29 February 2016

Results for announcement to the market

Appendix 4E for the year ended 31 December 2015

Invigor Group Limited (ASX: IVO) announces the following results for the Company and its controlled entities (together the Consolidated Entity) for the year ended 31 December 2015. The results are extracted from the Preliminary Financial Statements of the Consolidated Entity which remain subject to audit completion.

Invigor Group uses its complementary suite of big data products to source, aggregate, analyse and publish content for the benefit of businesses and consumers. Today its interconnected data sets enable enterprise clients including retailers, brands, shopping centres and government bodies to identify and better understand competitors, consumers, markets and demographics while providing the consumer with the best value-for-money. Using its current products and a pipeline of additional offerings Invigor has the ability to provide an end-to-end solution spanning sales, product management, business intelligence, marketing, advertising, content creation and distribution, while monetising each step of the process.

Extracted from the 31 December 2015 Preliminary Financial Statements which remain subject to audit completion	**Year to 31 December 2015** $A'000	**Year to 31 December 2014** $A'000	**Change** %
Revenue from ordinary activities	5,364	869	517.2
Net profit (loss) from ordinary activities after tax attributable to members	(3,110)	(4,127)	24.6
Net profit (loss) after tax attributable to members	(3,110)	(4,127)	24.6

The result for 2015 reflects:

- the first full year contribution from the Insights product range;
- integration of Condat AG since becoming acquired effective 1 November 2015; and
- the impact of executive management and senior staff changes which occurred during the last quarter of 2015 which delayed the revenue generated by Australian operations, with significant one off costs, resulting in a direct effect on the bottom line result.

Please refer to the 31 December 2015 Preliminary Financial Statements for further information.

The Company today has more than 50% of its forecast 2016 revenue under contract or recurring. The acquisition of Condat at the end of 2015 has provided the Company with additional product and resources to enable it to execute on its strategy together with a more secure contracted revenue base.

Invigor has made a positive start to 2016 with contract wins for the Insights range together with increased downloads of its consumer product, Shopping Ninja. Currently the Insights Retail pipeline continues to grow with several major large scale and longer term contracts being finalised.

Dividends for the year ended 31 December 2015
No final dividend has been declared or proposed (2014 – nil).

No interim dividend was declared or paid (2014 – nil).

Net Tangible Assets (Liabilities) per Share

	31 December 2015[1] $A	31 December 2014[2] $A
Net assets (liabilities) per share	0.036	0.022
Less: Intangible assets per share	(0.038)	(0.026)
Net tangible assets (liabilities) per share	(0.002)	(0.004)

1 Based on 348,082,663 issued ordinary shares.

2 Based on 227,806,667 issued ordinary shares.

Audit status
The Preliminary Financial Statements remain subject to completion of the audit by the Company's Auditor. The Auditor has indicated that, at this stage, the final audit report may contain an emphasis of matter on either or both of the following:

- Preparation of the financial statements on a going concern basis.
- Realisation of the exposures to KIT digital, Inc., TUXXE and My Verified ID.

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The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the accompanying 31 December 2015 Preliminary Financial Statements.

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	Note	31 December 2015 $'000	Consolidated 31 December 2014 $'000
Revenue		5,364	869
Employee benefits expense	4	(4,116)	(1,878)
Professional fees	5	(1,087)	(1,034)
Other operating costs	5	(2,297)	(1,034)
Total profit (loss) before financing costs, tax, depreciation and amortisation		(2,136)	(3,077)
Depreciation and amortisation		(826)	(676)
Total profit (loss) before financing costs and tax		(2,962)	(3,753)
Financing costs		(667)	(374)
Profit (loss) before income tax		(3,629)	(4,127)
Income tax benefit (expense)	6	519	-
Profit (loss) for the period		(3,110)	(4,127)
Other comprehensive income			
Foreign currency translation reserve		(55)	-
Total comprehensive income (loss) for the period		**(3,165)**	**(4,127)**
Total:		**Cents**	**Cents**
Basic earnings (loss) per share attributable to ordinary equity holders	28	(1.39)	(3.01)
Diluted earnings (loss) per share attributable to ordinary equity holders	28	(1.39)	(2.12)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Invigor Group Limited
Consolidated Statement of Financial Position
as at 31 December 2015

	Note	31 December 2015 $'000	Consolidated 31 December 2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	7	1,100	1,077
Trade and other receivables	8	3,808	2,689
Assets held for sale and Other financial assets	9	1,774	496
Total Current Assets		6,682	4,262
NON-CURRENT ASSETS			
Other financial assets	9	1,750	-
Property, plant and equipment	11	256	206
Intangible assets	12	12,983	6,014
Total Non-Current Assets		14,989	6,220
TOTAL ASSETS		21,671	10,482
CURRENT LIABILITIES			
Other creditors and accruals	13	4,543	2,827
Interest bearing loans and borrowings	14	4,195	2,273
Provisions	15	253	223
Total Current Liabilities		8,991	5,323
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	14	180	-
Provisions	15	64	136
Total Non-Current Liabilities		244	136
TOTAL LIABILITIES		9,235	5,459
NET ASSETS		12,436	5,023
EQUITY			
Issued capital	17	137,351	127,028
Reserves	19	1,750	1,550
Accumulated losses	20	(126,665)	(123,555)
TOTAL EQUITY		12,436	5,023

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Note	31 December 2015 $'000	Consolidated 31 December 2014 $'000
Cash flows from operating activities			
Receipts from customers		5,357	1,032
Payments to suppliers and employees		(9,544)	(4,484)
Interest received		22	30
Other income received		903	-
Net cash from (used in) operating activities	29	(3,262)	(3,422)
Cash flows from investing activities			
Payments for property, plant and equipment		(103)	(324)
Payments for acquisition of investments and convertible notes		(3,128)	(893)
Payments for other assets		-	(62)
Net cash outflow upon acquisition of business operations, net of cash acquired	3	(376)	(261)
Net cash from (used in) investing activities		(3,607)	(1,540)
Cash flows from financing activities			
Proceeds from issue of shares	17	4,611	6,404
Proceeds from issue of convertible notes		3,400	1,500
Proceeds from borrowings		215	1,277
Borrowing costs paid		(346)	(398)
Repayment of borrowings		(988)	(2,668)
Capital raising costs paid		-	(220)
Net cash flow from (used in) financing activities		6,892	5,895
Net increase (decrease) in cash and cash equivalents		23	933
Cash and cash equivalents at 1 January		1,077	144
Cash and cash equivalents at 31 December		1,100	1,077

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

	Issued Capital	Accumulated Losses	Reserves	Total
Consolidated	$'000	$'000	$'000	$'000
Balance at 1 January 2015	**127,028**	**(123,555)**	**1,550**	**5,023**
Profit (loss) for the period	-	(3,110)	-	(3,110)
Foreign currency translation reserve	-	-	(55)	(55)
Total comprehensive income (loss)	-	(3,110)	(55)	(3,165)
Transactions with owners in their capacity as owners:				
Issue of share capital	10,544	-	-	10,544
Share based payments reserve	-	-	158	158
Options reserve	-	-	97	97
Capital raising costs incurred	(221)	-	-	(221)
Balance at 31 December 2015	**137,351**	**(126,665)**	**1,750**	**12,436**
Balance at 1 January 2014	**117,436**	**(119,428)**	**1,527**	**(465)**
Profit (loss) for the period	-	(4,127)	-	(4,127)
Foreign currency translation reserve	-	-	-	-
Total comprehensive income (loss)	-	(4,127)	-	(4,127)
Transactions with owners in their capacity as owners:				
Issue of share capital	9,992	-	-	9,992
Share based payments reserve	-	-	23	23
Capital raising costs incurred	(400)	-	-	(400)
Balance at 31 December 2014	**127,028**	**(123,555)**	**1,550**	**5,023**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Significant accounting policies

This general purpose consolidated financial report for the year ended 31 December 2015 comprises Invigor Group Limited ("the Company" or "Invigor"), its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interests in associates and jointly controlled entities. The principal accounting policies adopted in the preparation of the consolidated financial report are set out below and have been consistently applied by each entity in the Consolidated Entity for all periods presented, unless otherwise stated.

Invigor Group Limited is a limited liability company incorporated and domiciled in Australia.

The principal activity of the Consolidated Entity is to operate as a digital solutions group capable of delivering both sales and fulfilment capability. It specialises in innovative business intelligence, big data solutions and uses its complementary suite of big data products to source, aggregate, analyse and publish content for the benefit of businesses and consumers. The Company intends continuing to seek investment opportunities which are profitable and synergistic with the overall strategy. During the comparative reporting period, until 18 March 2014, the Consolidated Entity operated as an investment company focused on the information and communication technologies sector.

(a) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report of the Consolidated Entity complies with the International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board. The Company is a for-profit entity for the purpose of preparing the financial statements.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial assets which are measured at fair value. The methods used to measure fair value are discussed further in Note 10.

Comparative figures have been adjusted to conform to changes in presentation for the current financial year when required by accounting standards. Where the Consolidated Entity has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

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 entities in the Consolidated Entity during the reporting period.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars unless otherwise stated.

(c) Preparation of financial statements on the going concern basis

The consolidated financial statements have been prepared on the going concern basis. In determining that the going concern basis is appropriate, the directors have had regard to the;

- effect on the financial position of the Consolidated Entity following a review of the amount and terms of forecast investment, financial and operating commitments for the next 12 months, including short to medium term funding requirements which may need to be met through raising additional debt or equity (including the Share Purchase Plan announced on 29 February 2016. Refer Note 30);
- terms of financing facilities available to the Company and the likelihood of these being extended, if required. Refer Notes 14 and 30; and
- anticipated timing and amounts expected to be received from realisation of the exposures to KIT digital, Inc. and My Verified ID. Refer Notes 8 and 9.

The Company's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the Company may not be able to pursue its business objectives and will have difficulty continuing to operate as a going concern, including realising its assets and extinguishing its liabilities at the amounts shown in the financial statements.

(d) Use of estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of Receivables (Note 8), Assets held for sale and Other financial assets (Note 9), Intangible assets (Note 12), Tax losses (Note 6) and Interest bearing loans and borrowings (Note 14).

(e) Principles of consolidation

Subsidiaries

The consolidated financial statements of Invigor Group Limited incorporate the assets and liabilities of all entities controlled by the Company as at 31 December 2015 and the results of all controlled entities for the year then ended. Control exists when the Consolidated Entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Associates and jointly controlled entities

Associates are those entities in which the Consolidated Entity has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Consolidated Entity has joint control, established by contractual agreement. In the consolidated financial statements, investments in associates and jointly controlled entities are accounted for using either fair value through profit or loss or the equity method of accounting.

