

**Preliminary Final Report of Infomedica Ltd for the  
Financial Year Ended 30 June 2015  
A.B.N 63 003 326 243**

This Preliminary Final Report is provided to the Australian Securities Exchange (ASX) under Listing Rule 4.3A.

Results for announcement to the market for FY2015:

**\$A'000**

Sales revenue	Up	<b>6% to 60,385</b>
Profit after income tax attributable to members	Up	<b>8% to 13,232</b>
Profit (loss) from extraordinary items after tax attributable to members		<b>Nil</b>
Net profit for the period attributable to members	Up	<b>8% to 13,232</b>
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Current Year:</b>		
Final dividend – declared and not paid	<b>1.70¢</b>	<b>NIL</b>
Special dividend – declared and not paid	<b>0.25¢</b>	<b>0.25¢</b>
Interim dividend – paid	<b>1.94¢</b>	<b>NIL</b>
<b>Previous Corresponding Period:</b>		
Final dividend	1.89¢	1.89¢
Special dividend	-	-
Interim dividend	1.89¢	0.5¢
Record date for determining entitlements to the dividend	<b>2 September 2015</b>	
Date the dividends are payable	<b>15 September 2015</b>	
<b>Net Tangible Assets per security</b>	<b>Cents</b>	
Net tangible assets per share at 30 June 2015	2.9	
Net tangible assets per share at 30 June 2014	2.5	
<p>For a brief explanation of Revenue, Net Profit and Dividends please refer to Press Release 'Full Year Results Announcement: FY2015'</p> <p>Additional Appendix 4E disclosure requirements can be found in the directors' report and the 30 June 2015 financial statements and accompanying notes.</p> <p>This report is based on the consolidated financial statements which have been audited by BDO.</p>		

# **Infomedia Ltd**

ABN 63 003 326 243

Annual Financial Report  
for the year ended 30 June 2015

**ABN 63 003 326 243**

**Directors**

Frances Heron - Non- Executive Chairman

Richard Graham\*

Myer Herszberg

Clyde McConaghy

Anne O'Driscoll+

Andrew Pattinson

\*Resigned 30 November 2014.

+Appointed 15 December 2014.

**Company Secretary**

Nick Georges

**Chief Financial Officer**

Russel King

**Registered Office**

357 Warringah Road

Frenchs Forest NSW Australia 2086

**Auditors**

BDO East Coast Partnership

**Share Register**

Boardroom Pty Ltd

**Solicitors**

Thomson Geer Lawyers

**Internet Address**

[www.infomedia.com.au](http://www.infomedia.com.au)

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**DIRECTORS' REPORT**

Your Directors submit their report for the year ended 30 June 2015

**DIRECTORS**

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated. The names and details of the Directors of the Company in office during the financial year and until the date of this report are:

**Names, qualifications, experience and special responsibilities**

<p>Fran Hernon MAICD Independent Non-Executive Chairman</p>	<p>Fran was appointed Non-Executive Chairman in February 2014. She had previously held the role of Lead Non-Executive Director and first joined the Board in June 2000, just prior to the Company's listing on ASX.</p> <p>Fran has extensive experience in media, publishing, communications and technology. Her last executive role was as Corporate Affairs Manager for Nestlé Australia. Previous roles included account management for IT&amp;T at Insurance Australia Group Limited and managing editor of NRMA's Open Road magazine. She began her career in journalism progressing to senior editorial positions in News Limited and Murdoch Magazines; Director of Publicity at Channel Ten and general manager of a communications firm.</p>
<p>Andrew Pattinson Chief Executive Officer and Executive Director</p>	<p>Andrew was appointed to the role of Chief Executive Officer and as a Director of the Company on 27 September 2013. He has worked with the Company since 1988 developing experience across its operations. His past roles in the Company include Director of Global Solutions &amp; Systems (2009 – 2013), founding Managing Director of Infomedia's European business (2004 – 2009), General Manager of Datateck Publishing Pty Limited (2000 – 2004) and Chief Operating Officer (1994 – 2000).</p>
<p>Myer Herzberg Non-Executive Director</p>	<p>Myer has been a member of the Board since 1992 shortly after the Company was founded.</p> <p>He has extensive consumer electronics experience and was active in bringing home computers and other leading edge electronic products to Australia starting in the 1980s. He is an active investor in a number of businesses, particularly in the commercial property market and is also active in a number of community service organisations.</p>
<p>Clyde McConaghy BBus, MBA, FAICD Independent Non-Executive Director Chairman of Remuneration &amp; Nomination Committee</p>	<p>Clyde joined the Board in November 2013. He is now Chairman of the newly reconstituted Remuneration &amp; Nomination Committee and was formerly the Chairman of the Audit &amp; Risk Committee.</p> <p>Clyde is also a director of Serko Limited and Managing Director of Optima Boards, an advisory firm for companies, family offices and charitable entities worldwide. He is a former director of Integrated Research Limited and World Markets Research Centre Plc. Clyde has worked in publishing, media, online and technology sectors as well as senior roles in BMW Australia and a director in The Economist Intelligence Unit in London and has lived and worked in the UK, Germany, China and Australia.</p>

