Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Axxis Technology Group Ltd
ABN:	98 009 805 298
Reporting period:	For the year ended 30 June 2015
Previous period:	For the year ended 30 June 2014

2. Results for announcement to the market

				$
Revenues from activities (refer to note 2 of Annual Report)	down	59.3%	to	17,639,615
Profit from ordinary activities after tax attributable to the owners of Axxis Technology Group Ltd	up	393.4%	to	8,818,825
Profit for the year attributable to the owners of Axxis Technology Group Ltd	up	393.4%	to	8,818,825

	2015 Cents	2014 Cents
Basic earnings per share	0.344	(0.120)
Diluted earnings per share	0.344	(0.120)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The profit for the consolidated entity after providing for income tax amounted to $8,818,825 (30 June 2014: loss of $3,005,399).

On 5 November 2014, Axxis announced that Inabox Group Limited (ASX: IAB) had entered into a business purchase agreement for the sale of Axxis's telecommunication services and IT products and services business.

The total consideration for the sale to IAB consisted of 6,153,846 IAB shares and $500,000 in cash., The agreement also included provision for a performance based payment of up to $1,500,000 based on results of the business unit through 30 June 2015 and subject to certain operating provisions.

On 17 April 2015 Axxis entered into an amendment to the sale agreement with respect to the performance based payment. The amendment determined the quantum of performance based payment as $150,000 to be paid by 31 July 2015 in return for an acceleration of the integration of the Axxis business unit within IAB operations. (This payment has now been received). On 3 January 2015, the related party borrowings from Peter and Vicki Kazacos were forgiven in full by Peter and Vicki Kazacos.

The sale to IAB excluded the Axxis's mobile telephony service, which Axxis retained up until June 2015. In June 2015 Axxis ceased to offer its small mobile telephony service to its customers and wholesalers due to the financial investment required to successfully grow this operation.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.03	(0.31)

4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Name of entities (or group of entities)	Anittel Pty Limited
Date control lost	1 January 2015

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	8,818,825
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	(3,005,399)

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6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

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11. Attachments

Details of attachments (if any):

The Annual Report of Axxis Technology Group Ltd for the year ended 30 June 2015 is attached.

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12. Signed

Signed ______________________________ Date: 24 August 2015

Justyn Stedwell
Company Secretary
Sydney

Axxis Technology Group Ltd

(Formerly known as Anittel Group Limited)

ABN 98 009 805 298

Annual Report - 30 June 2015

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Directors	Peter Kazacos - Chairman Campbell Corfe Chris Calamos
Company secretary	Justyn Stedwell
Registered office	Suite 115 Jones Bay Wharf 26-32 Pirrama Road Pyrmont NSW 2009 Telephone: 02 8542 5415
Principal place of business	Suite 115 Jones Bay Wharf 26-32 Pirrama Road Pyrmont NSW 2009
Share register	Computershare Investor Services Pty Limited Level 11 172 St George's Terrace Perth WA 6000 Telephone: 1300 787 272
Auditor	PricewaterhouseCoopers Darling Park Tower 201 Sussex Street Sydney NSW 2000
Stock exchange listing	Axxis Technology Group Ltd shares are listed on the Australian Securities Exchange (ASX code: AYG)
Website	www.axxis.com

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Chairman's Letter
30 June 2015

The past 12 months have seen significant changes at Axxis (formerly Anittel) as the Board endeavoured to execute on its strategic plan of repositioning the company to maximise shareholder value.

The key objective of the strategic plan was to improve the company's balance sheet to ensure the required capital and resources were available to underpin the continued growth of the company's business assets.

After considering various options, the Directors determined the best course of action was to seek a suitable company that was adequately capitalised with which to merge its operating businesses.

To this end, the consolidated entity achieved significant progress and success by announcing on 5 November 2014, that it had entered into an agreement with Inabox Group Limited (ASX:IAB) for the sale of all of Axxis 's operating businesses to IAB, with the exception of the mobile telephony service, which Axxis retained up until June 2015.

The sale to IAB, which completed on 1 January 2015, resulted in the Axxis receiving 6,153,846 shares in IAB plus $500,000 in cash less a working capital adjustment, plus a further $150,000 in cash, in lieu of a deferred performance consideration.

The IAB shares received were returned to the shareholders of Axxis via an 'in specie' capital distribution in January 2015.

Further improvements to the Axxis balance sheet were achieved when, in January 2015, my wife and I took the significant decision to forgive the entire amount of the outstanding loan balance owed to us by Axxis which totalled $5,779,555.

The mobile telephony business which remained with Axxis had only generated $36,441 in revenue for the year and it was determined this business would require a large amount of capital to be invested in order to successfully grow it. After further review, a decision was taken by the Directors to discontinue this business which took effect in June 2015.

So now our current operating expenditure consists of minor administration and compliance costs along with advisory costs in support of the Board's objective to acquire suitable business assets that would add further value to Axxis shareholders.

I would like to thank our shareholders and fellow Directors for their continued support as we continue to reposition the company.

Peter Kazacos
Chairman

24 August 2015

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Directors' report
30 June 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Axxis Technology Group Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors
The following persons were directors of Axxis Technology Group Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Kazacos - Chairman	
Campbell Corfe	
Chris Calamos	Appointed on 1 January 2015
Michael O'Sullivan	Resigned on 1 January 2015
John Walters	Resigned on 1 January 2015

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of being a mobile phone service provider to consumers and wholesalers. All other business activities were sold to Inabox Group Limited (ASXL: IAB) as announce on 5 November 2014.

All the above activities have now ceased as the operating assets and liabilities of the consolidated entity have been sold.

From June 2015, the principal continuing activities of the company consisted of an investment company continuing a wider search for acquisition opportunities that would enable the company to re-commence active trading in a profitable business sector(s).

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $8,818,825 (30 June 2014: loss of $3,005,399). During the financial year ending 30 June 2015, the consolidated entity continued to work extensively on executing its strategic plan.

The key objective of the strategic plan was to improve the company's balance sheet to ensure adequate capital and resources were available to fund the continued growth of its cloud and infrastructure based services along with improving contribution margins from its IT product and services business and thereby maximise shareholder returns.

After considering various options, the Directors determined the best course of action was to seek a suitable company that was adequately capitalised with which to merge its operating businesses. This would ensure adequate capital and resources were in place to leverage the assets of the operating businesses.

To this end, the consolidated entity achieved significant progress and success on its strategic plan by announcing on 5 November 2014, that it had entered into an agreement with Inabox Group Limited (ASX:IAB) for the sale of all of the consolidated entities operating businesses to IAB, with the exception of the mobile telephony service, which the consolidated entity retained up until June 2015.

The sale to IAB, which completed on 1 January 2015, resulted in the consolidated entity receiving 6,153,846 shares in IAB plus $500,000 in cash less a working capital adjustment, plus a further $150,000 in cash in lieu of deferred performance consideration.

The IAB shares were returned to shareholders of the consolidated entity via an 'in specie' capital distribution in January 2015.

Further improvements to the consolidated entity's balance sheet were achieved when the entire amount of the related party loan of $5,779,555 from Peter and Vicki Kazacos was forgiven in its entirety in January 2015.

The mobile telephony business which remained with the consolidated entity contributed $36,441 in revenue for the year and it was determined that it would require a large amount of capital to be invested in order to successfully grow this business. After further review, a decision was taken by the Directors to discontinue this business which took effect in June 2015.

As at 30 June 2015, the consolidated entity had:
- Disposed of all its operating businesses;
- No loans owing and no employees;
- A cash balance of $589,748;
- Current liabilities of $68,234; and
- A receivable amount of $150,000 deferred consideration (which was received in July 2015).

Current operating costs consist of administration, compliance and advisory costs in support of the consolidated entity’s objective to acquire suitable business assets that would add significant value to Axxis shareholders.

Significant changes in the state of affairs
On 31 July 2014, Axxis Technology Group Ltd ('Axxis') repaid $4,000,000 of debt to Peter and Vicki Kazacos. As part of the transaction, Peter and Vicki Kazacos entered into a new agreement providing a debt facility of up to $4,000,000, and with the sale to IAB, referred to below, this facility was terminated.

On 1 January 2015, Axxis completed the previously announced sale of the Anittel business to IAB for a total consideration of 6,153,836 IAB shares, $500,000 in cash and a deferred performance based consideration of up to $1,500,000 in cash which is receivable upon several agreed measures relating to performance of the Anittel business during the period from completion of the sale on 1 January 2015 to 30 June 2015. On 17 April 2015, IAB entered into an agreement with Axxis to vary the terms Business Purchase Agreement so that IAB was immediately released from any remaining post-completion obligations relating to the operation and management of the acquired businesses and was free to implement its restructuring and integration plans immediately. In return IAB would pay $150,000 in cash to Axxis in July 2015 and would not be required to pay any further consideration to Axxis.

On 2 January 2015, in accordance with the resolution passed by shareholders at the company’s 2014 Annual General meeting, the company changed its name from Anittel Group Limited to Axxis Technology Group Ltd with a new address located at Suite 115, 26-32 Pirrama Road, Pyrmont NSW 2009.