The Consolidated Entity's investments in associates and jointly controlled entities include goodwill identified on acquisition net of impairment losses, if any.

Where the fair value through profit or loss method is applied, the carrying amount of investments in associates or jointly controlled entities is restated to the assessed fair value with changes recognised in the income statement. Such investments are classified as "Other financial assets" in the balance sheet.

Where the equity method is applied, the consolidated financial statements include the Consolidated Entity's share of the total recognised gains and losses of associates or jointly controlled entities on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Consolidated Entity's share of losses exceeds its interest in an associate or jointly controlled entity, the Consolidated Entity's carrying amount is reduced to $nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred obligations or made payments on behalf of the associate or jointly controlled entity.

Transactions eliminated on consolidation
All intercompany balances, unrealised income and unrealised expenses arising from intra-group transactions, have been eliminated in full.

Unrealised gains or losses on transactions between the Consolidated Entity and its equity accounted investments are eliminated to the extent of the Consolidated Entity's interest in those entities.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

(f) Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items that are outstanding at reporting date are translated at the foreign exchange rate prevailing at that date.

Foreign exchange gains and losses arising on translation are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rates prevailing at the dates the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at balance date.

The income and expenses of foreign operations are translated into Australian dollars at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at exchange rates at the dates of the transactions). Any exchange differences arising on translation are taken directly to the Foreign currency translation reserve in equity.

Exchange differences arising from the translation of a net investment in foreign operations, and of related hedges, are taken to the Foreign currency translation reserve and are released into the income statement upon a disposal resulting in a loss of control.

(g) Revenue

Revenue is income that arises in the course of ordinary activities of the Consolidated Entity and is recognised at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

<u>Interest income</u>

Interest income is recognised in the income statement on an accruals basis, using the effective interest method.

<u>Dividend income</u>

Dividend income is recognised in the income statement when the entity's right to receive payment is established.

<u>Development projects and rendering of professional services</u>

Revenue from development projects and the rendering of professional services is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to some or all of the specific contract terms, milestone or performance delivery dates, agreed invoicing terms and costs incurred as a percentage of estimated total costs, including labour, for each contract. Where the contract outcomes cannot be reliably measured, revenue is recognised only to the extent that recoverable expenses have been recognised.

Revenue from time and materials and consulting services is recognised when the service is provided.

(h) Financing costs

Financing costs comprise interest expense on borrowings calculated using the effective interest rate method, costs incurred in establishing and maintaining borrowing facilities for use in funding business acquisitions, foreign exchange gains and losses on foreign currency borrowings, unwinding of the discount on provisions, fair value movements on other financial assets at fair value through the profit or loss where considered part of the borrowing cost, and gains and losses on hedging instruments that are recognised in the income statement. Borrowing costs are recognised in profit or loss using the effective interest method unless they relate to a qualifying asset in which case they are capitalised in the relevant asset.

(i) Operating leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(j) Research and development expenditure

Research expenditure is expensed as incurred.

Development expenditure incurred on projects may be capitalised if the product or service is technically feasible, adequate resources are available to complete the projects, it is probable that future economic benefits will be generated and expenditure attributable to a project can be reliably measured. Expenditure capitalised comprises the direct costs of services, direct labour and an appropriate portion of overheads. Other development costs are expensed when they are incurred. Capitalised development expenditure, if any, is stated at cost less accumulated amortisation and any impairment losses and amortised over the period of expected future sales from the related projects, which is generally no more than 5 years. Capitalised development expenditure is reviewed at least annually for impairment.

(k) Income tax

The income tax expense or benefit on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax is the expected tax payable on the current period's taxable income, using tax rates enacted or substantially enacted at balance date. Current tax also includes any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the underlying items and the tax rates which are enacted or substantially enacted at balance date and expected to apply when the assets are recovered or liabilities are settled. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising from the recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

<u>Tax consolidation</u>

The Company and its wholly-owned Australian controlled entities formed a tax consolidated group on 10 October 2012 meaning that all members of the tax consolidated group are taxed as a single entity from that date. The Company is the head entity of the tax consolidated group.

(l) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Financial assets are recognised when the rights to receive cash flows and the risks and rewards of ownership are transferred to the Consolidated Entity. Financial assets are derecognised when the rights to receive cash flows from these assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are recognised if the Consolidated Entity becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value though profit or loss, any directly attributable transaction costs, except as described below.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Purchases of investments are recognised when the Consolidated Entity is entitled to the risks and rewards of ownership. This is usually on settlement date, being the date on which the asset is delivered to the Consolidated Entity. Sales of investments are recognised when the Consolidated Entity is unconditionally committed to sell the asset and the risks and rewards of ownership have been substantially transferred by the Consolidated Entity.

The Consolidated Entity classifies its investments as either loans and receivables at amortised cost or financial assets through profit or loss. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Consolidated Entity provides money, goods or services directly to a debtor with no intention of selling the receivable. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation is included in the income statement in interest income. Losses arising from any impairment of such loans and advances are recognised in the income statement.

Financial assets at fair value through profit or loss
An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition or subsequently re-designated in compliance with accounting standards. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial instruments are designated at fair value through profit or loss if the Consolidated Entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial instruments that are classified as at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management strategy are reported within liabilities in the balance sheet, but included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

<u>Impairment</u>
The Consolidated Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment includes observable data that indicates that there is a measurable decrease in the future cash flows expected to be received.

Loans and receivables
For loans and receivables carried at amortised cost, the Consolidated Entity first assesses whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Consolidated Entity determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

Financial assets at fair value through profit or loss
For financial assets at fair value through profit and loss, the Consolidated Entity assesses at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

(m) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation, accumulated amortisation and impairment losses (refer note 1(t)). The carrying amount of an item of property, plant and equipment includes the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will eventuate and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the income statement as incurred.

Depreciation or amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- capitalised equipment and installation costs	shorter of lease term or useful life
- leasehold improvements	shorter of lease term or useful life
- furniture and fittings	5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

(n) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Consolidated Entity's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Any goodwill on acquisitions of associates or jointly controlled entities is included in investments in associates or jointly controlled entities where the equity method is adopted. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Identifiable intangible assets

The useful lives of separately identified intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets other than goodwill which is not amortised. Other intangible assets are amortised from the date they are available for use. The useful lives of intangible assets are reviewed, and adjusted if appropriate, at each balance date.

(o) Creditors and payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the period and which remain outstanding at balance date. Creditors are stated initially at fair value and subsequently at amortised cost, are unsecured, and are usually paid within 60 days of recognition.

(p) Interest-bearing loans and borrowings

Interest-bearing borrowings are recognised initially at fair value. Fair value is calculated based on discounted expected future principal and interest cash flows. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with income/expense recognised in profit or loss on an effective interest basis.

(q) Employee entitlements

Wages and salaries and annual leave

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

Long service leave

The Consolidated Entity's net obligation for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

Profit-sharing and bonus plans

The Consolidated Entity recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made. The liability is not discounted as it is settled within 12 months.

(r) Employee benefits expense – share based payments

The Consolidated Entity may provide benefits to its employees, including directors, in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity (Employee equity benefits reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined using an appropriate option pricing model (eg Black-Scholes). In determining fair value, no account is taken of any performance conditions other than those related to the share price of Invigor Group Limited.

(s) Provisions

Provisions are recognised in the balance sheet when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting expected future cash flows at a market rate.

(t) Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that have a definite useful life and are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is measured by reference to fair value less costs to sell and value in use. An impairment loss is recognised in the income statement unless the asset has previously been revalued, in which case the loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

(u) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the collection of instalment amounts due from shareholders are accounted for as a deduction from equity, net of any related income tax benefit.

(v) Earnings per share

<u>Basic earnings per share</u>

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

<u>Diluted earnings per share</u>

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) New and revised accounting standards

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Consolidated Entity. The Consolidated Entity has decided not to early adopt any of the new and amended pronouncements. The Consolidated Entity's assessment of the new and amended pronouncements that are relevant to the Consolidated Entity but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)
The standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the Consolidated Entity on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the Consolidated Entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective. Although the directors anticipate that the adoption of AASB 9 may have an impact on the Consolidated Entity's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2017)
When effective, this standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this standard permit an entity to either: restate the contracts that existed in each prior period presented as per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue. Although the directors anticipate that the adoption of AASB 15 may have an impact on the Consolidated Entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016)
This standard amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. As at 31 December 2015, management is not aware of the existence of any such arrangements which would impact the financial statements of the Consolidated Entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of the standard.

2 Segment reporting

The Consolidated Entity has adopted *AASB 8 Operating Segments* whereby segment information is presented using a 'management approach'. That is, segment information is provided on the same basis as information used for management reporting purposes by the chief operating decision maker.

The Consolidated Entity has identified "digital solutions" as a separately identifiable operating segment. This segment operates primarily in Australia and in Germany (from 1 November 2015). The comparative results are for the period 1 July 2014 to 31 December 2014 only. The Consolidated Entity had no separately reportable operating segments prior to 1 July 2014.

Segment information

		Consolidated
Year ended	**Digital Solutions**	**Total**
31 December 2015	$'000	$'000
Revenue from external customers	2,288	2,288
Other revenue/income	1,750	1,750
Total segment revenue/income	4,038	4,038
EBITDA	(266)	(266)
Interest income	1	1
Interest expense	(48)	(48)
Depreciation and amortisation	(684)	(684)
Year ended		
31 December 2014		
Revenue from external customers	549	549
Other revenue/income	2	2
Total segment revenue/income	551	551
EBITDA	(972)	(972)
Interest income	-	-
Interest expense	(6)	(6)
Depreciation and amortisation	(643)	(643)

Reconciliation of segment EBITDA to profit (loss) before income tax is as follows:

		Consolidated
	2015	**2014**
	$'000	$'000
Segment EBITDA	(266)	(972)
Non-segment EBITDA	(1,870)	(2,105)
Depreciation and amortisation	(826)	(676)
Finance costs	(667)	(374)
Profit (loss) before income tax	(3,629)	(4,127)

Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	Consolidated 2015 $'000	2014 $'000
Australia	1,023	549
Germany	1,265	-
Total revenue from external customers	2,288	549

The Consolidated Entity has adopted the amendment included in AASB 2009-5. No segment assets or segment liabilities are disclosed as these were not regularly provided to the chief operating decision maker.