**DIRECTORS' REPORT**

**DIRECTORS (CONTINUED)**

**Names, qualifications, experience and special responsibilities**

<p>Anne O'Driscoll FCA, GAICD, ANZIIF (Fellow)  Independent Non-Executive Director  Chairman of Audit &amp; Risk Committee</p>	<p>Anne joined the Board in December 2014 and took over as Chairman of the Audit &amp; Risk Committee during 2015.  Anne is also a director of Steadfast Group Limited, the insurance subsidiaries of Commonwealth Bank Limited, (known as CommInsure) and MDA National Insurance Pty Limited. Her last executive role was as CFO of Genworth in Australia from 2009 to 2012. Prior to that she spent over 13 years with NRMA/Insurance Australia Group Limited in a range of roles in finance, strategy, investor relations and governance. Before that she worked in accounting firms, now PWC and Deloitte, in Sydney, London and Dublin.</p>
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**Directorships of other listed companies**

Name	Company	Period of directorship
Fran Hernon	None	
Andrew Pattinson	None	
Myer Herzberg	None	
Clyde McConaghy	Serko Limited (NZX: SKO) Integrated Research Limited (ASX:IRI) World Markets Research Centre Plc	From 2014 From 2007 to 2014 From 2000 to 2002
Anne O'Driscoll	Steadfast Group Limited (ASX:SDF)	From 2013

**COMPANY SECRETARY**

<p>Nick Georges General Counsel &amp; Company Secretary</p>	<p>Nick Georges is a qualified lawyer, admitted to the Supreme Courts of Victoria in 1991 and New South Wales in 1999. Prior to joining Infomedia and becoming its General Counsel &amp; Company Secretary in 1999, Mr Georges worked in general practice as a solicitor in Victoria before moving to Sydney in 1995 to take up an executive role with Altium Limited.</p>
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**DIRECTORS' REPORT**

**PRINCIPAL ACTIVITIES**

Infomedia Ltd is a company limited by shares that is incorporated and domiciled in Australia.

The principal activities during the period of entities within the consolidated group were:

- developer and supplier of electronic parts catalogues and service systems for the automotive industry globally; and
- information management, analysis and creation for the domestic automotive and oil industries.

There have been no significant changes in the nature of those activities during the year.

**EMPLOYEES**

The company employed 250 (2014: 242) full time employees as at 30 June 2015.

**DIVIDENDS**

	Cents	\$'000
Final dividends recommended:		
On ordinary shares – final – 1.70 cents unfranked	1.70	5,257
On ordinary shares – special – 0.25 cents fully franked	0.25	773
Dividends paid in the year:		
On ordinary shares – 2015 interim, unfranked	1.94	5,975
Final for the 2014 year:		
On ordinary shares – as recommended in the 2014 report, fully franked	1.89	5,801

**NET TANGIBLE ASSETS PER SECURITY**

	Cents
Net tangible assets per share at 30 June 2015	2.9
Net tangible assets per share at 30 June 2014	2.5

**REVIEW AND RESULTS OF OPERATIONS**

The following table presents sales revenue and profit after tax. There were no non-recurring significant items during the 2015 or 2014 financial years:

	CONSOLIDATED	
	2015	2014
	\$'000	\$'000
Sales revenue	60,385	57,143
Foreign exchange movement on hedges closed out during the period	(554)	(2,663)
	59,831	54,480
Profit after tax	13,232	12,279

**DIRECTORS' REPORT**

**REVIEW AND RESULTS OF OPERATIONS (CONTINUED)**

	<b>2015</b>	2014	Movement
	<b>(\$'000)</b>	(\$'000)	
Earnings Per Share (cents)	<b>4.30</b>	4.02	7%

The results for the year ended 30 June 2015 show that the Company's Net Profit After Tax (NPAT) grew by 7.8% to \$13.2m and Sales revenues grew by 5.7% to \$60.4m.