On 3 January 2015, a ‘Deed of Forgiveness of Debt’ was executed by Peter and Vicki Kazacos (the Lenders) and Axxis (the Borrower) which forgives all borrowings owed and all of the interest accrued by Axxis to Peter and Vicki Kazacos.

On 5 January 2015, Axxis announced that it has completed the in-specie share distribution of IAB consideration shares to Axxis shareholders on 2 January 2015 representing a total value of $6,153,836.

In June 2015 Axxis ceased to offer its mobile telephony service to its customers and wholesalers due to the financial investment required to successfully grow the business.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The consolidated entity continues to seek suitable business assets to acquire.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Peter Kazacos
Title:	Non-Executive Director, Chairman and Managing Director
Qualifications:	Bachelor of Electrical Engineering and Bachelor of Science (Applied Mathematics and Computer Science) from the University of New South Wales ('UNSW')
Experience and expertise:	Peter has over 40 years' experience in the IT industry. He founded KAZ Technology in 1988, guided it from a small IT services company in NSW to one of Asia Pacific's leading IT services and business process outsourcing service providers with over 4,000 employees, as a fully owned subsidiary of Telstra. He also founded Anittel Group Limited, building it into one of Australia's leading IT&T service providers operating outside the major metropolitan areas, leading to its acquisition in 2010 by the consolidated entity, representing a major strategic milestone in the transformation and convergence of the IT&T industry. Prior to founding KAZ Technology and Anittel Group Limited, Peter held a number of senior technical positions in the Australian IT industry with leading Australian organisations. Peter has been inducted into the Hall of Fame at both the IT&T Awards and ARN IT Industry Awards and is the recipient of the prestigious CSIRO Tony Benson Award for Individual Achievement in ICT.
Other current directorships:	Chairman of Allegra Orthopaedics Limited (ASX: AMT)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration Committee and member of the Audit Committee
Interests in shares:	881,078,704 ordinary shares (including related party holdings)
Interests in options:	None

Name:	Campbell Corfe
Title:	Non-Executive Director
Qualifications:	CA (Australia), CPA (America)
Experience and expertise:	Campbell was a partner in the global accounting firm, KMG Main Hurdman (now known as KPMG following a merger with Peat Marwick). He was with the firm for 20 years in various postings including Australia, USA, Europe and Asia. Prior to the merger, he was the partner in charge of global operations based in New York, responsible for all accounting and consulting services provided to the firm's multinational clients. He left KPMG to become the Chief Operating Officer for the Ohio, USA-based, Hercules Engines for two years. Hercules was a successful 'management buyout' of an old-line manufacturing business dealing with the US Army. Campbell then returned to Australia and worked with a number of companies in the finance and insurance sector, including Amlink, Suncorp and Colonial State Bank. He was also Executive Chairman of 5th Finger Pty Limited, a mobile marketing company which was sold to ninemsn in 2007; he then co-founded a related company, 5th International ('5i'), and was the Chairman and Chief Executive during its formative years in San Francisco, California, which was sold to an American marketing group.
Other current directorships:	ASX Listed entities: Nil, Other directorships: Youi Insurance - Chairman
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit Committee and Chair of the Remuneration Committee
Interests in shares:	78,500,000 ordinary shares
Interests in options:	None

Name:	Chris Calamos (appointed on 1 January 2015)
Title:	Non-Executive Director
Qualifications:	Bachelor of Business degree (UTS), CPA (Australia)
Experience and expertise:	Chris' career spans 25 years in the ICT industry where he has held senior finance roles in a broad range of companies including venture capital backed 'start-ups', an ASX listed entity and US based global corporation with Asia Pacific responsibility. For the last 3 1/2 years until December 2014 Chris has acted as the Chief Financial Officer of Axxis Technology Group Ltd (formerly Anittel Group Limited) and was actively involved in the integration of acquired companies, business strategy, divestments and capital raising initiatives. Prior to this, he was Asia Pacific Finance Director for US multinational, TIBCO Software Inc, a position held for almost 6 years. During this time, Chris was responsible for finance operations of TIBCO offices in 7 countries throughout Asia Pacific and Japan. Prior to TIBCO Chris spent 5 years at Retriever Communications as Finance Director where he was involved with strategy, capital raising and business development with key partners. Chris has also held senior finance roles at StorageTek Inc and Lexmark International (Australia).
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
Justyn Stedwell has completed a Bachelor of Business and Commerce (Management & Economics) at Monash University, a Graduate Diploma of Accounting at Deakin University, a Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia and a Graduate Certificate of Applied Finance with Kaplan Professional. Justyn has over eight years' experience as a Company Secretary of ASX listed companies. He is also the Company Secretary of ASX listed Rhinomed Limited, Motopia Limited and Imugene Limited.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Remuneration Committee		Audit Committee	
	Attended	Held	Attended	Held	Attended	Held
Peter Kazacos	12	12	1	1	2	2
Campbell Corfe	12	12	1	1	2	2
Chris Calamos	5	5	-	-	-	-
Michael O'Sullivan	7	7	-	-	-	-
John Walters	6	7	1	1	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and Key Management Personnel ('KMP') remuneration arrangements for the consolidated entity in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purpose of this report, the term 'executive' encompasses the chief executive, senior executives, general managers and secretaries of the parent and the consolidated entity.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the consolidated entity depends upon the quality of its directors and KMP. To prosper, the consolidated entity must attract, motivate and retain highly skilled directors and KMP. To this end, the consolidated entity embodies the following principles in its remuneration framework:
- Provide reward packages that are attractive to high calibre KMP; and
- Link executive rewards to shareholder value.

Remuneration committee

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and KMP. In consultation with external remuneration professionals, where deemed necessary, the Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and KMP on a periodic basis by reference to:
- relevant employment market conditions;
- the current financial state of the consolidated entity with the overall objective of ensuring maximum stakeholder benefit; and
- the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations is separate and distinct.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee considers advice from external sources as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each non-executive director receives a fee for being a director of the company. Presently an additional fee is paid to a non-executive director for chairing the Remuneration Committee and Audit Committee.

ASX listing rules require that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 28 November 2005, where the shareholders approved an aggregate amount payable to non-executive directors to not exceed $200,000 per year. The amount of aggregated remuneration sought to be approved by shareholders and the manner in which it is apportioned is reviewed annually.

Executive directors remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The KMP remuneration and reward framework has three components:
- reward KMP for consolidated entity and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of the executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

The combination of these comprises the KMP's total remuneration.

Fixed remuneration
Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration Committee, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Use of remuneration consultants
During the financial year ended 30 June 2015, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve them.

Voting and comments made at the company's 2014 Annual General Meeting ('AGM')
99.73% of eligible votes received by the company at the November 2014 AGM were in favour of the adoption of the remuneration report for the year ended 30 June 2014.

Details of remuneration

Amounts of remuneration
Details of the remuneration of KMP of the consolidated entity are set out in the following tables.

The KMP of the consolidated entity consisted of the following directors of Axxis Technology Group Ltd:

- Peter Kazacos - Chairman
- Campbell Corfe
- Chris Calamos — Appointed on 1 January 2015
- Michael O'Sullivan — Resigned on 1 January 2015
- John Walters — Resigned on 1 January 2015

And the following persons:

- Justyn Stedwell – Company Secretary
- Robert Pickering – Chief Technology Officer — Resigned on 31 December 2014
- Andrew Cottrill – Managing Director of Anittel Pty Ltd — Resigned on 31 December 2014
- David McGill – Managing Director of Cloud Only Distributions — Resigned on 31 December 2014

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Directors' report
30 June 2015

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Termination payments $	Super-annuation and retirement $	Employee leave $	Equity-settled $	Total $
Non-Executive Directors:							
Campbell Corfe	42,619	-	-	-	-	-	42,619
Chris Calamos***	66,129	-	-	-	-	-	66,129
Michael O'Sullivan**	45,000	-	-	2,375	-	-	47,375
John Walters**	25,000	-	-	-	-	-	25,000
Executive Directors:							
Peter Kazacos*	85,000	-	-	-	-	-	85,000
Other Key Management Personnel:							
Chris Calamos***	77,876	-	134,259	9,392	14,301	-	235,828
Justyn Stedwell	29,692	-	13,289	1,662	808	-	45,451
Robert Pickering**	73,728	15,000	134,529	9,392	7,000	-	239,649
Andrew Cottrill**	77,167	-	39,085	8,902	7,615	-	132,769
David McGill**	70,971	24,000	-	8,573	4,654	-	108,198
	593,182	39,000	321,162	40,296	34,378	-	1,028,018

* Peter Kazacos is paid as a consultant through a company, KPower Pty Limited.
** Remuneration is disclosed from date of appointment/to date of cessation as a KMP.
*** Transferred from other KMP to Non-Executive Director effective 1 January 2015.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2014	Cash salary and fees $	Bonus $	Termination payments $	Super-annuation and retirement $	Employee leave $	Equity-settled $	Total $
Non-Executive Directors:							
Campbell Corfe	63,992	-	-	-	-	-	63,992
Michael O'Sullivan***	20,449	-	-	1,891	-	-	22,340
John Walters	50,000	-	-	-	-	-	50,000
Executive Directors:							
Peter Kazacos*	150,000	-	-	-	-	-	150,000
Michael O'Sullivan***	113,894	-	191,818	12,933	-	-	318,645
Other Key Management Personnel:							
Chris Calamos	198,209	45,000	-	17,509	-	-	260,718
Justyn Stedwell	41,526	-	-	3,279	-	-	44,805
Robert Pickering	162,951	15,000	-	13,199	-	-	191,150
Andrew Cottrill**	59,769	24,273	-	5,971	-	-	90,013
David McGill**	50,223	3,000	-	4,646	-	-	57,869
Michael Cook**	108,692	-	122,720	13,331	-	-	244,743
	1,019,705	87,273	314,538	72,759	-	-	1,494,275

* Peter Kazacos is paid as a consultant through a company, KPower Pty Limited.
** Remuneration is disclosed from date of appointment/to date of cessation as a key management personnel.
*** Transferred as Executive Director to Non-Executive Director effective 31 January 2014

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2015	2014	2015	2014	2015	2014
Non-Executive Directors:						
Campbell Corfe	100%	100%	-%	-%	-%	-%
Chris Calamos*	100%	83%	-%	17%	-%	-%
Michael O'Sullivan	100%	100%	-%	-%	-%	-%
John Walters	100%	100%	-%	-%	-%	-%
Executive Directors:						
Peter Kazacos	100%	100%	-%	-%	-%	-%
Other Key Management Personnel:						
Justyn Stedwell	100%	100%	-%	-%	-%	-%
Robert Pickering	94%	92%	6%	8%	-%	-%
Andrew Cottrill	100%	73%	-%	27%	-%	-%
David McGill	78%	95%	22%	5%	-%	-%
Michael Cook	-%	100%	-%	-%	-%	-%

* The comparative is for the period in which Chris was a Other Key Management Personnel

The proportion of the cash bonus paid and forfeited is as follows:

Name	Cash bonus paid/payable 2015	2014	Cash bonus forfeited 2015	2014
Other Key Management Personnel:				
Chris Calamos	-%	100%	-%	-%
Robert Pickering	100%	100%	-%	-%
Andrew Cottrill	-%	100%	-%	-%
Dave McGill	100%	100%	-%	-%

Service agreements
There are no executives or key management personnel under service agreements at 30 June 2015.

Share-based compensation

Issue of shares
There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2015.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
30 November 2012	30 June 2014	30 November 2015	$0.007	$0.022

Options granted carry no dividend or voting rights.

Details of options over ordinary shares granted, vested and lapsed for directors and other KMP as part of compensation during the year ended 30 June 2015 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted $	Value of options vested $	Number of options lapsed	Value of options lapsed $
M O'Sullivan	15 Dec 2011	15 Dec 2014	-	-	-	19,000,000	133,000
C Calamos	30 Dec 2012	31 Dec 2014	-	-	-	14,497,500	101,483

Additional disclosures relating to key management personnel
In accordance with Class Order 14/632, issued by the Australian Securities and Investments Commission, relating to 'Key management personnel equity instrument disclosures', the following disclosure relates only to equity instruments in the company or its subsidiaries.

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Peter Kazacos *	881,078,704	-	-	-	881,078,704
Campbell Corfe *	78,500,000	-	-	-	78,500,000
John Walters	5,040,000	-	-	-	5,040,000
Justyn Stedwell	765,000	-	-	-	765,000
	965,383,704	-	-	-	965,383,704

* Shareholding includes related party holding

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other *	Balance at the end of the year
Options over ordinary shares					
Michael O'Sullivan	19,000,000	-	-	(19,000,000)	-
John Walters	2,000,000	-	-	-	2,000,000
Chris Calamos	14,497,500	-	-	(14,497,500)	-
	35,497,500	-	-	(33,497,500)	2,000,000

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Options over ordinary shares			
John Walters	2,000,000	-	2,000,000
	2,000,000	-	2,000,000

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Axxis Technology Group Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 November 2012	30 November 2015	$0.007	2,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Axxis Technology Group Ltd issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

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

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of PricewaterhouseCoopers
There are no officers of the company who are former partners of PricewaterhouseCoopers.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Peter Kazacos
Executive Chairman

24 August 2015
Sydney

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Axxis Technology Group Ltd for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Axxis Technology Group Ltd and the entities it controlled during the period.

Manoj Santiago
Partner
PricewaterhouseCoopers

Sydney
24 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Corporate Governance Statement
30 June 2015

The Board of directors ('the Board') of Axxis Technology Group Limited ('Axxis" or "the company') is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business affairs of Axxis on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance Statement is structured with reference to the Australian Securities Exchange ('ASX') Corporate Governance Council's ('the Council's') 'Corporate Governance Principles and Best Practice Recommendations (3rd edition)' ('the Recommendations'),

The Recommendations are not prescriptions, they are guidelines. The Council recognises that the range in size and diversity of companies is significant and that smaller companies from the outset may face particular issues in following all the Recommendations. If a company considers that a recommendation is inappropriate to its particular circumstances, it has the flexibility not to adopt it.

The Board has adopted the best practice recommendations as outlined by the Council to the extent that is deemed appropriate considering the current size and operations of Axxis. Therefore, where the Board considers that the cost of implementing a recommendation outweighs any potential benefit, those recommendations have not been adopted.

Principle 1 - Lay solid foundations for management and oversight

Functions of the Board and Management
The Board is ultimately responsible for all matters relating to the running of the company.

The main task of the Board is to drive the performance of the company.

The Board's role is to govern the company rather than to manage it. In governing the company, the directors must act in the best interests of the company as a whole. It is the role of senior management to manage the company in accordance with the direction and delegations of the Board; the Board will oversee the activities of management in carrying out these delegated duties.

The Board has the final responsibility for the successful operations of the company. Successful operations will usually be manifest by achieving optimum shareholder value. The Board is responsible for articulating the following:

- The objectives and strategic direction of the company; and
- The values of the company, including how it will treat with all stakeholders.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board will include the following:

1. Leadership of the Organisation: overseeing the company and establishing codes that reflect the values of the company;
2. Strategy Formulation: to set and review the overall strategy and goals for the company and ensuring that there are policies in place to govern the operation of the company;
3. Overseeing Planning Activities: the development of the Company's strategic plan;
4. Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy;
5. Company Finances: ensuring there are adequate resources provided to achieve the objectives;
6. Human Resources: establishing appropriate human resource policies and ensuring there are adequate human resources for the company to be successful;
7. Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the company's occupational health and safety systems to ensure the well-being of all employees;
8. Delegation of Authority: delegating appropriate powers to the Managing Director ('MD') and the senior management team to ensure the effective day-to-day management of the Company; and
9. Ensuring there is appropriate Corporate Governance.

Board Appointments
The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The Company Secretary
The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity
Axxis values the differences between its personnel and the valuable contribution that these differences can make to the Company. Axxis is an equal opportunity employer and aims to recruit staff from as diverse a pool of qualified candidates as reasonably possible based on their skills, qualifications and experience.

The Board believes that multicultural diversity and other diversity factors are equally important as gender diversity within its organisation. The Board has not set any measurable objectives in regards to gender diversity as the Board is currently satisfied with the level of diversity within Axxis.

The Company currently has no employees and utilises the services of consultants. When a new operating business is acquired the Company will consider implementing measurable objectives in relation to diversity.

The participation of women in the company is currently as follows:

• Women employees in the consolidated entity	0 of 0
• Women in senior management positions	0 of 0
• Women on the board	0 of 3

Evaluating the Performance of Senior Executives
The Board considers the ongoing development and improvement of the performance of senior executives as a critical input to effective governance. Senior executives are encouraged to participate in continuing education programs that will update their skills and knowledge of key developments within the industry in which the company operates, and regulatory and legislative changes that impact on reporting responsibilities.

On an annual basis, the Board conducts a performance review of key management personnel ('KMP'). The Board assesses the performance of KMP against qualitative and quantitative key performance indicators relevant to each KMP. An informal performance review of KMP was conducted during the 2015 financial year in accordance with this process.

Board Performance
The Board considers the ongoing development and improvement of its own performance, the performance of individual directors and Board Committees as critical to effective governance. Directors are encouraged to participate in continuing education programs that will update their skills and knowledge of key developments within the industry in which the company operates, and regulatory and legislative changes that impact on reporting responsibilities.

The performance of the Board, Board Committees and individual directors is reviewed by the Board as a whole. The reviews are based on a number of predetermined performance objectives. The criteria for evaluating performance, is aligned with the financial and non-financial objectives of the company. The Board will consider the outcome of each review and develop a series of actions to guide improvement.

When evaluating the performance of individual directors, the Chairman will provide each director with confidential feedback on his or her performance. An independent director will provide confidential feedback to the Chairman on his own performance. The Board does not endorse the reappointment of a director who is not satisfactorily performing the role. Directors whose performance is unsatisfactory may be asked to retire. An informal performance review in accordance with the processes occurred during the 2015 financial year.