3 Business Combinations

Condat AG

(a) Summary of acquisition

The Consolidated Entity acquired the issued shares of Condat AG ("Condat") on 23 December 2015 with effective control occurring from 1 November 2015. The principal activity of Condat is the provision of digital technology services specifically focused on the design and customisation of an array of specialised solutions to media and mobility market sectors. Condat operates primarily in Germany.

(b) Purchase consideration and summary of cash movement

	2015 $'000
Purchase Consideration	
Cash consideration paid	500
Deferred cash consideration	1,750
Equity issued	2,250
Direct costs relating to acquisition capitalised	-
Total purchase consideration	4,500
Reconciliation of cash movement	
Cash consideration paid	500
Less: net (cash acquired) or liability assumed	(124)
Net cash outflow	376

Deferred cash consideration is payable by 31 December 2016. A liability has been recognised for this amount. Refer below and Notes 13 and 30.

Equity issued comprises 26,470,588 ordinary shares issued at $0.085 per share on 23 December 2015.

No direct costs associated with the transaction were capitalised. Direct costs attributable to the acquisition totalling approximately $265,000 were charged directly to the profit and loss account. These expenses were mainly for legal, due diligence and travel costs.

(c) Fair value of net assets acquired

	Acquiree's carrying amount (100%) $'000	Fair value adjustments $'000	Fair value (100%)[1] $'000
Cash and other financial assets	2,383	-	2,383
Property, plant and equipment	51	-	51
Intangible assets	9	428	437
Creditors and provisions	(2,029)	-	(2,029)
Borrowings	(1,703)	-	(1,703)
Net assets (liabilities) acquired	(1,289)	428	(861)
Purchase consideration			4,500
Fair value of net assets (liabilities) acquired			(861)
Goodwill on acquisition			5,361

1 Fair values are provisionally accounted for at 31 December 2015.

The purchase consideration is subject to adjustment based on the net tangible assets of Condat as at 31 December 2015. Subsequent to 31 December 2015, the Company is of the view that the purchase consideration will be reduced by $800,000. This adjustment, if finally accepted, will reduce the amount of deferred cash consideration payable and the amount of goodwill on acquisition. An adjustment to the carrying values has not yet been made pending acceptance of the adjustment by vendor.

Goodwill on consolidation relates primarily to growth and future profitability expectations and the expected benefits from the skill and expertise of the Condat executives and employees.

Condat contributed operating revenue of $1.3 million for the period 1 November 2015 to 31 December 2015. The net loss before tax contributed for this period was $0.2 million. These results are included in the results of the Consolidated Entity.

4 Employee benefits expense

	Consolidated	
	2015 $'000	2014 $'000
Employee benefits	3,958	1,855
Share based payments	158	23
	4,116	1,878

The Company provides benefits to defined employees (including executive directors) of the Consolidated Entity in the form of share-based payment transactions, whereby services are rendered in exchange for shares or options over shares ("equity-settled transactions"). Formal share and option incentive plans are in place. Refer Note 1(r).

5 Other operating expenses

	Consolidated	
	2015 $'000	2014 $'000
Professional fees	1,087	1,034
Other operating costs	2,297	1,034
	3,384	2,068

6 Income Tax

(a) Income tax benefit (expense) recognised in the income statement

	Consolidated	
	2015	**2014**
	$'000	$'000
Current tax	519	-
Deferred tax	-	-
Total income tax benefit (expense)	519	-

(b) Numerical reconciliation between income tax expense and pre-tax net profit (loss)

	Consolidated	
	2015	**2014**
	$'000	$'000
Profit (loss) for the year before tax	(3,629)	(4,127)
Income tax at the Australian tax rate of 30% (2014 – 30%)	(1,089)	(1,238)
Non-deductible expenses	427	209
Non-assessable income	(53)	-
Other timing differences	(203)	(45)
Foreign operations	86	-
Correction from prior years	561	-
Unrealised losses	790	1,074
Total income tax benefit (expense)	519	-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised:

	Consolidated	
	2015	**2014**
	$'000	$'000
Income tax losses	11,165	9,514
Capital losses	45,060	32,360
Potential benefit at 30%		
Income tax losses	3,349	2,854
Capital losses	13,518	9,708

The benefit of all losses available to the Australian tax consolidated group can only be utilised if the requirements of the Income Tax Assessment Act are satisfied at the time the head entity seeks to utilise the available losses. This will include the requirement to meet either the continuity of ownership test or the same business test at that time. Deferred tax assets have not been recognised for deductible temporary differences and unused tax losses as it is not presently probable that future taxable amounts will be available to utilise those temporary differences and losses.

Condat AG had aggregated corporate and trade tax losses of approximately EUR 3.0 million (gross) anticipated to be available to be utilised after its change of ownership in December 2015. A final review of the available losses is still to be completed. No future benefit has been recognised and these losses are not included in the available losses shown above pending completion of the review. Deferred tax liabilities of approximately EUR 0.6 million have not been recognised pending completion of the tax loss review as it is expected that these liabilities will be capable of being offset against available losses so that no tax amounts will become payable.

7 Cash and cash equivalents

	Consolidated 2015	2014
	$'000	$'000
Cash at bank and on hand	1,100	1,077
Current	1,100	1,077

8 Receivables

	Consolidated 2015	2014
	$'000	$'000
Claims recoverable at fair value	1,150	1,150
Trade debtors	824	1,085
Provision for doubtful debts	(23)	(19)
Work in progress	547	-
Research and development grants receivable	-	360
Sundry debtors and other receivables	1,046	40
Prepayments	264	73
Current	3,808	2,689

"Claims recoverable at fair value" represents the assessed fair value of claims made by the Company to the appointed Creditors' Committee of KIT digital, Inc. These claims remain to be finally determined by the Creditors' Committee.

9 Assets held for sale and Other financial assets

	Consolidated 2015	2014
	$'000	$'000
Assets held for sale[(a)]	1,774	-
Other financial assets, at fair value through profit or loss[(b)]	-	12,895
Provision for impairment	-	(12,399)
Current	1,774	496
Other financial assets, at fair value through profit or loss[(c)]	1,750	-
Non-current	1,750	-

(a) My Verified ID Holdings Pty Ltd ("MVID")

At 31 December 2015, the Consolidated Entity held shares and convertible notes in MVID. The Consolidated Entity received the convertible notes under the terms of a $3.1 million convertible note funding facility entered into on 12 November 2014. A portion of the convertible notes were converted in June 2015 providing the Consolidated Entity with a holding of 10% of the issued shares of MVID at that date. Remaining convertible notes held will not be converted pursuant to a Deed of Variation and Agreement dated 30 June 2015.

During the period, the Consolidated Entity exercised its rights as a secured lender and appointed administrators to MVID. This action was taken to protect the value of the investment and as a step seeking to maximise recoveries. A Deed of Company Arrangement ("DOCA") was entered into in June 2015 at which time the MVID administration ceased.

In assessing the fair value of the exposure to MVID at 31 December 2015, regard has been had to:

- Terms of the DOCA, including defined cash amounts expected to be received by the Consolidated Entity and the anticipated timing for receipt of these amounts. These terms are also considered in assessing the recoverability of a $0.3 million amount due from MVID included in Receivables (Note 8);
- Terms of the Deed of Variation and Agreement; and
- The status of a proposal announced in November 2015 by IVS Holdings Limited to acquire the shares of companies in the Identity Verification Services group ("IVS group"), including MVID. Conditional sale contracts have been executed by the shareholders of the companies in the IVS group.

The Board has assessed that the $750,000 impairment provision raised against the exposure at 30 June 2015 is not required at 31 December 2015 and has been reversed.

The MVID investment has been reclassified as an "Asset held for sale" given the sale contract entered into. The asset was previously classified as "Other financial assets, at fair value through profit or loss".

(b) Piksel Inc. (formerly KIT digital, Inc) ("Piksel" or "KIT")

The prior period comparative included an amount of $12.4 million representing entitlements under a share sale agreement entered into during 2012 as well as the entitlement to receive warrants in Piksel following approval by the US Bankruptcy Court of a Plan of Reorganization in August 2013. The Company elected in January 2015 not to exercise 14.1 million warrants issued to it by Piskel during December 2014. Legal action between the Company and Piksel in connection with other disputed matters was settled in March 2015.

(c) Tuxxe Pty Ltd ("TUXXE")

The Consolidated Entity acquired an investment in TUXXE in July 2015. TUXXE's business is in early stage development and considered to be of a venture capital nature. Guidelines issued by the Australian Private Equity and Venture Capital Association Limited have been considered in assessing fair value. Assessment of fair value has been undertaken through consideration of TUXXE's business plan and financial mode (which covers a 3 year period) to assess if the business model is achievable and capable of being delivered over a realistic timeframe. Assessment using a discounted cash flow model is not considered appropriate given the early stage of TUXXE's business.

10 Fair values of financial instruments

The fair value of financial instruments traded in active markets (such as publicly traded securities and available-for sale securities) are based on quoted market prices at the balance date (usually being the closing bid price at that date).

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. The Consolidated Entity uses a variety of methods and makes assumptions based on market conditions existing at balance date.

The fair values of financial assets and liabilities recognised at balance date are not considered to be materially different from their carrying amounts as described below or in the relevant notes to these financial statements.

The Consolidated Entity has considered that the use of derivative financial instruments, such as foreign exchange contracts or interest rate swaps, to minimise the risks associated with financial instruments, was not necessary during the financial year.

Estimation of fair values

The following summarises the major methods and assumptions used in estimating fair values of financial assets and liabilities.

Financial assets at fair value through profit or loss

Fair values for listed securities are based on the quoted market price at balance date without any deduction for transaction costs. The Consolidated Entity held no listed securities at balance date.

Fair values for unlisted securities are assessed using financial models, supporting analysis, including the terms upon which funding or investments are made, and may be supported by independent analysis if considered appropriate to aid the assessment. Factors considered in assessing the fair value of unlisted securities held at balance date are outlined in Note 9.

Interest-bearing borrowings
Fair values are estimated using analysis based on current terms and rates for similar types of lending arrangements. Fair values of interest-bearing borrowings due within 12 months are generally assessed to equal face value given the short term to maturity.

Trade and other receivables and payables
The carrying amounts represent fair value because of their short term to maturity.

The Consolidated Entity will usually use the BBSW yield curve as at the reporting date, plus an adequate constant credit spread, to discount financial instruments, where applicable.

Fair value hierarchy
The following table analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Consolidated	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2015	$’000	$’000	$’000	$’000
Financial assets designated at fair value through profit or loss	-	-	1,750	1,750
	-	-	1,750	1,750
Interest-bearing borrowings	-	4,375	-	4,375
	-	4,375	-	4,375
31 December 2014				
Financial assets designated at fair value through profit or loss	-	-	496	-
	-	-	496	-
Interest-bearing borrowings	-	2,273	-	2,273
	-	2,273	-	2,273

Other financial assets at 31 December 2015 designated as Level 3 represents the exposure to TUXXE Pty Ltd. The fair value has been assessed having regard to the factors summarised in Note 9. A 10% increase or decrease to the ascribed value at 31 December 2015 would change the carrying amount upward or downward by $175,000 with the change being recognised through the income statement (2014 - $49,600).

Interest-bearing borrowings designated as Level 2 have been assessed at face value. Refer Note 14.

11 Property, plant and equipment

	Consolidated	
	2015	**2014**
	$'000	$'000
Plant and equipment		
Cost	246	184
Accumulated depreciation	(130)	(46)
Net carrying amount	116	138
Computer equipment and software		
Cost	484	341
Accumulated depreciation	(344)	(273)
Net carrying amount	140	68
Total property, plant and equipment		
Cost	730	525
Accumulated depreciation	(474)	(319)
Net carrying amount	256	206

Reconciliation of carrying amounts at the beginning and end of the period

	2015	2014
Plant and equipment		
Net carrying amount at the beginning of the period	138	1
Additions	5	105
Acquisitions through business combinations (net)	28	72
Depreciation charge for the year	(55)	(40)
Net carrying amount at the end of the period	116	138
Computer equipment		
Net carrying amount at the beginning of the period	68	15
Additions	127	37
Acquisitions through business combinations (net)	22	37
Amortisation charge for the year	(77)	(21)
Net carrying amount at the end of the period	140	68
Total property, plant and equipment		
Net carrying amount at the beginning of the period	206	16
Additions	132	142
Acquisitions through business combinations (net)	50	109
Depreciation charge for the year	(132)	(61)
Net carrying amount at the end of the period	256	206

12 Intangible assets

	Consolidated	
	2015	**2014**
	$'000	$'000
Software and technology		
Cost (gross carrying amount)	1,854	1,078
Accumulated amortisation	(1,100)	(615)
Net carrying amount	754	463
Goodwill		
Cost (gross carrying amount)	10,912	5,551
Accumulated impairment	-	-
Net carrying amount	10,912	5,551
Capitalised development expenditure		
Cost (gross carrying amount)	1,526	-
Accumulated amortisation	(209)	-
Net carrying amount	1,317	-
Total intangible assets		
Cost (gross carrying amount)	14,292	6,629
Accumulated amortisation	(1,309)	(615)
Accumulated impairment	-	-
Net carrying amount	12,983	6,014

Reconciliation of carrying amounts at the beginning and end of the period

	2015	2014
Software and technology		
Net carrying amount at the beginning of the period	463	-
Additions	767	1,078
Amortisation charge for the year	(485)	(615)
Impairment charge	-	-
Acquisitions through business combinations (net)	9	-
Net carrying amount at the end of the period	754	463
Goodwill		
Net carrying amount at the beginning of the period	5,551	-
Additions	5,361	5,551
Impairment charge	-	-
Net carrying amount at the end of the period	10,912	5,551
Capitalised development expenditure		
Net carrying amount at the beginning of the period	-	-
Additions	1,526	-
Amortisation charge for the year	(209)	-
Net carrying amount at the end of the period	1,317	-
Total intangibles		
Net carrying amount at the beginning of the period	6,014	-
Additions	7,654	6,629
Amortisation charge for the year	(694)	(615)
Impairment charge	-	-
Acquisitions through business combinations (net)	9	-
Net carrying amount at the end of the period	12,983	6,014

Software and technology
An intangible asset is recognised for software and technology owned by the Consolidated Entity. Software and technology acquired under a business combination has been recognised at fair value at acquisition date. Fair value has been established using appropriate analysis and having regard to the relevant contractual terms of the transactions. The software and technology was acquired following completion of the acquisitions of Global Group Australia and Amethon Solutions in 2014 and the acquisition of Condat during 2015. The Software and technology assets are recognised at cost less accumulated amortisation and impairment losses, if any. Refer Notes 1(n) and 1(t). The amount recognised following the Condat acquisition is provisionally accounted for at balance date. Refer Note 3.

Goodwill
Goodwill is allocated to the Consolidated Entity's cash generating units. At 31 December 2015, the goodwill balance related to the Invigor Digital Solutions division and arose following the acquisitions of Global Group Australia and Amethon Solutions during 2014 and the acquisition of Condat during 2015. Refer Note 3. Goodwill is reviewed annually for impairment or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

The recoverable amount of goodwill has been assessed by reference to both fair value less costs to sell and value in use methodologies. Where possible, relevant comparable information is used from an active market and where such information is not readily available a combination of market accepted valuation techniques are used to estimate the amount available from the sale of assets in arm's-length transactions between knowledgeable and willing parties.

Assessment of the fair value of goodwill at balance date arising following the acquisition of Global Group Australia and Amethon under the value in use method remains to be finalised as at the date of this preliminary financial report. Assessment will be based on a discounted cash flow model.

For Goodwill arising following the acquisition of Condat which completed in December 2015 (effective 1 November 2015 for control purposes), the goodwill is provisionally accounted for using amounts from the audited completion balance sheet. Accounting Standards allow 12 months for the fair value amounts to be finalised. Refer Note 3.

Capitalised development expenditure
Eligible expenditure associated with product development has been capitalised in accordance with the policy described in Note 1(e). The capitalised expenditure is recognised at cost less accumulated amortisation and impairment losses, if any.

13 Other creditors and accruals

		Consolidated
	2015	**2014**
	$'000	$'000
Other creditors and accrued expenses	2,460	1,040
Deferred consideration payable on acquisitions	1,750	947
Unearned revenue	333	840
Current	4,543	2,827

Included in other creditors and accrued expenses are amounts totalling $13,070 (2014 - $11,283) payable at balance date under cost recovery agreements with Marcel Equity Pty Ltd and associated entities. Refer Note 25. These amounts are unsecured.

Deferred consideration payable on acquisitions represents an amount of $1,750,000 payable by 31 December 2016 to the vendor of Condat AG ("Condat Vendor"). The deferred consideration is non-interest bearing and is secured by an equitable mortgage held by the Condat Vendor over the issued shares of Condat. The mortgage is exercisable by the Condat Vendor in the event that the deferred consideration amount is not paid when due. The deferred consideration amount is subject to adjustment. Refer Note 30.

Deferred consideration payable on acquisitions at the end of the comparative period represented amounts payable to the vendors of Global Group Australia Pty Ltd and the estimated fair value of contingent consideration which may have become payable to the vendors of Amethon Solutions (Asia Pacific) Pty Ltd. These amounts were either paid or otherwise settled during the period or were reversed if not required to be paid or continue to be accrued.

14 Interest bearing loans and borrowings

	Consolidated	
	2015	**2014**
	$'000	$'000
Unsecured borrowings – convertible notes	2,400	2,273
Unsecured borrowings – loan and overdraft facilities	1,240	-
Unsecured borrowings - employees	555	-
Current	4,195	2,273
Unsecured borrowings – loan facilities	180	-
Non-current	180	-

Unsecured borrowings – convertible notes

Unsecured convertible notes are shown as a current liability at balance date because the note holders held a current right at that date to issue a conversion notice and notwithstanding the remaining terms to maturity under the facilities.

Facility with Atlas Capital and others

The Company entered into a $2,000,000 redeemable convertible note facility with MAP Capital Pty Ltd <atf Atlas Capital Series B Fund> in June 2015. Of the principal amount, $1,400,000 was received in cash and $600,000 was deemed to be received by settling part of the deferred consideration for the Global Group Australia acquisition in 2014 which was previously payable to entities associated with Gary Munitz and Daniel Sekers. On 19 August 2015, 6,666,666 convertible notes issued under this facility were converted into shares. Key terms of the facility are:

- Convertible notes on issue at balance date – 15,555,556 (31 December 2014 – not applicable)
- Maturity Dates – 11 December 2016 for 3,888,889 notes; 31 December 2016 for 3,888,890 notes; 29 January 2017 for 3,888,889 notes; and 13 February 2017 for 3,888,888 notes on issue at balance date.
- Ranking – unsecured
- Conversion price – the convertible notes may be converted into shares at the conversion price of $0.09 per share (subject to any adjustment in accordance with the terms and conditions of those notes).
- Interest – 8.0 per cent per annum from the date of issue on the principal amount outstanding payable quarterly in arrears and ending on the earlier of the redemption date or conversion date. Any unpaid interest will capitalise on a quarterly basis.
- Redemption – on the maturity date or if the noteholder gives a notice requiring redemption after the occurrence of a defined event of default.

Facilities with Marcel Equity

The Company raised $2,000,000 by way of an issue of redeemable convertible notes to Marcel Equity Pty Ltd or its nominees under a facility entered into in April 2015. On 19 August 2015, 11,111,111 convertible notes issued under this facility were converted into shares. Key terms of these notes are:

- Convertible notes on issue at balance date – 11,111,111 (31 December 2014 – not applicable)
- Maturity Date – 10 October 2016
- Ranking – unsecured
- Conversion price – the convertible notes may be converted into shares at the conversion price of $0.09 per share (subject to any adjustment in accordance with the terms and conditions of those notes).
- Interest – 8.0 per cent per annum from the date of issue on the principal amount outstanding payable quarterly in arrears and ending on the earlier of the redemption date or conversion date. Any unpaid interest will capitalise on a quarterly basis.
- Redemption – on the maturity date or if the noteholder gives a notice requiring redemption after the occurrence of a defined event of default.

The Company issued 7,730,000 redeemable convertible notes with a face value of $773,000 to Marcel Equity Pty Ltd in March 2014 upon conversion of part of a liability to Marcel Equity Pty Ltd incurred under a Service Agreement between the companies. The notes were redeemed on 19 August 2015.

Facility with H Investments

The Company raised $1,500,000 by way of an issue of 15,000,000 redeemable convertible notes to H Investments International Pty Ltd <atf the H Investments Trust> in March 2014. The notes on issue under this facility were converted into shares on 19 August 2015.

Unsecured borrowings – loan and overdraft facilities

In August 2013, the Company entered into an interest bearing short term loan arrangement with Gary Cohen under which under which his company, Marcel Equity Pty Ltd, would make available up to $1,000,000 as and when required by the Company, subject to the terms of the loan arrangement. The facility amount was subsequently increased and the term extended at various times. The facility was cancelled in April 2015. A new facility with Marcel Equity Pty Ltd was entered into during February 2016. Refer Note 30.

Condat AG has fully drawn unsecured loan and overdraft facilities with Berliner Sparkasse (€600,000) and Berliner Volksbank (€50,000) drawn to an aggregate equivalent to $A970,000 at balance date. Interest of 9.5% per annum applies to each facility. The facilities are intended to be renegotiated during 2016.

Condat AG has an unsecured €300,000 ($A450,000) loan from Buro am Draht. The loan is to be repaid in instalments by 30 June 2017 unless varied. The loan accrues interest at 5.0% per annum.

The Consolidated Entity has a $100,000 interest bearing overdraft facility with National Australia Bank which was fully available at 31 December 2015 (31 December 2014 – fully available). The facility is secured by guarantees provided by entities associated with Gary Cohen and Gregory Cohen.

Unsecured borrowings – employees

Condat AG entered into unsecured borrowings with certain employees prior to its acquisition by the Company. At balance date the amount outstanding was €370,000 ($A555,000). The borrowings accrue interest at 10.0% per annum.

15 Provisions

	Consolidated	
	2015	**2014**
	$'000	$'000
Employee benefits	253	223
Current	253	223
Employee benefits	64	136
Non-Current	64	136

Reconciliation of carrying amounts at the beginning and end of the period

Employee benefits		
Balance at the beginning of the period	359	-
Provisions raised (reversed)	(42)	77
Provisions assumed upon completion of business acquisitions	-	282
Balance at the end of the period	317	359
Total provisions		
Balance at the beginning of the period	359	-
Provisions raised (reversed)	(42)	77
Provisions assumed upon completion of business acquisitions	-	282
Balance at the end of the period	317	359

Employee benefits

Provision for employee benefits represent amounts payable by the Consolidated Entity for accrued annual leave and long service leave.

16 Financial risk management, objectives and processes

The Consolidated Entity has exposure to a variety of financial risks, which are categorised as market risk, credit risk and liquidity risk. This note presents information about the Consolidated Entity's exposure to each of these risks. Additional disclosures are presented throughout this financial report.

The Board recognises that the understanding and management of risk, particularly preservation of capital, is critical to the Company. The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and controls. The Board has formally adopted documented policies and processes to enable appropriate management of business and investment risk.

Key financial risk management practices presently employed by the Company include:

- The Board having ultimate responsibility for business, investment and divestment decisions. This includes monitoring the quantum of funds invested in any operating business or transaction so that the level of exposure is appropriate to the Company's circumstances.
- Preservation of cash resources. The Chairman/Chief Executive Officer and Executive Director – Finance and Operations, both Board members, oversee treasury management on behalf of the Board with ultimate responsibility retained by the full Board.

Operating businesses in which the Company is invested but which are not wholly owned are responsible for their own risk management. The Company oversees the risk management processes of these businesses by providing assistance and guidance to their management teams where appropriate. The Company may also have representation on the boards of these businesses.

The risk management policies and analysis described below and throughout the financial report refer to those practices adopted by entities that are members of the Consolidated Entity.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. There are various types of market risk including exposures to foreign currencies, interest rates and equity market prices. The Consolidated Entity may use derivative financial instruments to hedge certain risk exposures. No derivative financial instruments were used during the financial year. The methods used to measure the types of risk to which the Consolidated Entity is exposed are described below.

(i) Foreign currency risk

Investments have been made by the Consolidated Entity in Australian dollars only.

The Consolidated Entity completed the acquisition of Condat AG in December 2015 but with effect from 1 November 2015. Condat operates mainly in Germany. Condat's business transactions are denominated in Euro and it's accounting records are kept in that currency. Exposure to Euro is subject to exchange variations upon the provision of any required funding to the subsidiary and to exchange variations resulting from the translation to Australian dollars on consolidation of Condat's statement of financial position and statement of comprehensive income at closing and average rates respectively.

The Consolidated Entity established a development team in India during 2014 which operates through a wholly owned subsidiary company. The Indian subsidiary's accounting records are denominated in Indian Rupee. Exposure to Indian Rupee is limited to the exchange variations upon the provision of funding to the subsidiary and to exchange variations resulting from the translation to Australian dollars of the operation's statement of financial position and statement of comprehensive income at closing and average rates respectively.

The Company has exposure to movements in the value of the claims made to the KIT digital Creditors' Committee as any distributions will be made in US dollars. Refer Note 8.

At 31 December 2015, the Consolidated Entity did not have any other material net foreign currency risk in respect of transactions in currencies other than the functional currency except as described above (31 December 2014 - nil).

Sensitivity Analysis

A 10% movement in the USD/AUD exchange rate would increase or decrease the Australian dollar value of the claims made to the KIT digital Creditors' Committee by $115,000 using the assessed fair value as a measure.

(ii) Interest rate risk

The Consolidated Entity's exposure to market interest rates on deposits is minimal. Cash reserves are held in interest-bearing accounts with either fixed or variable interest rates.

The Consolidated Entity had the following financial assets and liabilities at balance date:

		Consolidated
	2015	**2014**
	$'000	$'000
Financial assets		
Cash and cash equivalents	1,100	1,077
Other financial assets, at fair value through profit or loss	1,750	496
Financial liabilities		
Unsecured borrowings	4,375	2,273

Sensitivity Analysis

At 31 December 2015, if interest rates had changed by -/+ 1% from the year-end rates, with all other variables held constant, and this change was applied to cash and cash equivalents, the effect on profit (loss) after tax for the year would be $11,000 (2014: 10,770). If the same sensitivity is applied to borrowings, the result would be a higher/lower interest expense of approximately $43,750 (2014 - $22,730).

Other financial assets, at fair value through profit or loss are represented by shares and convertible notes that are not considered sensitive to interest rates.

(iii) Equity price risk

The Consolidated Entity was not exposed to equity securities price risk arising from investments in listed securities during the 2015 financial year as it had no exposure to listed securities during 2015 or at balance date (2014 – not applicable).

The Consolidated Entity has not hedged exposure to a general decline in equity market values as such strategies are not considered cost effective.

Sensitivity analysis

No sensitivity analysis for listed equities is required at 31 December 2015 as the Consolidated Entity did not have an exposure to equity price risk of listed securities at that date (2014 – not applicable).

A 10% increase or decrease to the ascribed fair value of the shares and convertible notes held in unlisted entities at balance date would change the carrying amount upward or downward by an aggregate $352,000 (2014 – 49,600).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. Credit risk arises from all financial assets included in the balance sheet.

During the current reporting period, the Consolidated Entity has been exposed to credit risk arising from the potential default of customers with which it transacted. The Consolidated Entity endeavours to trade with only creditworthy third parties. As such collateral is not requested nor is it the Consolidated Entity's policy to securitise its trade and other receivables. A credit policy is in place and exposure to credit risk is monitored on an ongoing basis. Derivatives are not held to offset any credit exposure.

The Consolidated Entity may provide loan funding to investee entities which are not wholly owned but only when it forms part of the overall funding provided for an investment transaction. Approval of such funding is the responsibility of the Board.

Operating businesses that the Consolidated Entity invests in and which are not wholly owned will have their own credit risk policies. The Consolidated Entity endeavours to oversee that such entities have appropriate credit risk policies in place. Such oversight may be limited by the terms of the transaction.

The carrying amounts of the financial assets recognised in the balance sheet best represent the Consolidated Entity's maximum exposure to credit risk at the reporting date.

The Company has exposure to loans made to subsidiary entities to enable those entities to fund the investment transactions that the Board has elected to pursue and/or to fund the operations of those subsidiaries. Repayment of loans by the subsidiary entities is dependent upon proceeds realised by the subsidiary entities from investment transactions and/or net cash generated from operating activities.

Ageing of financial assets

The following table assesses the ageing of the carrying amount of the Consolidated Entity's financial assets at the reporting date and details any financial assets that are individually impaired.

Consolidated	**Cash and cash equivalents** $'000	**Receivables** $'000	**Other financial assets** $'000
2015			
Neither past due or impaired	1,100	3,504	1,750
Past due but not impaired:			
< 30 days	-	68	-
30-60 days	-	180	-
60-90 days	-	-	-
> 90 days	-	33	-
Collectively impaired	-	-	-
Individually impaired	-	23	-
Total	1,100	3,808	1,750
2014			
Neither past due or impaired	1,077	1,625	496
Past due but not impaired:			
< 30 days	-	1,025	-
30-60 days	-	2	-
60-90 days	-	-	-
> 90 days	-	18	-
Collectively impaired	-	-	-
Individually impaired	-	19	-
Total	1,077	2,689	496

Liquidity risk

Liquidity risk is the risk that the Company or its subsidiaries will not be able to meet financial obligations as they fall due.

The Board has approved a Financial Management Policy applicable to the Company and its wholly owned subsidiaries. The Financial Management Policy includes policies for the investment of surplus cash and the monitoring of the liquidity, including the preparation of cash forecasts. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as they fall due. The liquidity position is monitored for the impact of potential investment acquisitions or divestments, including any potential funding requirements.

Details of debt funding terms and facilities that the Consolidated Entity has in place are disclosed in Note 14.

Operating businesses in which the Consolidated Entity has invested and which are not wholly owned are required to manage their own liquidity requirements to meet their financial obligations as they fall due. The Consolidated Entity is able to monitor the liquidity position of these entities subject to the terms of the transaction and/or where it has board representation.

The following table analyses the Consolidated Entity's financial liabilities into relevant maturity groups based on the remaining contracted maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows (including both interest and principal cash flows).

Consolidated	Creditors and payables $'000	Unsecured borrowings $'000
2015		
Contractual cash flows	4,543	4,375
Residual contract maturities:		
6 months or less	2,793	1,795
6 – 12 months	1,750	2,400
1 – 2 years	-	180
2 – 5 years	-	-
More than 5 years	-	-
Total carrying amount	4,543	4,375
2014		
Contractual cash flows	2,827	2,273
Residual contract maturities:		
6 months or less	1,949	-
6 – 12 months	878	2,273
1 – 2 years	-	-
2 – 5 years	-	-
More than 5 years	-	-
Total carrying amount	2,827	2,273

Capital risk management

The Board regularly reviews the Company's capital plan, including equity and debt requirements and dividend policy. This is done in consideration of the Company having an appropriate capital structure to support its operations. The Company does not expect to pay a regular dividend in the foreseeable future.

The Company completed several capital raisings during 2015. Details are set out in Note 17. The Company also raised funds through the issue of convertible notes. Refer Note 14. New funding facilities were entered into or agreed to be entered into during February 2016. A Share Purchase Plan to raise funds from eligible shareholders was announced on 29 February 2016. Refer Note 30.

17 Issued capital

	2015 Shares	Company 2014 Shares	2015 $'000	Company 2014 $'000
Ordinary shares, fully paid	348,082,663	227,806,667	137,351	127,028

Movement in ordinary share capital				
Balance at the beginning of the period	227,806,667	99,004,684	127,028	117,436
Issues of new fully paid shares	120,273,996	128,801,983	10,544	9,992
Issue of shares on conversion of Entitlement Options	2,000	-	-	-
Capital raising costs incurred	-	-	(221)	(400)
Net balance at end of period	348,082,663	227,806,667	137,351	127,028

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and the amounts paid on the shares held.

During 2015, the Company issued:
- 2,000 ordinary shares on 10 July 2015 following the exercise of Entitlement Options;
- 91,132,820 ordinary shares on 19 August 2015 following completion of a share placement and conversion of convertible notes;
- 26,470,588 ordinary shares on 23 December 2015 pursuant to the terms of a Share Purchase Agreement for the acquisition of Condat AG; and
- 2,670,588 ordinary shares on 24 December 2015 pursuant to the terms of a debt conversion agreement associated with the acquisition of Condat AG.

The Company has issued further shares subsequent to balance date. Refer Note 30.

The movement in issued shares is reconciled to cash proceeds from share issues as follows:

		Company
	31 December 2015	**31 December 2014**
	$'000	$'000
Cash received from share issues (Note 3)	4,611	6,404
Gross up for capital raising costs offset against cash proceeds	230	356
Gross movement for fully paid shares issued for cash	4,841	6,760
Issue of shares other than for cash	2,477	2,637
Conversion of convertible notes and interest	3,226	595
Issues of new fully paid shares	10,544	9,992

18 Share Options

(a) Entitlement Options

Key terms of Entitlement Options issued on 15 April 2013 as part of a pro rata entitlement offer and on 12 December 2013 and 20 March 2014 as part of a transaction with H Investments International Pty Ltd are:
Exercise price – 5.0 cents per Entitlement Option
Expiry – 1 July 2018
Entitlement – one fully paid ordinary share in the Company for each Entitlement Option exercised.
There are no vesting or exercise conditions.

		Company
	31 December 2015	**31 December 2014**
Movement in Entitlement Options	Entitlement Options	Entitlement Options
Balance at beginning of period	38,869,889	32,258,778
Issue of Options during the period	-	6,611,111
Exercised during the period	(2,000)	-
Net balance at end of period	38,867,889	38,869,889

(b) Options issued under incentive plans

The Company provides benefits to defined employees of the Consolidated Entity (including executive directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions"). Approved incentive plans for the issue of options to defined employees (including executive directors) (“Plans”) are in place. At 31 December 2015, there were 22,918,866 options on issue under the Plans (2014 – 13,818,870). Options on issue under the Plans may have varying vesting dates. All options on issue under the Plans at 31 December 2015 expire 5 years from the applicable grant date. Details of the share based payment expense recognised during the year are shown in Note 4.

The Company did not issue any ordinary shares to participants in the Plans during the year ended 31 December 2015 upon exercise of options as no previously granted options were exercised. The issue of shares upon the exercise of options will be governed by the terms of the relevant plan.

Details of options on issue under the Plans at 31 December 2015 are shown in the following table.

Date options granted	Expiry Date	Exercise price $	Balance at start of the year #	Issued during the year #	Cancelled or Lapsed during the year #	Exercised during the year #	Balance at end of the year #	Exercisable at end of the year #
22 July 2013	22 July 2018	0.10	7,198,855	-	-	-	7,198,855	4,799,237
24 Dec 2013	24 Dec 2018	0.10	270,015	-	-	-	270,015	180,010
17 Sept 2014	17 Sept 2019	0.10	6,350,000	500,000	(2,983,337)	-	3,866,663	1,288,888
26 Mar 2015	26 Mar 2020	0.10	-	4,250,000	(500,000)	-	3,750,000	-
1 July 2015	1 July 2020	0.10	-	19,250,000	(12,666,667)	-	6,583,333	-
29 July 2015	29 July 2020	0.10	-	1,250,000	-	-	1,250,000	-
Total			13,818,870	25,250,000	(16,150,004)	-	22,918,866	6,268,135

The Weighted Average Exercise Price of options on issue under incentive plans at balance date is $0.10 (2014: $0.10).

The principal rules governing the operation of the Plans are as follows:

(i) The Board is responsible for determining the number of options granted to each eligible employee;

(ii) Vesting conditions in relation to options are determined by the Board at the time of determination of option entitlements;

(iii) Options which have not vested when an employee ceases their employment will lapse unless an employee ceases to be employed through death, retirement or disablement, in which case special provisions apply or if the Board otherwise determines;

(iv) The share option exercise price is determined by the Board;

(v) The acquisition price of the options are nil, unless the Board determines that it should be any other amount;

(vi) Share options issued pursuant to the Plans are not transferable; and

(vii) Options not exercised by their expiry date will lapse.

The weighted average contractual life of all options on issue under incentive plans outstanding at 31 December 2015 was 1,352 days (2014 – 1,496 days).

The Directors have approved the granting of a further 15.3 million options under the incentive plans. The granting of these options remains to be finalised as at the date of this report.

(c) Other Options
The Company has issued options over shares ("Other Options") as part of the fee arrangements for capital markets and other services pursuant to mandate letters with the firms providing the services; and as part of the fee arrangements for convertible note facilities entered into in June 2015.

Key terms of the Other Options issued are:
Exercise price – 10.0 cents per option
Expiry – 5,000,000 Other Options expire on 11 May 2018; 5,000,000 Other Options expire on 5 August 2019; and 3,000,000 Other Options expire on 16 July 2018.
Entitlement – one fully paid ordinary share in the Company for each Other Option exercised.
There are no vesting or exercise conditions.

Movement in Other Options		**Company**
	31 December 2015 Other Options	**31 December 2014** Other Options
Balance at beginning of period	5,000,000	-
Issue of Other Options during the financial year	8,000,000	5,000,000
Net balance at end of period	13,000,000	5,000,000

19 Reserves

		Consolidated
	2015 $'000	**2014** $'000
Employee equity benefits reserve		
Opening balance	1,550	1,527
Share based payments expense (Note 4)	158	23
Total employee benefits reserve	1,708	1,550
Foreign currency translation reserve		
Opening balance	-	-
Exchange differences arising on the translation of the financial statements of foreign subsidiaries	(55)	-
Total foreign currency translation reserve	(55)	-
Options reserve		
Opening balance	-	-
Options expense	97	-
Total options reserve	97	-
Total reserves	1,750	1,550

The employee equity benefits reserve is used to record the value of share based payments provided to employees, including key management personnel, as part of their remuneration.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The options reserve is used to record the value of options issued as part of contracted fee arrangements for services to be provided by third parties. Refer Note 18.

20 Retained profits (accumulated losses)

	Consolidated	
	2015	2014
	$'000	$'000
Opening balance	(123,555)	(119,428)
Net profit (loss) for the year	(3,110)	(4,127)
Dividends paid	-	-
	(126,665)	(123,555)

21 Dividends

No dividends were proposed or paid during the financial year (2014 - $nil). No final dividend has been proposed for payment (2014 - $nil).

The Company has no franking credits available for subsequent years (2014 - $nil).

22 Commitments

Leases
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	Consolidated	
	2015	2014
	$'000	$'000
Within one year	50	-
Later than one year but not later than five years	29	-
Later than five years	-	-
	79	-
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	-	-

The lease commitments represent payments due for leased premises under non-cancellable operating leases which have not otherwise been accrued or provided for.

Other commitments
The Consolidated Entity has a commitment to pay an amount of $1,750,000 on 31 December 2016 to the vendor of the issued shares of Condat AG. Refer Note 13. The amount is subject to adjustment. Refer Note 30.

The Company issued 26,470,588 shares to the Condat vendor on 23 December 2015. These shares are in escrow for up to 12 months subject to the terms of the Share Purchase Agreement. The Company has a commitment to issue additional shares to the Condat vendor if at the end of the Calculation Period (as defined) the volume weighted average price for the Company's shares over the period of the Calculation Period is less than 8.5 cents per share. The top up commitment applies only to the escrow shares remaining in escrow at the end of the Calculation Period. A cash payment may be made in lieu of issuing top up shares subject to the terms of the Share Purchase Agreement.

The Company issued 2,670,588 shares on 24 December 2015 pursuant to the terms of a Debt Conversion and Repayment Agreement associated with the Condat acquisition. These shares are in escrow until 31 December 2016 subject to the terms of the agreement. The Company has a commitment to issue additional shares to the holder if at the end of the Calculation Period (as defined) the volume weighted average price for the Company's shares over the period of the Calculation Period is less than 8.5 cents per share.

Under the terms of the share purchase agreement for the acquisition of Amethon Solutions (Asia Pacific) Pty Ltd dated 1 December 2014, the Company may be obliged to issue additional shares to the Amethon vendors subject to the businesses performance of Amethon during 2015 and 2016. Performance Equity Shares will be required to be issued where the Consolidated Entity implements defined Qualifying Mobile Analytics Deployments in the Performance Equity Period, being 2015 and 2016. The Amethon vendors will be issued with Performance Equity Shares, at the Performance Equity Share Price, based on the nature of the Qualifying Mobile Analytics Deployments determined in accordance with the agreed calculation factors. Subscriber caps apply to deployments across defined regions and countries. There is an overall maximum value applying to Performance Equity Shares of $7,500,000.

Equity Earn Out Shares to a maximum value of $500,000 may have been required to be issued if certain defined contractual arrangements under the Amethon share purchase agreement were entered into before 30 June 2015. No such defined contractual arrangements were entered into and this commitment has now ceased. Earn Out Payments may be required to be made in cash to the Amethon vendors, to the extent not already reflected in the Equity Earn Out Shares calculation, in respect of a defined third party contractual arrangement subject to an agreement being finally executed with the third party. It is not possible to presently estimate the maximum commitment as no agreement has been entered into nor negotiation of the terms of such agreement been finalised. Subject to an agreement being entered into, the Amethon vendors will be entitled to receive quarterly payments from 1 July 2015 based on the following:

- 50.0% of the net income derived in the first two years under the agreement;
- 33.3% of the net income derived in the third year under the agreement; and
- 20.0% of the net income derived in the fourth year under the agreement.