The increase in Sales Revenue was driven by growth in all major product lines. Electronic Parts Catalogue Solutions (EPC) revenue grew \$2.5m, Superservice revenue maintained 2014 levels and other revenue grew by \$0.7m.

In constant currency terms, sales revenue rose by \$1.8m and operating costs increased \$2.7m. Foreign currency translations favourably affected constant currency EBITDA over the prior year by \$2.2m. Consequently, the Company achieved an EBITDA (excluding capitalisation of research and development) of \$17.9m, an increase of \$1.4m (8.5%).

The Company saw decreased capitalisation and amortisation during the year and a higher tax expense.

Cash flows from operations increased \$3.8m to \$16.3m due to increased sales and tighter control over working capital. The Company is debt free and had \$16.1m cash as at 30 June 2015.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There has been no significant change in the state of affairs of the Company since the last Directors' Report.

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

The Board has declared an unfranked final dividend payment of 1.70 cents per share which is 85% of full year NPAT, the maximum under its dividend policy.

In recognition of the strong cash flow in FY15, the Board has also declared a special dividend payment of 0.25 cents per share, fully franked.

These dividends, together with the interim dividend of 1.94 cents, result in a total cash dividend of 3.89 cents for the full year which is 3% higher than the prior year.

The record date to determine entitlements to the dividend distribution is 2 September 2015 and the date on which the dividend is payable is 15 September 2015.

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected the operations of the Company, the results of those operations, or the state of affairs of the Company.

**ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Company is not subject to any particular or significant environmental regulation under a law of the Commonwealth of Australia or of a State or Territory.



## DIRECTORS' REPORT

### BUSINESS STRATEGY

The Company strives to deliver returns that grow consistently for our shareholders by focusing on core strategic plans and objectives including:

- **Customer focus:** The Company values its customers and seeks to develop deep and enduring customer relationships based on alignment of strategic goals and objectives. The Company enjoys several long standing relationships with major OEM (Original Equipment Manufacturer) partners and their dealers as testament to the enduring nature of the Company's relationships;
- **Innovation:** Delivering innovative, class leading products and services. The Company remains focused on re-investment in ongoing product research & development efforts to remain abreast of the ever evolving requirements of its customer base both in the immediate and the longer term. In particular, the Company believes that its 'Superservice<sup>TM</sup>' products remain well poised to capitalise on the increasing requirement to deliver heavily integrated, end to end parts and servicing solutions to increasingly tech-savvy dealers;
- **Markets:** The Company continually seeks to identify new and emerging trends within developed and emergent economies, and seeks to align itself to capitalise on those opportunities wherever possible. Infomedial enjoys a strong presence in North America, Europe and Asia-Pacific markets and will increasingly look towards new and emerging markets as the rate of technology adoption increases over time within those markets. Asia, the Middle East and Latin South America are expected to yield growth opportunities over the next decade;
- **Delivery:** To meet anticipated increases in demand, the Company continues to develop highly scalable networks and partnerships to increase the speed and quality of Infomedial's products and services among its customers.

The Company seeks to preserve its financially strong position whilst delivering targeted growth in line with its medium to longer term objectives of increasing the penetration and utilisation of its products and services on a global scale. Growth is pursued in accordance with appropriate risk appetites and is balanced against ongoing delivery of tangible shareholder returns.

### OUTLOOK

The global automotive industry is increasingly focussed on end-customer value and retention. 'After sales' customer care and service are viewed as core drivers of recurring revenue streams for manufacturers. Increasingly dealers seek to build customer loyalty, trust and retention by providing greater transparency and surety to their customer base with regards to the ongoing servicing and maintenance costs of their vehicles. Manufacturers increasingly seek efficiency gains to sustain margin typified by 'capped price' servicing and other like initiatives. Infomedial remains well poised to deliver its class leading solutions that align with the goals and objectives of its OE partners in this respect.

Looking ahead, Infomedial remains optimistic in its outlook as it seeks to drive organic growth via its increasingly integrated, end-to-end 'Superservice<sup>TM</sup>' range of software offerings. Infomedial's ongoing investment in research and development aims to ensure the ongoing relevance of Infomedial's products and services to its customer base both in the immediate, and the longer term. Based on its assessment of current operating environments, the Company expects to continue along a growth trajectory by focussing on its core strategies and revenue drivers.