Independent professional advice
The Board collectively and each individual director has the right to seek independent professional advice at the company's expense, up to a specified limit of $5,000 unless otherwise agreed by the Chairman, to assist them to carry out their responsibilities.

Principle 2 - Structure the Board to add value

Structure of the Board

The skills, experience, expertise and period of office of each director in office throughout the year are included in the directors' report. The Board is currently composed of three non-executive directors, Peter Kazacos, Campbell Corfe, and Chris Calamos.

The Board assesses whether a director is independent in accordance with the Council's independence guidelines. The Board comprises of one independent director, Campbell Corfe, and two non-independent directors, Peter Kazacos and Chris Calamos. Therefore, the Board does not comprise of a majority of independent directors. The Board believes that given the size of the Company and its current limited operating activity, the presence of one independent director on the Board is sufficient.

Peter Kazacos is the Chairman of the Board and he is not an independent Director, he also acted as the Company's Chief Executive Officer until the sale of its Anittel Business on 1 January 2015. Given Peter's extensive experience as a Chairman and Director and his success within the IT industry, he is considered as the most appropriate Chairman at this critical stage of the company's development. Prior to the sale of the Company's Anittel business, the Board believed it was appropriate to have Mr. Kazacos exercise the roles of both the Chairman and CEO.

Nomination of Directors

The Board is responsible for the nomination and selection of directors. Given the size of the company and the nature of its operations, the Board does not believe it to be appropriate to establish a Nomination Committee at this time.

Directors are appointed based on the specific skills required to effectively govern the company. The company aims at all times to have at least two directors with appropriate experience within the telecommunications and information technology industries. In addition, directors should have the relevant blend of experience in:

- accounting and financial management; and
- director level business management and governance.

The Board periodically assesses the competencies and experience of each Board member and the experiences and skills required at Board level to meet its operational objectives. The Board has not developed a formal Board skill matrix. The Board is satisfied with the skills and experience of each director and the current Board, the Board will consider developing a Board sills matrix upon the acquisition of an operating business or when the need to appoint a new director arises.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

A new director induction program is in place and Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Commitments

Each member of the Board is committed to spending sufficient time on company matters to enable them to effectively carry out their duties as a director of the company. Other commitments of non-executive directors which may affect their contribution to the company are considered prior to a director's appointment to the Board and are reviewed each year. Prior to appointment or re-election, each director must acknowledge that they have and will continue to have the time available to discharge their responsibilities to the company.

The Board holds at least 12 scheduled meetings each year. For details of the number of Board meetings held during the year and the number of meetings attended by each director refer to the directors' report.

Principle 3 – Act ethically and responsibly

Corporate Code of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Corporate Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. The Corporate Code of Conduct can be viewed at the company's website.

Directors and Officers Code of Conduct, and Employee Code of Conduct
The Board has established the Directors and Officers Code of Conduct, and the Employee Code of Conduct to guide directors, officers and employees as to:

- the practices necessary to maintain confidence in the company's integrity; and
- the practices necessary to take into account their ethical and legal obligations and the reasonable expectations of the company's stakeholders.

The Directors and Officers Code of Conduct, and the Employee Code of Conduct can be viewed at the Company's website.

Reporting Unethical or Illegal Practices
Company policy requires employees who are aware of unethical or illegal practices to report these practices to management. Any reports of unethical or illegal practices are investigated by management or the Board. Reporters of unethical practices may remain anonymous.

Principle 4 – Safeguard integrity in corporate reporting

Audit Committee
The Audit Committee was established to ensure oversight by the Board of all matters related to the financial accounting and reporting of the company. The Audit Committee monitors the processes, which are undertaken by management and auditors. The Audit Committee ensures that the Board, as the representative of the shareholders, meets all financial corporate governance requirements.

There are two members of the Audit Committee being Campbell Corfe (Chair) and Peter Kazacos. Given the Board consist of three directors, Board Committees consisting of at least two directors are deemed to be appropriate.

The Audit Committee is chaired by Campbell Corfe who is an independent director. Given Campbell's 18 years of experience as a partner with a global accounting firm, he is considered the most appropriate director to Chair the Audit Committee.

Board Committees do not comprise of a majority of independent directors, at this stage of the company's development the Board considers that the presence of one independent director on Board Committees who is also Chairman of the Committee is sufficient.

For details on the number of Audit Committee meetings held during the year and the attendees at those meetings, refer to the directors' report.

The Audit Committee has adopted a formal charter which clearly sets out the committee's role and responsibilities, composition and structure. The Audit Committee charter can be viewed on the company's website.

Declarations to the Board
The Chairman (CEO equivalent) and Company Accountant (CFO equivalent) have provided the Board with a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Auditor
The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

Principle 5 – Make timely and balanced disclosure

Continuous Disclosure

The Company has a Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

In accordance with the ASX Listing Rules the company immediately notifies the ASX of information:

- concerning the company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would likely to, influence persons who commonly invest in securities.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. The Board and the Company Secretary are responsible for ensuring that company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules.

The Company Secretary and the Chairman ensure that company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Principle 6 – Respect the rights of shareholders

Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information mailed to shareholders, annual and half-year financial statements and the general meetings of the company;
- giving shareholders ready access to balanced and understandable information about the company and corporate proposals; and
- making it easy for shareholders to participate in general meetings of the company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the company. These contact details are available on the "contact us" page of the Company's website.

The Company views the annual general meeting as an opportunity for shareholders to meet with and ask questions of the Board. Accordingly all shareholders are given the opportunity to ask questions. The Company's external auditors are in attendance at the annual general meetings. All shareholders are given the opportunity to ask the Company's external auditors questions about the conduct of the audit and the preparation and content of the auditor's report.

Shareholders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically.

The Company maintains information in relation to its corporate governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

Principle 7 – Recognise and manage risk

Risk Management

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities.

The Audit Committee operates pursuant to a charter which provides for risk oversight and management within the Company. This is periodically reviewed and updated. Management reports risks identified to the Committee on a periodic basis.

Risk management is considered a key governance and management process. The Board ultimately determines the company's risk profile and is responsible for approving and overseeing the company's risk management policy and internal compliance and control systems. The Board reviews the Company's risk management framework at least annually to satisfy itself that it continues to be sound, accordingly a review of the Company's risk management framework occurred during the year.

The Company has established and implemented a system for identifying, assessing, monitoring and managing material risk throughout the organisation. The risk management system is implemented by senior management and is designed to ensure:

- all major sources of potential opportunity for and harm to the company (both existing and potential) are identified, analysed and treated appropriately;
- business decisions throughout the company appropriately balance the risk and reward trade off;
- regulatory compliance and integrity in reporting is achieved; and
- the company's continued good standing with its stakeholders.

The risk management system involves a multi-stage process of risk identification, analysis, evaluation, strategy development, strategy implementation, monitoring and review.

Management reports to the Board on the effectiveness of the Company's management of its material business risks. In addition, the Board undertakes a review of all major activities to asses risk and the effectiveness of strategies implemented to manage risk. During the reporting period, management has reported to the Board as to the effectiveness of the Company's management of its material business risks. The Company does not have an internal audit function.

The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks

Principle 8 – Remunerate fairly and responsibly

Remuneration

The Company remunerates directors and key executives fairly and appropriately with reference to the skills and experience of the director/executive and employment market conditions. Any bonus or incentive payments made to directors and executives are based on the achievement of set financial and/or operational performance targets. Payment of equity-based remuneration is made in accordance with thresholds set in plans approved by shareholders.

The Company is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with 'Best Practice' as well as supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components, determined by their position and experience.

Non-Executive Directors are remunerated out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors receive fixed fees. There is no scheme to provide retirement benefits to Non-Executive directors other than statutory superannuation.

Participants in an equity based remuneration scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

For details of the amount of remuneration, and all monetary and non-monetary components, for directors and key management personnel refer to the directors' report.

Remuneration Committee
The Board has established a Remuneration Committee. Campbell Corfe and Peter Kazacos are the members of the Remuneration Committee. The Remuneration Committee is chaired by Campbell Corfe who is an independent director.

The Committee meets at least twice annually and is responsible for:
- formulating guidelines as to what constitutes appropriate “human resource” policy for the company; including but not limited to, base pay, incentive schemes; retention and termination policies, succession planning and human resource development;
- providing an assessment of market expectations relative to senior executives and Board members remunerations commensurate with their responsibilities;
- making a determination of the appropriate “tiers” of personnel; including who constitutes the “senior management” team;
- specific employment agreements, including roles and responsibilities, and levels of remuneration, for the senior management team;
- an employment agreement, including role and responsibilities, and level of remuneration, for the MD;
- management agreements for executive and non-executive directors;
- provide results of periodic audits of the human resource policies; and
- the establishment of a performance review process; including performance reviews of at least the MD and members of the Board.

For details on the number of Remuneration Committee meetings held during the year and the attendees at those meetings, refer to the directors’ report.

The Remuneration Committee Charter can be viewed at the Company’s website.

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Revenue	6	17,639,615	43,323,689
Other income	7	10,289,985	74,936
Expenses			
Cost of sales		(9,241,855)	(23,918,127)
Occupancy		(664,577)	(1,405,829)
Administration		(8,167,785)	(19,010,229)
Other expenses		(689,450)	(1,080,157)
Finance costs		(347,108)	(989,682)
Profit/(loss) before income tax expense		8,818,825	(3,005,399)
Income tax expense	8	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Axxis Technology Group Ltd	20	8,818,825	(3,005,399)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Axxis Technology Group Ltd		8,818,825	(3,005,399)
		Cents	**Cents**
Basic earnings per share	35	0.344	(0.120)
Diluted earnings per share	35	0.344	(0.120)

The consolidated results represent the consolidated entity as a discontinued operation, as defined by AASB 5 'Non-current assets held for sale and discontinued operations'. Refer to note 2 for further details.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Statement of financial position
As at 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Assets			
Current assets			
Cash and cash equivalents	9	589,748	7,761,816
Trade and other receivables	10	150,000	3,304,137
Inventories	11	-	417,565
Prepayments and other current asset		-	165,709
Total current assets		739,748	11,649,227
Non-current assets			
Property, plant and equipment	12	-	2,480,684
Intangibles	13	-	6,055,188
Security deposits		-	173,185
Total non-current assets		-	8,709,057
Total assets		739,748	20,358,284
Liabilities			
Current liabilities			
Trade and other payables	14	68,234	5,263,052
Borrowings	15	-	1,010,989
Employee benefits		-	928,693
Revenue received in advance		-	1,707,731
Total current liabilities		68,234	8,910,465
Non-current liabilities			
Borrowings	16	-	13,169,415
Employee benefits		-	273,202
Total non-current liabilities		-	13,442,617
Total liabilities		68,234	22,353,082
Net assets/(liabilities)		671,514	(1,994,798)
Equity			
Issued capital	17	51,196,745	57,350,591
Other equity	18	5,200,000	5,200,000
Share-based payments reserve	19	9,732	8,399
Accumulated losses	20	(55,734,963)	(64,553,788)
Total equity/(deficiency)		671,514	(1,994,798)

The above statement of financial position should be read in conjunction with the accompanying notes

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	**Issued capital $**	**Other equity $**	**Share-based payments reserve $**	**Accumulated losses $**	**Total deficiency $**
Balance at 1 July 2013	56,057,583	5,200,000	5,466	(61,548,389)	(285,340)
Loss after income tax expense for the year	-	-	-	(3,005,399)	(3,005,399)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,005,399)	(3,005,399)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 17)	1,293,008	-	-	-	1,293,008
Share-based payments (note 36)	-	-	2,933	-	2,933
Balance at 30 June 2014	57,350,591	5,200,000	8,399	(64,553,788)	(1,994,798)

Consolidated	**Issued capital $**	**Other equity $**	**Share-based payments reserve $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2014	57,350,591	5,200,000	8,399	(64,553,788)	(1,994,798)
Profit after income tax expense for the year	-	-	-	8,818,825	8,818,825
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	8,818,825	8,818,825
Transactions with owners in their capacity as owners:					
Share-based payments (note 36)	-	-	1,333	-	1,333
In-specie distribution	(6,153,846)	-	-	-	(6,153,846)
Balance at 30 June 2015	51,196,745	5,200,000	9,732	(55,734,963)	671,514

The above statement of changes in equity should be read in conjunction with the accompanying notes

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Statement of cash flows
For the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		20,034,000	51,890,179
Payments to suppliers and employees (inclusive of GST)		(22,409,590)	(53,052,037)
		(2,375,590)	(1,161,858)
Interest received		33,550	69,830
Interest and other finance costs paid		(209,676)	(304,025)
Net cash used in operating activities	33	(2,551,716)	(1,396,053)
Cash flows from investing activities			
Payments for property, plant and equipment		(252,654)	(500,213)
Payments for intangibles		(3,000)	(18,000)
Proceeds from sale of business *		(84,000)	6,500,000
Proceeds from disposal of property, plant and equipment		2,650	-
Proceeds from release of security deposits		91,652	7,142
Net cash from/(used in) investing activities		(245,352)	5,988,929
Cash flows from financing activities			
Proceeds from issue of shares	17	-	1,396,675
Transaction costs on shares issued		-	(75,867)
Proceeds from borrowings		688,000	-
Proceeds from leases and loans		-	523,895
Repayment of borrowings		(4,500,000)	(50,000)
Repayment of leases and loans		(563,000)	(754,821)
Net cash from/(used in) financing activities		(4,375,000)	1,039,882
Net increase/(decrease) in cash and cash equivalents		(7,172,068)	5,632,758
Cash and cash equivalents at the beginning of the financial year		7,761,816	2,129,058
Cash and cash equivalents at the end of the financial year	9	589,748	7,761,816

* Cash consideration received from IAB for the sale of the business was $500,000 less a working capital adjustment of $218,899 less legal and advisory costs of $356,252 less other adjustments of $8,849

Note 1. General information

The financial statements cover Axxis Technology Group Ltd as a consolidated entity consisting of Axxis Technology Group Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Axxis Technology Group Ltd's functional and presentation currency.

Axxis Technology Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 115
Jones Bay Wharf
26-32 Pirrama Road
Pyrmont NSW 2009

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2015. The directors have the power to amend and reissue the financial statements.

Note 2. Presentation of financial statements and discontinued operations

Discontinued operations
On 5 November 2014, the consolidated entity announced that it had entered into an agreement with Inabox Group Limited (ASX:IAB) for the sale of all of the consolidated entities operating businesses to IAB, with the exception of the mobile telephony service, which the consolidated entity retained up until June 2015.

The sale to IAB, which completed on 1 January 2015, resulted in the consolidated entity receiving 6,153,846 shares in IAB plus $500,000 in cash less a working capital adjustment, plus a further $150,000 in cash in lieu of deferred performance consideration.

The IAB shares were returned to shareholders of the consolidated entity via an ‘in specie’ capital distribution in January 2015.

The mobile telephony business which remained with the consolidated entity only contributed $36,000 in revenue for the year and it was determined that it would require a large amount of capital to be invested in order to successfully grow this business. After further review, a decision was taken by the Directors to discontinue this business which took effect in June 2015.

Accordingly, the consolidated results and financial position represent the consolidated entity as a discontinued operation, as defined by AASB 5 'Non-current assets held for sale and discontinued operations'.

Rounding
The company previously rounded to the nearest thousand dollars ($'000) in accordance with Class Order 98/100, issued by the Australian Securities and Investments Commission. The Class Order is no longer applicable, and the financial statements are now rounded to the nearest dollar ($).

Comparatives
Comparatives in the financial statements have been reclassified, where necessary, to align with the current period presentation. There was no effect on the profit or loss or net assets.

Note 3. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Note 3. Significant accounting policies (continued)

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

As at 30 June 2015, the consolidated entity had cash and cash equivalents of $589,748 (30 June 2014: $7,761,816) and has a net current asset position of $671,514 (30 June 2014: net current asset position $2,738,762).

The discontinued operations of the consolidated entity had a net profit of $8,818,825 (30 June 2014: net loss of $3,005,399) resulting primarily from the gain on sale of the business sold to Inabox Group Limited in January 2015 and the benefit generated by the forgiveness of $5,779,555 of debt by Peter and Vicki Kazacos in January 2015.

With the conclusion of the mobile telephony service in June 2015, the consolidated entity has now finalised the disposal of all operating businesses and employees. Going forward the consolidated entity's operating costs consist of administration, compliance and advisory costs in support of the company's continued strategic review and objective to acquire a suitable business asset to reposition the company.

Considering matters outlined above the Directors of the consolidated entity are of the view the entity will continue as a going concern as there is sufficient cash available to the entity to cover minimal operating expenses associated with maintaining the current level of activity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Axxis Technology Group Ltd ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Axxis Technology Group Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Note 3. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Revenue for installation, maintenance, hardware and software is recognised by reference to the stage of completion of contract or contracts in progress at the reporting date or at the time of completion of the contract and billing to the customer. Some customers are billed in advance with these amounts recorded as revenue received in advance. Once the services have been provided, the revenue is then recognised.

Revenue from communication services is recognised in monthly cycles. Customers are invoiced on the first day of the month for the previous months usage, and services and equipment are billed in advance.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 3. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Axxis Technology Group Ltd (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 3. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 14 to 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5 years
Plant and equipment	3 years
Office equipment	4 - 5 years
Motor vehicles	3 years
Computer equipment	3 - 5 years
Hosted Unified Communication	5 - 8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Note 3. Significant accounting policies (continued)

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 to 10 years.

Customer contracts and relationships
Customer contracts and relationships acquired are carried at their fair value at date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the period of their expected useful life of 10 years.

Hosted Unified Communications
Costs incurred in developing the Hosted Unified Communications infrastructure that will contribute to future financial benefits through revenue generation are capitalised. Costs capitalised relate directly to attributable payroll and payroll related costs of employees time spend on the project. These costs will be amortised on a straight-line basis over the period of its expected benefit, being 8 years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a post-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit for the purpose of impairment testing.

Note 3. Significant accounting policies (continued)

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Revenue received in advance
Revenue is deferred and recognised as a liability when the monies are received from the customer but delivery of goods or services are not yet provided.

Borrowings

Loans and borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Convertible notes
The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for employee benefits not expected to be settled within 12 months of the reporting date 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 corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees. There is currently one plan in place, the Employee Share Option Plan ('ESOP') that provides benefits to key management personnel.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

Note 3. Significant accounting policies (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Note 3. Significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Axxis Technology Group Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
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.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Comparative information
Comparative information for the year ended 30 June 2014 has been restated to be in-line with current year disclosure.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 ‘Financial Instruments: Recognition and Measurement’. AASB 9 introduces new classification and measurement models for financial assets. New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an ‘expected credit loss’ (‘ECL’) model to recognise an allowance. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed.

AASB 15 Revenue from Contracts with Customers
This standard is currently applicable to annual reporting periods beginning on or after 1 January 2017. Exposure Draft (ED 263) 'Effective Date of AASB 15' proposes to defer the application date by one year (1 January 2018. The standard provides a single standard for revenue recognition. 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 those goods or services). The standard may impact the way revenue for mobile services is recognised by the consolidated entity, however the impact has not yet been quantified until the application date of the standard has been confirmed.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 5. Operating segments

Identification of reportable operating segments
The results and financial position represent the consolidated entity having discontinued operations of both major segments (Telecommunications and IT products and services) reported and disclosed as such in the prior year.

The information reported to the Board of Directors (being the Chief Operating Decision Makers ('CODM')), is the consolidated results as shown in the statement of profit or loss and other comprehensive income and statement of financial position.

The directors have determined that there are no operating segments identified for the year which are considered separately reportable.

Note 6. Revenue

	Consolidated	
	2015	**2014**
	$	**$**
Sales revenue		
Sale of goods	10,429,730	22,704,161
Rendering of services	7,076,230	20,381,837
	17,505,960	43,085,998
Other revenue		
Interest	33,550	77,451
Other revenue	100,105	160,240
	133,655	237,691
Revenue	17,639,615	43,323,689

Note 7. Other income

	Consolidated	
	2015	**2014**
	$	**$**
Net gain on disposal of business	4,459,405	74,936
Loan forgiveness	5,778,555	-
Vendor rebates	52,025	-
Other income	10,289,985	74,936

Note 8. Income tax expense

	Consolidated 2015 $	Consolidated 2014 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	8,818,825	(3,005,399)
Tax at the statutory tax rate of 30%	2,645,648	(901,620)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other timing differences not recognised	-	(36,000)
Other non-deductible expenses	-	5,620
	2,645,648	(932,000)
Current year tax losses not recognised	-	963,000
Prior year tax losses not recognised now recouped	(2,645,648)	-
Share and convertible note issue expenses deductible over 5 years, previously recognised as equity	-	(31,000)
Income tax expense	-	-

	Consolidated 2015 $	Consolidated 2014 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	48,519,352	51,165,000
Potential tax benefit @ 30%	14,555,806	15,349,500

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Unused tax losses are extracted from the most recent tax returns.

	Consolidated 2015 $	Consolidated 2014 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Intellectual property	-	1,121,000
Provisions and accruals	-	734,000
Total deferred tax assets not recognised	-	1,855,000

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2015 $	Consolidated 2014 $
Cash on hand	3,200	3,201
Cash at bank	586,548	7,758,615
	589,748	7,761,816

Note 10. Current assets - trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $
Trade receivables	-	2,746,317
Less: Provision for impairment of receivables	-	(2,300)
	-	2,744,017
Other receivables	150,000	560,120
	150,000	3,304,137

Impairment of receivables
The consolidated entity has recognised a net recovery of $2,300 (2014: $82,700) in profit or loss in respect of impairment of receivables for the year ended 30 June 2015.

The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2015 $	Consolidated 2014 $
3 to 6 months overdue	-	2,300

Movements in the provision for impairment of receivables are as follows:

	Consolidated 2015 $	Consolidated 2014 $
Opening balance	2,300	85,000
Additional provisions recognised	-	9,435
Provision reversed on sale of business	(2,300)	(92,135)
Closing balance	-	2,300

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $nil as at 30 June 2015 ($143,000 as at 30 June 2014).

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

Note 10. Current assets - trade and other receivables (continued)

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2015 $	Consolidated 2014 $
0 to 3 months overdue	-	143,000

Payments terms on these amounts have not been re-negotiated, however, where applicable, credit has been stopped until payment is made in full. Management is satisfied that payment will be received in full.

Other balances within trade and other receivables do not contain impaired assets and are not past due.

Note 11. Current assets - inventories

	Consolidated 2015 $	Consolidated 2014 $
Stock on hand - at cost	-	466,188
Less: Provision for impairment	-	(48,623)
	-	417,565

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2015 $	Consolidated 2014 $
Leasehold improvements - at cost	-	320,936
Less: Accumulated depreciation	-	(137,351)
	-	183,585
Plant and equipment - at cost	-	130,205
Less: Accumulated depreciation	-	(130,205)
	-	-
Office equipment - at cost	-	786,081
Less: Accumulated depreciation	-	(724,354)
	-	61,727
Motor vehicles under lease	-	227,043
Less: Accumulated depreciation	-	(193,584)
	-	33,459
Computer equipment - at cost	-	1,067,767
Less: Accumulated depreciation	-	(771,854)
	-	295,913
Hosted Unified Communications- at cost	-	2,246,000
Less: Accumulated depreciation	-	(340,000)
	-	1,906,000
	-	2,480,684

Note 12. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Plant and office equipment $	Motor vehicles under lease $	Computer equipment $	Hosted Unified Comm-unications $	Total $
Balance at 1 July 2013	238,581	86,516	56,603	1,156,305	363,000	1,901,005
Additions	3,759	630	-	279,608	1,851,000	2,134,997
Disposals	(2,000)	(5,000)	-	(910,000)	-	(917,000)
Depreciation expense	(56,755)	(20,419)	(23,144)	(230,000)	(308,000)	(638,318)
Balance at 30 June 2014	183,585	61,727	33,459	295,913	1,906,000	2,480,684
Additions	383	2,597	286	32,388	512,000	547,654
Classified as held for sale	(161,968)	(57,324)	(25,745)	(273,301)	(2,260,000)	(2,778,338)
Disposals	(5,000)	-	-	(11,000)	-	(16,000)
Depreciation expense	(17,000)	(7,000)	(8,000)	(44,000)	(158,000)	(234,000)
Balance at 30 June 2015	-	-	-	-	-	-

Property, plant and equipment secured under finance leases
Refer to note 27 for further information on property, plant and equipment secured under finance leases.

Note 13. Non-current assets - intangibles

	Consolidated 2015 $	Consolidated 2014 $
Goodwill - at cost	-	1,260,859
Software - at cost	-	2,496,146
Less: Accumulated amortisation	-	(1,036,936)
Less: Accumulated impairment	-	(300,000)
	-	1,159,210
Customer contracts - at cost	-	3,277,305
Less: Accumulated amortisation	-	(812,784)
Less: Accumulated impairment	-	(700,000)
	-	1,764,521
Hosted Unified Communications - at cost	-	2,072,228
Less: Accumulated amortisation	-	(201,630)
	-	1,870,598
	-	6,055,188

Note 13. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Software $	Customer contracts $	Hosted Unified Comm-unications $	Total $
Balance at 1 July 2013	6,941,986	849,307	2,262,918	746,068	10,800,279
Additions	-	982,000	-	1,306,000	2,288,000
Disposals	(5,681,127)	(269,000)	(158,000)	-	(6,108,127)
Amortisation expense	-	(403,097)	(340,397)	(181,470)	(924,964)
Balance at 30 June 2014	1,260,859	1,159,210	1,764,521	1,870,598	6,055,188
Additions	-	401,000	-	-	401,000
Classified as held for sale	(1,260,859)	(1,412,573)	(1,655,278)	(1,784,254)	(6,112,964)
Amortisation expense	-	(147,637)	(109,243)	(86,344)	(343,224)
Balance at 30 June 2015	-	-	-	-	-

Note 14. Current liabilities - trade and other payables

	Consolidated 2015 $	Consolidated 2014 $
Trade payables	-	3,459,600
Accruals	13,177	1,243,074
Other payables	55,057	560,378
	68,234	5,263,052

Refer to note 22 for further information on financial instruments.

Note 15. Current liabilities - borrowings

	Consolidated 2015 $	Consolidated 2014 $
Bank loans	-	59,579
Lease liability	-	951,410
	-	1,010,989

Refer to note 22 for further information on financial instruments.

Note 16. Non-current liabilities - borrowings

	Consolidated 2015 $	2014 $
Bank loans	-	120,129
Loan from director	-	3,204,000
Convertible notes payable	-	6,440,625
Lease liability	-	3,404,661
	-	13,169,415

Refer to note 22 for further information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2015 $	2014 $
Bank loans	-	179,708
Loan from director	-	3,204,000
Convertible notes payable	-	6,440,625
Lease liability	-	4,356,071
	-	14,180,404

The consolidated entity complied with all bank covenant requirements during the period.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2015 $	2014 $
Total facilities		
Bank loans	-	179,708
Equipment financing facility - Commonwealth Bank of Australia	-	3,000,000
	-	3,179,708
Used at the reporting date		
Bank loans	-	179,708
Equipment financing facility - Commonwealth Bank of Australia	-	1,679,000
	-	1,858,708
Unused at the reporting date		
Bank loans	-	-
Equipment financing facility - Commonwealth Bank of Australia	-	1,321,000
	-	1,321,000

Note 17. Equity - issued capital

	Consolidated			
	2015 Shares	**2014 Shares**	**2015 $**	**2014 $**
Ordinary shares - fully paid	2,560,406,871	2,560,406,871	51,196,745	57,350,591

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2013	2,211,238,296		56,057,583
Issue of ordinary shares on rights issue	12 August 2013	291,668,575	$0.004	1,166,674
Issue of ordinary shares on rights issue	16 October 2013	57,500,000	$0.004	230,000
Transaction costs on shares issued				(103,666)
Balance	30 June 2014	2,560,406,871		57,350,591
In-specie distribution	5 January 2015			(6,153,846)
Balance	30 June 2015	2,560,406,871		51,196,745

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

In specie Distribution
On 2 January 2015 in accordance with a special resolution passed by the shareholders at the company AGM the 6,153,846 IAB consideration shares received were distributed to the consolidated entity’s shareholders by way of in-specie share distribution.

Options
There were 2,000,000 (2014: 51,495,000) options over ordinary shares at 30 June 2015.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is not subject to any externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2014 Annual Report.

Note 18. Equity - other equity

	Consolidated 2015 $	Consolidated 2014 $
Other equity	5,200,000	5,200,000

Other equity
As part of the consideration for the purchase of Anittel Group Limited on 16 April 2010, Flaxton Hunter Pty Limited transferred 100,000,000 ordinary shares and 50,000,000 1 cent options to Anittel shareholders at an acquisition-date fair value of 3.8 cents per ordinary share and 2.8 cents per 1 cent option representing the other equity balance of $5,200,000. The options lapsed on 22 June 2014.

Note 19. Equity - share-based payments reserve

	Consolidated 2015 $	Consolidated 2014 $
Share-based payments reserve	9,732	8,399

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $	Total $
Balance at 1 July 2013	5,466	5,466
Share-based payments	2,933	2,933
Balance at 30 June 2014	8,399	8,399
Share-based payments	1,333	1,333
Balance at 30 June 2015	9,732	9,732

Note 20. Equity - accumulated losses

	Consolidated 2015 $	Consolidated 2014 $
Accumulated losses at the beginning of the financial year	(64,553,788)	(61,548,389)
Profit/(loss) after income tax expense for the year	8,818,825	(3,005,399)
Accumulated losses at the end of the financial year	(55,734,963)	(64,553,788)

Note 21. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 22. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors ('the Board') and includes identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity is not significantly exposed to any foreign currency risk fluctuations.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
An interest rate movement of +1%/-1% (100 basis points) (2014: +1%/-1%) would have a positive/adverse effect on profit or loss by $5,865 (2014: $75,789).

The consolidated entity’s exposure to the risk of changes in market interest rates relates primarily to the consolidated entity’s cash at banks and bank overdrafts that earns or charges floating interest rates based on the daily bank deposit rates. The carrying value of the cash at banks and short term deposits approximate their fair values.

As at the reporting date, the consolidated entity had the following bank loan and cash amounts:

	2015		2014	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Bank loans	-%	-	11.55%	(179,708)
Cash at bank	-%	586,548	3.51%	7,758,615
Net exposure to cash flow interest rate risk		586,548		7,578,907

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. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the consolidated entity's policy to securitise its trade and other receivables.

It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis with the result that the consolidated entity's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the consolidated entity.

Note 22. Financial instruments (continued)

Liquidity risk

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated 2015 $	Consolidated 2014 $
Equipment financing facility - Commonwealth Bank of Australia	-	1,321,000

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Other payables	-%	55,057	-	-	-	55,057
Total non-derivatives		55,057	-	-	-	55,057

Consolidated - 2014	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	3,459,600	-	-	-	3,459,600
Other payables	-%	560,378	-	-	-	560,378
Interest-bearing - fixed rate						
Bank loans	11.55%	77,000	129,000	-	-	206,000
Other loans	7.00%	-	3,229,000	-	-	3,229,000
Convertible notes payable	7.00%	-	6,642,000	-	-	6,642,000
Lease liability	10.00%	1,296,000	3,927,000	-	-	5,223,000
Total non-derivatives		5,392,978	13,927,000	-	-	19,319,978

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. Fair value measurement

The carrying amounts of trade and other receivables, trade and other payables and financial liabilities are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 24. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015	**2014**
	$	**$**
Short-term employee benefits	632,182	1,106,978
Post-employment benefits	40,296	72,759
Long-term benefits	34,378	-
Termination benefits	321,162	314,538
	1,028,018	1,494,275

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company:

	Consolidated	
	2015	**2014**
	$	**$**
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	85,000	194,250
Other services - PricewaterhouseCoopers		
Taxation services	3,000	-
Non-audit services related to discontinued operations	-	250,000
	3,000	250,000
	88,000	444,250

Note 26. Contingent liabilities

The consolidated entity has no contingent liabilities at 30 June 2015 or 30 June 2014.

Note 27. Commitments

	Consolidated	
	2015	**2014**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	969,000
One to five years	-	1,192,000
	-	2,161,000
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	1,296,000
One to five years	-	3,927,000
Total commitment	-	5,223,000
Less: Future finance charges	-	(866,929)
Net commitment recognised as liabilities	-	4,356,071
Representing:		
Lease liability - current (note 15)	-	951,410
Lease liability - non-current (note 16)	-	3,404,661
	-	4,356,071

Lease commitments included contracted amounts for the refurbishment of the leased offices, purchase of plant and equipment and purchase of customer relationship management software.

Operating lease commitments included contracted amounts for various office accommodation and plant and equipment under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. The leases had various escalation clauses.

Finance lease commitments included contracted amounts for various computer equipment, office equipment and motor vehicles with a written down value of $nil (2014: $4,356,000) under finance leases which have expired.

Note 28. Related party transactions

Parent entity
Axxis Technology Group Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report in the directors' report.

Note 28. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2015	**2014**
	$	**$**
Sale of goods and services:		
Sale of goods and services to Roses Only ****	-	1,771
Sale of goods and services to Allegra Orthopaedics Limited (formerly Advanced Surgical Design & Manufacture Limited) *	30,105	184,666
Sale of goods and services to Law Corporation Pty Limited *	474	4,560
Sale of goods and services to Nextgen Distributions Pty Ltd **	14,058	30,968
Sale of goods and services to Artis Group Pty Ltd ***	390,577	43,864
Payment for other expenses:		
Interest payable on director loan	25,011	284,068
Interest payable on convertible loan notes	109,920	388,039
Interest paid on loan facility from Peter and Vicki Kazacos	2,020	-
IT consulting fee paid to Artis Group Pty Ltd ***	828	3,960
Legal fees paid to Law Corporation Pty Limited *	336,839	230,095
Office rent paid to Kazacos Industries *	6,000	-
Administration services paid to K Power *	15,000	-
Other transactions:		
Advisory fees paid to Kaz Capital Pty Limited *	-	55,891

* An entity in which Peter Kazacos is a director
** An entity in which John Walters is a director
*** An entity in which Michael O'Sullivan is a director
**** An entity in which Peter Kazacos was a director until 20 December 2013

On 31 July 2014, the consolidated entity repaid $4,000,000 of debt to Peter and Vicki Kazacos. As part of the transaction:
- Peter and Vicki Kazacos entered into a new agreement providing a debt facility of up to $4,000,000;
- Future interest on the remaining principal (and any facility drawdowns) be at the reduced interest rate of 7%; and
- No further interest will be calculated on the existing accrued interest.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2015	**2014**
	$	**$**
Current receivables:		
Trade receivables from Allegra Orthopaedics Limited (formerly Advanced Surgical Design & Manufacture Limited) *	-	9,232
Trade receivables from Law Corporation Pty Limited *	-	66
Trade receivables from Nextgen Distributions Pty Ltd **	-	2,310

* An entity in which Peter Kazacos is a director
** An entity in which John Walters is a director

Note 28. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2015	**2014**
	$	**$**
Non-current borrowings:		
Convertible note payable from director including interest *	-	6,440,469
Loan from director including interest *	-	3,204,156

* These amounts were payable to Peter & Vicki Kazacos and were forgiven entirely on 3 January 2015.

On 3 January 2015 Peter & Vicki Kazacos executed a 'Deed of Forgiveness of Debt' in which Peter and Vicki Kazacos resolved to forgive all loan balances as at 3 January 2015. Following the execution of this Deed, the company had no outstanding borrowings or interest payable

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2015	**2014**
	$	**$**
Profit/(loss) after income tax	1,127,514	(525,000)
Total comprehensive income	1,127,514	(525,000)

Statement of financial position

	Parent	
	2015	**2014**
	$	**$**
Total current assets	739,748	8,312,000
Total assets	739,748	8,670,000
Total current liabilities	68,234	681,000
Total liabilities	68,234	9,126,000
Net assets/(liabilities)	671,514	(456,000)
Equity		
Issued capital	93,337,000	93,337,000
Other equity	5,208,000	5,208,000
Accumulated losses	(97,873,486)	(99,001,000)
Total equity/(deficiency)	671,514	(456,000)

Note 29. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2015 and 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 3, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3:

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
Accord Technologies (WA) Pty Ltd	Australia	100.00%	100.00%
Axxis Technologies Pty Ltd	Australia	100.00%	100.00%
Anittel Pty Ltd	Australia	-%	100.00%
Invizage Pty Ltd	Australia	100.00%	100.00%
Anittel (TAS) Pty Ltd	Australia	100.00%	100.00%
Sholl Communications (Aust) Pty Ltd	Australia	100.00%	100.00%
Anittel Services Pty Ltd	Australia	100.00%	100.00%
Mobi Leasing Pty Ltd	Australia	100.00%	100.00%
Hostech Nominees Pty Ltd	Australia	100.00%	100.00%
Onenetwork Pty Ltd	Australia	100.00%	100.00%
Cloud Only Distribution Pty Ltd	Australia	100.00%	100.00%

Note 31. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Axxis Technology Group Ltd
Accord Technologies (WA) Pty Ltd
Axxis Technologies Pty Ltd
Anittel Pty Ltd
Invizage Pty Ltd
Anittel (TAS) Pty Ltd
Sholl Communications (Aust) Pty Ltd
Anittel Services Pty Ltd
Mobi Leasing Pty Ltd
Hostech Nominees Pty Ltd
Onenetwork Pty Ltd
Cloud Only Distribution Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

Note 31. Deed of cross guarantee (continued)

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Axxis Technology Group Ltd, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and statement of financial position are substantially the same as the consolidated entity and therefore have not been separately disclosed.

Note 32. Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 33. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2015	**2014**
	$	**$**
Profit/(loss) after income tax expense for the year	8,818,825	(3,005,399)
Adjustments for:		
Depreciation and amortisation	578,575	1,563,282
Net gain on disposal of non-current assets	(2,437)	-
Net gain on disposal of business	(4,459,618)	-
Net gain on disposal of non-current assets	-	(75,000)
Share-based payments	-	(2,933)
Loan forgiveness	(5,778,555)	-
Finance costs - non-cash	-	688,210
Other non-cash items	(7,650)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	142,543	1,475,000
Increase in inventories	(60,117)	(259,213)
Decrease in other operating assets	133,758	411,000
Increase/(decrease) in trade and other payables	(875,583)	2,223,000
Decrease in employee benefits	(410,231)	(779,000)
Decrease in other provisions	(295,282)	(391,000)
Decrease in other operating liabilities	(335,944)	(3,244,000)
Net cash used in operating activities	(2,551,716)	(1,396,053)

Note 34. Non-cash investing and financing activities

	Consolidated	
	2015	**2014**
	$	**$**
Acquisition of plant, equipment and software by means of finance leases	-	3,844,000

Note 35. Earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Profit/(loss) after income tax attributable to the owners of Axxis Technology Group Ltd	8,818,825	(3,005,399)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	2,560,406,871	2,509,988,843
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,560,406,871	2,509,988,843
	Cents	**Cents**
Basic earnings per share	0.344	(0.120)
Diluted earnings per share	0.344	(0.120)

51,495,000 (2014: 51,495,000) options are excluded from the above calculations as they would be anti-dilutive for the period.

Note 36. Share-based payments

The share option plan established by the consolidated entity and approved by shareholders at a general meeting, enables the consolidated entity, at the discretion of the Remuneration Committee, grant options over ordinary shares in the parent entity to certain key management personnel. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee.

Set out below are summaries of options granted under the plan:

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/04/2010	31/03/2015	$0.030	750,000	-	-	(750,000)	-
30/04/2010	31/03/2015	$0.050	750,000	-	-	(750,000)	-
16/11/2011	31/12/2014	$0.007	14,497,500	-	-	(14,497,500)	-
15/12/2011	15/12/2014	$0.007	19,000,000	-	-	(19,000,000)	-
30/12/2011	31/12/2014	$0.007	14,497,500	-	-	(14,497,500)	-
30/11/2012	30/11/2015	$0.007	2,000,000	-	-	-	2,000,000
			51,495,000	-	-	(49,495,000)	2,000,000
Weighted average exercise price			$0.001				$0.007

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/04/2010	31/03/2015	$0.030	750,000	-	-	-	750,000
30/04/2010	31/03/2015	$0.050	750,000	-	-	-	750,000
16/11/2011	31/12/2014	$0.007	14,497,500	-	-	-	14,497,500
15/12/2011	15/12/2014	$0.007	19,000,000	-	-	-	19,000,000
30/12/2011	31/12/2014	$0.007	14,497,500	-	-	-	14,497,500
30/11/2012	30/11/2015	$0.007	2,000,000	-	-	-	2,000,000
			51,495,000	-	-	-	51,495,000
Weighted average exercise price			$0.007				$0.001

Note 36. Share-based payments (continued)

The following options had vested at the end of the financial year:

Grant date	Expiry date	2015 Number	2014 Number
30/04/2010	31/03/2015	-	750,000
30/04/2010	31/03/2015	-	750,000
16/11/2011	31/12/2014	-	14,497,500
15/12/2011	15/12/2014	-	19,000,000
30/12/2011	31/12/2014	-	14,497,500
30/11/2012	30/11/2015	2,000,000	2,000,000
		2,000,000	51,495,000

The weighted average remaining contractual life of options outstanding at the reporting date were 5 months (2014: 1 year).

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 31 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Peter Kazacos
Executive Chairman

24 August 2015
Sydney

Independent auditor's report to the members of Axxis Technology Group Ltd (Formerly known as Anittel Group Limited)

Report on the financial report

We have audited the accompanying financial report of Axxis Technology Group Ltd (Formerly known as Anittel Group Limited) (the company), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Axxis Technology Group Ltd (Formerly known as Anittel Group Limited) (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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pwc

Auditor's opinion

In our opinion, the financial report of Axxis Technology Group Ltd (Formerly known as Anittel Group Limited) is in accordance with the *Corporations Act 2001,* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards including the Australian Accounting Interpretations and the *Corporations Regulations 2001.*

Report on the Remuneration Report

We have audited the remuneration report included in pages 7 to 13 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Axxis Technology Group Ltd (Formerly known as Anittel Group Limited) for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Manoj Santiago
Partner

Sydney
24 August 2015

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Shareholder information
30 June 2015

The shareholder information set out below was applicable as at 28 July 2015.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	147	-
1,001 to 5,000	100	-
5,001 to 10,000	127	-
10,001 to 100,000	373	-
100,001 and over	485	1
	1,232	1
Holding less than a marketable parcel	966	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Peter Kazacos + Ms Vicki Kazacos	881,078,704	34.41
Auckland Trust Company Limited (Second Pacific Master SF A/c)	380,158,571	14.85
Mrs Amanda Orphanides	200,018,334	7.81
UBS Nominees Pty Ltd	95,564,459	3.73
Corfe Associates Pty Ltd (Corfe Assocs Super Fund A/c)	78,500,000	3.07
Gurner Super Nominees Pty Ltd (AH Gurner Exec Benf Plan A/c)	50,000,000	1.95
Maddak Pty Ltd (Maddak Family A/c)	40,271,429	1.57
Mr Christos Nikolakopoulos	30,470,000	1.19
Mast Financial Pty Ltd (A to Z Investment A/c)	30,000,000	1.17
Orphanides Investments Pty Ltd (Orphanides Family Super A/c)	30,000,000	1.17
Mr Constantine Kazacos	28,571,428	1.12
Bostealinc Pty Ltd (Bostea Investment A/c)	24,243,750	0.95
Moat Investments Pty Ltd (Moat Investment A/c)	22,964,310	0.90
Clandrea Pty Ltd (Andrew Millis S/F A/c)	20,000,000	0.78
Mr Stephen Lompardo + Ms Josephine Lombardo	17,906,250	0.70
Dr Michael Orphanides (Wizard Shares A/c)	17,802,930	0.70
Teide Pty Ltd (Cumberland Discretion A/c)	17,774,000	0.69
Link Traders (Aust) Pty Ltd	13,333,334	0.52
Hilbourn Pty Ltd (Hilbourne Family A/c)	11,587,500	0.45
Mallie Pty Ltd (MBKR Super Fund A/c)	11,160,000	0.44
	2,001,404,999	78.17

Axxis Technology Group Ltd
(Formerly known as Anittel Group Limited)
Shareholder information
30 June 2015

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	2,000,000	1

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
John Walters	Options over ordinary shares issued	2,000,000

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Peter Kazacos + Ms Vicki Kazacos	881,078,704	34.41
Auckland Trust Company Limited (Second Pacific Master SF A/c)	380,158,571	14.85
Mrs Amanda Orphanides	200,018,334	7.81

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.