Details of options over shares committed to be issued by the Company if the options are exercised are set out in Note 18 and Note 30.

The Company has committed to issue ordinary shares to certain employees to the value of $5,000 each if they remain employed by the Consolidated Entity at 30 June 2016. The aggregate commitment at balance date was $75,000.

23 Contingent Liabilities

The directors are not aware of any material contingent liabilities at balance date or arising since the end of the financial period that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial periods.

24 Parent Entity Disclosures

As at, and throughout the financial year ending 31 December 2015, the parent company of the Consolidated Entity was Invigor Group Limited.

		Company
	2015	**2014**
	$'000	$'000
Result of the parent entity		
Profit (loss) for the period	(5,938)	(4,106)
Other comprehensive income (expense)	-	-
Total comprehensive income (expense) for the period	(5,938)	(4,106)
Financial position of the parent entity at year end		
Current assets	6,782	7,166
Non-current assets	9,531	2,106
Total assets	16,313	9,272
Current liabilities	5,218	4,195
Non-current liabilities	64	57
Total liabilities	5,282	4,252
Total equity of the parent entity comprises:		
Share capital	137,351	127,028
Reserves	1,805	1,550
Retained earnings (accumulated losses)	(128,125)	(123,558)
Total equity	11,031	5,020

Contingent liabilities of the Company at 31 December 2015 are detailed at Note 23. Investment commitments of the Company at 31 December 2015 are detailed at Note 22. The Company had no capital expenditure commitments at 31 December 2015. The Company had not provided any guarantees at 31 December 2015.

25 Related party transactions and key management personnel disclosures

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

Gary Cohen	Executive Chairman; Chief Executive Officer (from 1 January 2015 until 12 July 2015 and from 5 November 2015)
Roger Clifford	Non-executive director (from 18 November 2015)
Gregory Cohen	Executive Director – Finance and Operations
John Hayson	Non-executive director
Vic Lorusso	Non-executive director (until 5 November 2015)
Gary Munitz	Group Director – Digital Solutions (from 1 July 2015 until 12 July 2015); Managing Director (from 13 July 2015 until 5 November 2015)
Paul Salter	Non-executive director (until 5 November 2015)
Anthony Sherlock	Non-executive director (from 5 November 2015)
Daniel Sekers	Group Director – Business Development/Mobile and Consumer Analytics (until 20 November 2015)
Brian Cohen	Chief Technology Officer
David Neufeld	Chief Financial Officer and Company Secretary

Other than as noted above, there have been no changes in key management personnel in the period after the reporting date and prior to the date when the financial report is authorised for issue.

Details of remuneration

Details of the total remuneration of all key management personnel, including their personally related entities, are as follows:

	Consolidated 2015	2014
	$	$
Short term employee benefits	1,253,729	955,358
Other long term benefits	3,600	26,735
Post employment benefits	111,619	65,504
Share based payments	89,955	9,699
Termination benefits	173,358	-
	1,632,261	1,057,296

Equity instrument disclosures relating to key management personnel

Shares

The number of shares held during the financial year by key management personnel of the Consolidated Entity, including their personally related entities, is set out below.

2015 Ordinary shares	Balance at 1 January 2015	Purchases/ (Disposals)[1]	Transfers in/ (Transfers out)[2]	Balance at 31 December 2015
Directors				
Roger Clifford	-	-	3,750,000	3,750,000
Gary Cohen	19,080,696	4,133,255	-	23,213,951
Gregory Cohen	19,504,054	3,157,254	-	22,661,308
John Hayson	28,472,222	24,006,510	-	52,478,732
Vic Lorusso	5,515,956	-	(5,515,956)	-
Paul Salter	3,074,563	234,946	(3,309,509)	-
Anthony Sherlock	-	-	-	-
Executives				
Brian Cohen	-	-	-	-
Gary Munitz[3]	10,181,757	1,897,151	(12,078,908)	-
David Neufeld	-	-	-	-
Daniel Sekers	10,885,912	3,944,435	(14,830,347)	-

1 Includes, where applicable, shares acquired upon conversion of convertible notes.
2 Transfers in upon becoming a director/KMP Executive or transfers out upon ceasing to be a director/KMP Executive.
3 Gary Munitz was also a director of the Company from 13 July 2015 until 5 November 2015.

2014 Ordinary shares	Balance at 1 January 2014	Purchases/ (Disposals)[1]	Transfers in/ (Transfers out)[2]	Balance at 31 December 2014
Directors				
Gary Cohen	15,955,696	3,125,000	-	19,080,696
Gregory Cohen	16,379,054	3,125,000	-	19,504,054
John Hayson	-	6,250,000	22,222,222	28,472,222
Vic Lorusso	5,328,456	187,500	-	5,515,956
Paul Salter	-	-	3,074,563	3,074,563
Executives				
Brian Cohen	-	-	-	-
Gary Munitz[3]	5,895,477	4,286,280	-	10,181,757
David Neufeld	-	-	-	-
Daniel Sekers[3]	6,590,215	4,295,697	-	10,885,912

1 Includes shares acquired under the share placement which completed in September 2014 and/or the share purchase plan which completed in November 2014. For Gary Munitz and Daniel Sekers, also includes shares issued pursuant to the terms of the share purchase agreement for Global Group Australia which completed on 1 July 2014.
2 Transfers in upon becoming a director/KMP Executive or transfers out upon ceasing to be a director/KMP Executive.
3 Gary Munitz and Daniel Sekers were directors until 11 December 2014. Thereafter, they remained executives of the Consolidated Entity

Options

(a) Entitlement Options
The number of Entitlement Options held during the financial year by key management personnel of the Consolidated Entity, including their personally related entities, is set out below.

2015 Entitlement Options	Balance at 1 January 2015	Purchases/ (Disposals)	Transfers in/(Transfers out)[1]	Balance at 31 December 2015
Directors				
Roger Clifford	-	-	-	-
Gary Cohen	6,506,250	-	-	6,506,250
Gregory Cohen	6,630,389	-	-	6,630,389
John Hayson	11,111,111	-	-	11,111,111
Vic Lorusso	2,146,522	-	(2,146,522)	-
Paul Salter	-	-	-	-
Anthony Sherlock	-	-	-	-
Executives				
Brian Cohen	-	-	-	-
Gary Munitz[2]	413,158	-	(413,158)	-
David Neufeld	-	-	-	-
Daniel Sekers	3,920,224	(304,242)	(3,615,982)	-

1 Transfers in upon becoming a director/KMP Executive or transfers out upon ceasing to be a director/KMP Executive.
2 Gary Munitz was also a director of the Company from 13 July 2015 until 5 November 2015.

2014 Entitlement Options	Balance at 1 January 2014	Purchases/ (Disposals)	Transfers in/(Transfers out)[1]	Balance at 31 December 2014
Directors				
Gary Cohen	6,506,250	-	-	6,506,250
Gregory Cohen	6,630,389	-	-	6,630,389
John Hayson	-	-	11,111,111	11,111,111
Vic Lorusso	2,146,522	-	-	2,146,522
Paul Salter	-	-	-	-
Executives				
Brian Cohen	-	-	-	-
Gary Munitz[2]	614,272	(201,114)	-	413,158
David Neufeld	-	-	-	-
Daniel Sekers[2]	3,719,110	201,114	-	3,920,224

1 Transfers in upon becoming a director/KMP Executive or transfers out upon ceasing to be a director/KMP Executive.
2 Gary Munitz and Daniel Sekers were directors until 11 December 2014. Thereafter, they remained executives of the Consolidated Entity.

(b) Options granted under incentive plans

Details of the number of options held by key management personnel of the Consolidated Entity, including their personally related entities, during the financial year under incentive plans of the Company and the balance held at the end of the financial year are set out below.

2015 Incentive Plan Options	Balance at 1 January 2015	Granted during the financial year	Cancelled during the financial year	Transfers in/(Transfers out)[2]	Balance at 31 December 2015
Directors					
Roger Clifford	-	-	-	-	-
Gary Cohen	4,499,284	4,500,000	-	-	8,999,284
Gregory Cohen	899,857	2,000,000	-	-	2,899,857
John Hayson	-	-	-	-	-
Vic Lorusso	-	-	-	-	-
Paul Salter	-	-	-	-	-
Anthony Sherlock	-	-	-	-	-
Executives					
Brian Cohen	899,857	-	-	-	899,857
Gary Munitz[1]	800,000	9,000,000	(9,533,334)	(266,666)	-
David Neufeld	899,857	1,000,000	-	-	1,899,857
Daniel Sekers[1]	800,000	2,000,000	(2,533,334)	(266,666)	-

1 Gary Munitz was also a director of the Company from 13 July 2015 until 5 November 2015.
2 Transfers in upon becoming a director/KMP Executive or transfers out upon ceasing to be a director/KMP Executive.

2014 Incentive Plan Options	Balance at 1 January 2014	Granted during the financial year	Balance at 31 December 2014
Directors			
Gary Cohen	4,499,284	-	4,499,284
Gregory Cohen	899,857	-	899,857
John Hayson	-	-	-
Vic Lorusso	-	-	-
Paul Salter	-	-	-
Executives			
Brian Cohen	899,857	-	899,857
Gary Munitz[1]	-	800,000	800,000
David Neufeld	899,857	-	899,857
Daniel Sekers[1]	-	800,000	800,000

1 Gary Munitz and Daniel Sekers were directors until 11 December 2014. Thereafter, they remained executives of the Consolidated Entity.

No shares of the Company were issued to key management personnel during the year ended 31 December 2015 on the exercise of Entitlement Options or options issued under incentive plans (2014 – nil). No incentive options have been granted to key management personnel subsequent to year end.

(c) Other Options

The number of Other Options held during the financial year by key management personnel of the Consolidated Entity, including their personally related or associated entities, is set out below. No such options were held at 31 December 2014.

2015 Other Options	Balance at 1 January 2015	Granted during the financial year	Transfers in/(Transfers out)[1]	Balance at 31 December 2015
Directors				
Roger Clifford	-	-	-	-
Gary Cohen	-	-	-	-
Gregory Cohen	-	-	-	-
John Hayson	-	-	-	-
Vic Lorusso	-	-	-	-
Paul Salter	-	2,000,000	(2,000,000)	-
Anthony Sherlock	-	-	-	-
Executives				
Brian Cohen	-	-	-	-
Gary Munitz	-	500,000	(500,000)	-
David Neufeld	-	-	-	-
Daniel Sekers	-	500,000	(500,000)	-

1 Transfers in upon becoming a director/KMP Executive or transfers out upon ceasing to be a director/KMP Executive.

Other transactions with key management personnel or related parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of those entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's-length basis.