**DIRECTORS' REPORT**

**RISKS**

In seeking to achieve its strategic goals, Infomedia is subject to a number of risks which may materially adversely affect operating and financial performance. The Company adopts a rigorous risk management process which is an integral part of the Company's corporate governance structure but some risks are outside Infomedia's control. Some of the key risks (in no particular order and non-exhaustively) include:

<b>Risk</b>	<b>Description</b>	<b>Risk management strategies</b>
Loss of key licence agreements	<ul style="list-style-type: none"> <li>Continued access to OEM parts information is integral to several of the Company's product lines.</li> </ul>	<ul style="list-style-type: none"> <li>Management of key account relationships</li> <li>Continued investment to sustain market leading products</li> <li>Customer service focus, including working with customers to modify offerings to meet their needs</li> </ul>
Loss of key customers	<ul style="list-style-type: none"> <li>The relatively concentrated motor manufacturing industry leads to a degree of revenue concentration.</li> </ul>	<ul style="list-style-type: none"> <li>Management of key account relationships</li> <li>Continuing focus on identification of new OEM licence agreements to reduce concentration</li> <li>Participation in industry forums and other marketing opportunities to ensure prominent industry positioning</li> <li>Adding value to the customer solutions in order to remain as a technology of choice.</li> </ul>
Product obsolescence or substitution	<ul style="list-style-type: none"> <li>Products do not keep up with developments in market needs</li> <li>Competitors or OEMs may develop superior products</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring of market developments and direction and OEM strategies</li> <li>Continued investment in research and development to sustain market leading position</li> </ul>
Intellectual property risk	<ul style="list-style-type: none"> <li>Piracy of data and direct and indirect costs of responding</li> </ul>	<ul style="list-style-type: none"> <li>Network and product structuring and monitoring to identify and limit unauthorised access</li> <li>Legal restraints</li> <li>Migration from disc based products</li> </ul>
People risk	<ul style="list-style-type: none"> <li>Loss of key executives</li> <li>Loss of key customer relationships</li> </ul>	<ul style="list-style-type: none"> <li>Multiple touch points with key customers as part of relationship management</li> <li>Incentives for key executives</li> <li>Career development opportunities</li> </ul>
Back office infrastructure failure	<ul style="list-style-type: none"> <li>Back office facilities and systems inadequate for the future development and needs of the business</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring of current systems by experienced programmers and users</li> <li>Investing in new financial and customer management systems</li> </ul>

**DIRECTORS' REPORT**

**SHARE OPTIONS**

**Unissued shares**

At the date of this report, there were 1,953,334 unissued ordinary shares under options. Refer to Note 18 of the financial statements for further details of the options outstanding.

**Shares issued as a result of the exercise of options**

There were 2,473,332 shares issued as a result of the exercise of options during the year. Since the end of the financial year there have been no options exercised.

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

During the year the Company paid a premium in relation to insuring Directors and other officers against liability incurred in their capacity as a Director or officer of the Company. The insurance contract specifically prohibits the disclosure of the nature of the policy and amount of premium paid.

**REMUNERATION REPORT – AUDITED**

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

**Details of Key Management Personnel**

(i) Directors

Frances Hernon	Non-executive Chairman
Myer Herszberg	Non-executive Director
Clyde McConaghy	Non-executive Director
Richard Graham*	Non-executive Director
Anne O'Driscoll+	Non-executive Director

(ii) Executives

Andrew Pattinson	Chief Executive Officer and Executive Director
Russel King^	Chief Financial Officer
Karen Blunden	CEO IFM Americas
Michael Roach	General Manager Asia Pacific
Nick Georges	Company Secretary and Legal Counsel

\* Resigned 30 November 2014 .

+Appointed 15 December 2014.

^ Appointed 15 August 2014.

**Compensation Philosophy**

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. To this end, the Company embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable executive compensation.

**DIRECTORS' REPORT****REMUNERATION REPORT (CONTINUED) - AUDITED****Remuneration Decisions**

As noted in last year's Annual Report, during FY2014, your Directors undertook a review of Infomedia's approach to both executive and non-executive remuneration. Ms. HERNON as Chairman engaged Mr. Ian Crichton of CRA Plan Managers Pty Limited to consider whether the Company's remuneration strategy was in keeping with current corporate governance and best practice. