share		(0.27)	0.07

The notes on pages 8 to 15 are an integral part of this interim financial report

Inventis Limited
Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2017

	Issued Capital	Revaluation Reserve	Translation Reserve	Accumulated Losses	Total Equity
Balance As at 1 July 2016	32,579,575	-	(1,095,845)	(30,922,507)	561,223
Total comprehensive income for the period					
Profit for the period	-	-	-	446,165	446,165
Other comprehensive income					
Foreign currency translation differences for foreign operations	-	-	158	-	158
Total other comprehensive income for the period	-	-	158	-	158
Total comprehensive income for the period	-	-	158	446,165	446,323
Total Transactions with owners recorded directly in equity					
- Other	-	-	-	(1,372)	(1,372)
Balance as at 31 December 2016	32,579,575	-	(1,095,687)	(30,477,714)	1,006,174
Balance As at 1 July 2017	32,579,575	-	(1,095,864)	(30,835,205)	648,506
Total comprehensive income for the period					
(Loss) for the period	-	-	-	(1,661,575)	(1,661,575
Other comprehensive income					
Foreign currency translation differences for foreign operations	-	-	(799)	-	(799)
Total other comprehensive (loss) / income for the period	-	-	(799)	-	(799)
Total comprehensive (loss) / income for the period	-	-	(799)	(1,661,575)	(1,662,374)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of Ordinary shares	734,109	-	-	-	734,109
Shortfall application monies received in advance of share issue	305,001	-	-	-	305,001
Total Contributions by and distributions to owners	1,039,110	-	-	-	1,039,110
Total Transactions with owners recorded directly in equity		-	-	-	
- Other	-	-	-	-	-
Balance as at 31 December 2017	33,618,685	-	(1,096,663)	(32,496,780)	25,242

The notes on pages 8 to 15 are an integral part of this interim financial report

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Inventis Limited
Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2017

	Note	31 Dec 2017	31 Dec 2016
Cash flows from operating activities			
Receipts from customers		4,453,710	7,415,764
Payments to suppliers and employees		(5,400,558)	(7,278,392)
Cash (used in) /generated from operations		(946,848)	137,372
Interest received		3,759	4,713
Interest paid		(325,095)	(367,890)
Net cash used in operating activities		(1,268,184)	(225,805)
Cash flows from investing activities			
Purchase of fixed assets		(2,374)	(11,962)
Net cash used in investing activities		(2,374)	(11,962)
Cash flows from financing activities			
Proceeds from rights offer		1,039,110	-
Proceeds from borrowings		495,179	749,883
Repayment of borrowings		(150,000)	(347,670)
Net cash from financing activities		1,384,289	402,213
Net increase in cash and cash equivalents		113,731	164,446
Cash and cash equivalents at 1 July		403,143	442,312
Cash and cash equivalents at 31 December		516,874	606,758

The notes on pages 8 to 15 are an integral part of this interim financial report

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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 2017 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 2017 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 2017 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 28th February 2018.

b. Basis of measurement

The interim financial report has been prepared on the historical cost basis, except financial assets and liabilities which are recognised initially 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.

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 2017.

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 2017.

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

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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, which includes 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.

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NOTE 4: Operating Segments continued

	Furniture Division		**Technology Division**		**Total**	
	31 Dec 2017	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**
Total revenue	2,253,357	4,177,096	1,435,500	2,351,445	3,688,857	6,528,541
Interest revenue	1,415	24	7	-	1,422	24
Interest expense	(63,873)	(64,262)	(34,434)	(43,624)	(98,307)	(107,886)
Depreciation and amortisation	(21,883)	(18,869)	(87,145)	(84,973)	(109,028)	(103,842)
Reportable segment profit before income tax	619,516	2,191,669	616,303	1,366,975	1,235,819	3,558,644
Other material items						
Net Insurance proceeds	-	-	-	319,692	-	319,692
Impairment of Goodwill	87,067	-	-	-	87,067	-
		30 June 2017		**30 June 2017**		**30 June 2017**
Reportable segment assets	9,019,685	8,798,723	8,521,298	7,599,062	17,540,983	16,397,785
Reportable segment liabilities	(4,258,886)	(4,657,440)	(794,164)	(488,230)	(5,053,050)	(5,145,670)

NOTE 4: Operating Segments continued

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

	31 Dec 2017	31 Dec 2016
Revenues		
Total revenue for reportable segments	3,688,857	6,528,541
Elimination of inter-segment revenues	-	-
Corporate revenues	-	-
Consolidated revenue from continuing operations	3,688,857	6,528,541
Profit or Loss		
Total profit for reportable segments	1,235,819	3,558,644
Share services Payroll	(2,154,596)	(2,289,817)
Shared services facilities	(434,551)	(399,359)
Shared services corporate load recovery	-	-
Shared services corporate and unallocated amounts	(308,247)	(423,303)
Consolidated (loss) / profit before income tax from continuing operations	(1,661,575)	446,165

	31 Dec 2017	30 Jun 2017
Assets		
Total assets for reportable segments	17,540,983	16,397,785
Cash and equivalents held in shared services	412,014	390,569
Shared services fixed assets	106,571	122,001
Shared services intangible assets	1,272,036	1,274,834
Eliminations and other share service assets	(10,450,569)	(8,836,679)
Consolidated total assets	8,881,035	9,348,510
Liabilities		
Total liabilities for reportable segments	(5,053,050)	(5,145,670)
Interest bearing liabilities held in shared services	(3,745,916)	(3,500,000)
Eliminations and other shared service liabilities	(56,827)	(54,334)
Consolidated total liabilities	(8,855,793)	(8,700,004)

Other material items 2017

	Reportable Segment Totals	Adjustments	Consolidated Totals
Interest revenue	1,422	2,337	3,759
Interest expense	(98,307)	(226,788)	(325,095)
Depreciation and amortisation	(109,028)	(24,447)	(133,475)

Other material items 2016

	Reportable Segment Totals	Adjustments	Consolidated Totals
Net insurance proceeds	319,692	-	319,692
Interest revenue	24	4,685	4,709
Interest expense	(107,886)	(286,379)	(394,265)
Depreciation and amortisation	(103,842)	(22,577)	(126,419)

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NOTE 4: Operating Segments continued

Geographical Segments

The Group operated in one geographical areas being Australia.

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.

	Revenues (31/12/17)	Non-current assets (31/12/17)	Revenues (31/12/16)	Non-current assets (30/06/17)
Australia	3,688,857	3,718,023	6,528,541	3,941,665

Note 5: Property Plant and Equipment

Acquisitions and disposals – Continuing Operations

During the six months ended 31 December 2017 $2,374 Group assets were acquired (2016: $11,962)

Note 6: Loans and Borrowings

The following loans and borrowings (non-current and current) were issued and repaid during the six months ended 31 December 2017:

-	Currency	Interest Rate %	Carrying Amount	Year of maturity
Balance as 30 June 2017			4,455,354	
Proceeds				
Related Party Loan		9.75-9.91	395,917	On-going
Net Debtors invoice finance	AUD	8.53-9.91	99,262	On-going
Repayments				
Related Party Loan	AUD		(150,000)	
Balance as 31 December 2017			4,800,533	

Note 7: 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
Anthony Mankarios
Peter Bobbin

Executive Directors

Alfred Kobylanski (Alternate Director)
Denis Pidcock (Alternate Director resigned 30 August 2017)

Executives – Key Management Personnel

Garry Valenzisi (Resigned 1 September 2017)
Alfred Kobylanski
Paul Vranich (Appointed 22 January 2018)

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*

A loan provided by entities associated with Mr Tony Noun was provided to the Company during the period for $395,917 (2016 $665,258) and repayments of $150,000 (2016: $347,670) were made.

Trade debtor finance is provided by an entity associated with Mr Tony Noun as at 31 December 2017 the balance of this facility was $1,063,416.

The Company paid interest of $233,199 (2016: $239,029) to an entity associated with Mr Tony Noun for the provision of a related party loan.

From time to time, key management personnel of the Group, its subsidiaries 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.

NOTE 8: Going Concern

For the half-year ended 31 December 2017, the Group recorded a loss from continuing operations of $1,661,575 as opposed to a profit of $446,165 in the period ended 31 December 2016. The Group also incurred net cash outflows from operating activities of $1,268,184 for the half-year ended 31 December 2017. While net cash inflows from financing activities for the half year ended 31 December 2017 was $1,384,289. As at 31 December 2017, the Group's current liabilities exceeded its current assets by $671,186 as opposed to current liabilities exceeding current assets by $3,269,299 as at 30 June 2017. The half-year 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.

As at 31 December 2017 the Group was in breach of certain loan covenants under facilities in place with THN Capital Solutions Pty Limited. The breach was waived for the period ended 30 June 2017 and for the 12 months subsequent to this date.

Management has prepared detailed forecasts for the year ending 30 June 2018 and 30 June 2019 which show improving financial results and the Directors expect that improved profitability and cash flows will enable the Group to continue as a going concern.

The ability of the Group to continue as a going concern is dependent on it generating adequate cash from operations to meet its liabilities as and when they fall due and on raising additional equity or loan financing as and when required. This was successfully undertaken in the current period raising 87% of additional equity originally sought.

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NOTE 8: Going Concern continued

These circumstances represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Under these circumstances, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

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:

- In the period under review the Group successfully completed a capital raising and coupled with the take up in shortfall the Group managed to achieve a capital raising of $1,039,110 or 87% of the total amount sort.
- Management has prepared a forecast that shows that the Group will generate a profit and positive cash flows for the remainder of year ending 30 June 2018 and the full financial year ended 30 June 2019. The Directors have reviewed these forecasts and believe that, based on the continuing improvement in operating results, 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;
- The Group has significant local and international supply agreements with both multinational commercial organisations and government entities across all both operating divisions. The preferred supplier agreements are valid for up to three years in some instances.
- The Directors are confident that the Group has sufficient facilities in place to meet the Group's requirements for 2018 and that while not all covenants will be met to maintain these facilities the breaches are currently covered by existing waivers obtained. The Group has the following finance facilities in place at 31 December 2017:
    - A debtor finance facility of $5,000,000 with THN Capital Solutions Pty Limited, a related party of the Group, which was drawn to the value of $ 1,054,616 as at balance date. Based upon the Groups Debtors an amount of $201,317 was available to be drawn as at 31 December 2017 and a total potential availability of $3,945,384;
    - A revolving facility with THN Capital Solutions Pty Limited of $1,000,000, which was drawn to $250,000 at balance date with and additional $750,000 available;
    - A term loan facility with THN Capital Solutions Pty Limited of $3,000,000, which was fully drawn at balance date; and
    - An additional short-term loan facility of $100,000 which was drawn down as at 31 December 2017; and
    - Temporary customer purchase order funding of $395,917 has been utilised to cover specific purchase orders and additional funding is available on a case by case basis.

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 and that it will return to profitability on a sustainable basis. 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 9: Impairment Testing for Gregory Commercial Furniture

As at 30 June 2017 the impairment testing conducted (as per the annual report) concluded that no impairment losses were incurred in the that period. Subsequent testing for the current half year reporting period indicated that no impairment losses should be recognised and the estimated recoverable amount of the cash generating unit (CGU) in the Furniture division exceeded its carrying amount by approximately $530,733.

However, the Directors note that the impairment model is highly sensitive to a number of inputs. As a result, an additional sensitivity analysis was performed for the Furniture CGU, which reduced the revenue growth for the current year over the previous year by 1.3%, and as a result the estimated recoverable amount was less than the carrying amount by $87,067.

The value in use was determined by discounting the future cash flows generated from the continuing use was based upon the following key assumptions for the two scenarios:

	No Impairment	**Impairment**
Revenue growth in approved forecast for year ended 30 June 2018	1.5%	(1.3%)
Revenue growth in approved forecasts for year ended 30 June 2019	5.0%	5.0%
Annual average revenue growth per annum 2018– 2022	5.0%	5.0%
Inflation per annum	3.0%	3.0%
Average Price growth per annum (2018-2022)	4.3%	3.7%
Cost growth per annum	3.0%	3.0%
Pre-tax discount rate	18.6%	18.6%
Carrying amount	530,730	(87,067)

The Directors reviewed the sensitivity analysis and concluded it would be prudent to record an impairment loss of $87,067 for the period under review.

In addition, the Directors have indicated that a further review will be undertaken at 30 June 2018 to determine the recoverable amount of the CGU noting that the full year forecast indicates a significant recovery in operations over the current period under review.

NOTE 10: Contingent Liabilities

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

NOTE 11: Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the half year ended 31 December 2017 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 4 to 15, 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 2017 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 28th day of February 2018

Signed in accordance with a resolution of the directors.

Tony Noun
Executive Chairman

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Inventis Limited

Report on the Half-Year Financial Report

Qualified conclusion

We have reviewed the half-year financial report of Inventis Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, with the exception of the matter described in the *Basis for qualified conclusion* section of our report, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for qualified conclusion

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. 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. Based on this, management performed an impairment review of assets as at 31 December 2017 and recognised an impairment of $87,067. We have examined the information provided to us by management regarding its assessment of the recoverable amount of assets, and were unable to substantiate certain 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 additional impairment to the carrying amount of one cash generating unit would need to be recognised. We were unable to determine the amount of the additional impairment adjustment required due to the complex process and the assumptions that affect the amount of impairment.

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 8 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and

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discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year 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 half-year 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 half-year 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 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

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Grant Saxon
Partner

Sydney, 28 February 2017