The Company has entered into cost recovery agreements with Marcel Equity Pty Ltd and its associated entities ("Marcel"), being entities associated with Gary Cohen, under which the Company reimburses Marcel, on a cost recovery basis, for services provided. Services include executive management services performed by staff and consultants of Marcel, use of office space, provision of administration and bookkeeping services, investor and shareholder relations and such other services as may be agreed from time to time. An expense of approximately $613,000 was incurred during the current reporting period (2014 - $245,000). An amount of $13,070 was payable by the Company to Marcel at balance date (2014 - $11,283).

The Company entered into various convertible note facilities with entities associated with Gary Cohen, John Hayson, and Paul Salter (while he was a director of the Company). Entities associated with Gregory Cohen, Gary Munitz and Daniel Sekers held some of the convertible notes issued during 2015 under facilities approved by shareholders. Details of the terms of the facilities, including amounts outstanding at balance date, are set out in Note 14. Interest expense of $129,468 was incurred during 2015 (2014 - $160,582). Fees of $200,000 for entering into convertible note facilities during 2015 were paid or payable.

The Company undertook a capital raising by way of a share placement to certain professional, sophisticated and institutional investors and certain related parties which completed in August 2015 ("Placement"). Concurrent with the completion of the Placement, the convertible notes held by entities associated with Gary Cohen, Gregory Cohen, John Hayson, Gary Munitz and Daniel Sekers were converted into ordinary shares in accordance with the terms of the applicable convertible note facilities.

The Consolidated Entity acquired the issued capital of Amethon Solutions (Asia Pacific) Pty Ltd on 1 December 2014. Paul Salter was a member of the vendor group ("Amethon vendors"). The Amethon vendors received shares in the Company as consideration for the transaction. Pursuant to the terms of the transaction, the Amethon vendors may be entitled to receive additional shares in the Company or cash consideration based on the business performance of Amethon after completion. Details of these entitlements are set out in Note 22.

The Consolidated Entity acquired the balance of the issued shares of Global Group Australia Pty Ltd ("GGA") it did not already own on 1 July 2014. Entities associated with Gary Munitz and Daniel Sekers were vendors of the GGA shares sold to the Consolidated Entity, amongst others ("GGA vendors"). The GGA vendors received cash and shares in the Company as consideration for the transaction. Payment of a portion of the cash consideration was deferred and completed in July 2015. A portion of the final consideration was settled by the issuing of convertible notes to entities associated with Gary Munitz and Daniel Sekers. Those convertible notes have since been converted into shares as described above.

The Consolidated Entity has a $100,000 interest bearing bank overdraft facility with National Australia Bank which was fully available at 31 December 2015 (2014 – fully available). The facility is secured by guarantees provided by entities associated with Gary Cohen and Gregory Cohen.

In August 2013, the Company entered into an interest bearing short term loan arrangement with Gary Cohen under which under which his company, Marcel Equity Pty Ltd, would make available up to $1,000,000 as and when required by the Company, subject to the terms of the loan arrangement. The facility amount was subsequently increased and the term extended at various times. The facility was cancelled in April 2015. A new short term loan arrangement with Marcel Equity Pty Ltd was entered into during February 2016. Refer Note 30.

Aggregate amounts of each of the above types of other transactions:

	Consolidated 2015 $'000	2014 $'000
Amounts recognised as revenue		
Interest revenue from Global Group convertible notes	-	24
	-	24
Amounts recognised as expense		
Service fees and cost recoveries to Marcel Equity and associated entities	613	245
Interest on borrowings/convertible notes from/held by entities associated with Gary Cohen, Gregory Cohen, John Hayson and/or Paul Salter	235	216
Interest on deferred payable to GGA vendors	28	26
	876	487

No assets relating to the above transactions were recognised at balance date. Aggregate amounts of liabilities at balance date relating to the above transactions:

	Consolidated 2015 $'000	2014 $'000
Amounts recognised as liabilities		
Convertible notes owing to entities associated with Gary Cohen, Gregory Cohen, John Hayson and/or Paul Salter	2,400	2,273
Service fees and cost recoveries owing to Marcel Equity and associated entities	13	11
Owing to Global vendors, including accrued interest and R&D grant share entitlement	-	795
	2,413	3,079

26 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in note 1(f).

Name of entity	Country of incorporation	Class of Shares	Equity holding 2015 %	Equity holding 2014 %
AimIPCo Pty Ltd	Australia	Ordinary	100	100
Amethon Solutions (Asia Pacific) Pty Ltd	Australia	Ordinary	100	100
Condat AG[1]	Germany	Ordinary and Preference	100	-
Global Group Australia Pty Ltd	Australia	Ordinary	100	100
Global Group Ventures Pty Ltd	Australia	Ordinary	100	100
Invigor Digital Solutions Pty Ltd	Australia	Ordinary	100	100
Invigor GGA Holdings Pty Ltd	Australia	Ordinary	100	100
Invigor Digital Solutions India Private Ltd	India	Ordinary	100	100
My Digital Marketing Team International Pty Ltd	Australia	Ordinary	100	100
My Digital Marketing Team Pty Ltd[2]	Australia	Ordinary	-	100
Social Loot Australia Pty Ltd	Australia	Ordinary	100	100

1 Acquired 23 December 2015.
2 Deregistered on 4 November 2015.

27 Auditor remuneration

The following fees were paid or payable for services provided by the Company's auditor, Moore Stephens (formerly Nexia Melbourne):

	Consolidated 2015 $	2014 $
Audit services	64,100	57,000
Other services	-	-
	64,100	57,000

The following fees were paid or payable for services provided to the Consolidated Entity by other audit firms:

	2015 $	2014 $
Audit services	55,900	-
Other services	111,397	-
	167,297	-
Total	231,397	57,000

28 Earnings per share

		Consolidated
	2015	**2014**
	cents	cents
Total		
Basic earnings per share	(1.39)	(3.01)
Diluted earnings per share	(1.39)	(2.12)
	$'000	$'000
Reconciliation of earnings used in the calculation of basic earnings per share		
Profit (loss) for the year	(3,110)	(4,127)
Earnings used in the calculation of total basic earnings per share	(3,110)	(4,127)
Reconciliation of earnings used in the calculation of diluted earnings per share		
Earnings used in the calculation of total basic earnings per share	(3,110)	(4,127)
Non-discretionary changes in earnings arising from dilutive potential ordinary shares	-	55
Earnings used in the calculation of total diluted earnings per share	(3,110)	(4,072)
	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	261,895,995	137,198,538
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	261,895,995	192,447,885

29 Reconciliation of cash flows from operating activities

		Consolidated
	2015	**2014**
	$'000	$'000
Net profit (loss) for the year after related income tax expense	(3,110)	(4,127)
Add(deduct):		
Depreciation and amortisation	826	676
Borrowing costs shown as financing cash flows	346	398
Capitalised costs in operating cash flows	(1,526)	-
Net fair value adjustments to intangible assets of business combinations acquired taken through the income statement	250	-
Write off on acquisition of My Digital Marketing Team group	-	19
Loss on sale of assets	-	4
Share based payment and option expenses	255	23
Changes in operating assets and liabilities:		
Decrease (increase) in trade and other receivables	(1,119)	(1,424)
Increase (decrease) in trade and other payables (2014 - net of movement in accruals for non-operating activities)	1,420	(190)
Increase (decrease) in deferred revenue	(507)	840
Increase (decrease) in provisions	(42)	359
Exchange differences on translation	(55)	-
Net cash from (used in) operating activities	(3,262)	(3,422)

30 Events Subsequent to Balance Date

The purchase consideration for the Condat acquisition is subject to an adjustment for the net tangible assets of Condat as at 31 December 2015. Subsequent to 31 December 2015, the Company is of the view that the purchase consideration will be reduced by $800,000 as a result of an adjustment for net tangible assets. This adjustment, if finally accepted, will reduce the amount of deferred cash consideration payable and the amount of goodwill on acquisition. An adjustment to the carrying values has not yet been made pending acceptance of the adjustment by the vendor.

On 2 February 2016, the Company announced the sale of its services activities. The consideration for the sale is estimated at $180,000, based on the expected revenue for the following twelve months. There is a potential upside for a further consideration, capped at $500,000, based on the value of the business unit's performance over the forthcoming twelve months.

On 8 February 2016, the Company announced it had issued 5,200,000 fully paid ordinary shares at an issue price of 5.6 cents per share ($291,200) as consideration for the acquisition of worldwide and perpetual licence rights associated with a mobility application developed by the Consolidated Entity for a third party customer.

The Company has entered into an interest bearing short term loan arrangement Marcel Equity Pty Ltd ("Marcel"), an entity associated with Gary Cohen and Gregory Cohen, under which Marcel will make available up to $500,000 as and when required by the Company, subject to the terms of the loan arrangement. An amount of $200,000 has been drawn as at the date of this report. Borrowings under the facility incur interest at a rate of 10.3%pa, being a rate equivalent to a bank overdraft facility at the time the arrangement was entered into. The facility is available until 31 March 2017.

The Company has agreed terms to enter into a short term facility with an entity controlled by L1 Capital Pty Ltd ("L1 Capital"). Final documentation is expected to be executed during the first week of March 2016.The facility has a face value of $1.0 million. The Company will issue 3,000,000 shares to L1 Capital at Completion as collateral security for repayment of the loan ("Collateral Shares"). L1 Capital has the option to acquire the Collateral Shares for cash at the end of the Term at the lower of 7.6 cents per share and a 15 day VWAP calculation as defined in the agreement. The shares will be transferred back to the Company if not acquired by L1 Capital. L1 Capital will also be granted 6,578,948 options over shares in the Company ("Options"). The Options will have an exercise price of 7.6 cents each and will expire on 30 June 2018. There are no vesting terms.

On 29 February 2016, the Company announced a share purchase plan ("SPP") under which eligible shareholders will, if they elect to do so, be able to acquire additional shares in the Company at 4.0 cents per share up to a maximum of $15,000 per shareholder on the terms of the SPP. Funds raised will be used to provide working capital required to grow the Consolidated Entity's business and meet its ongoing financing obligations.

The directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial periods.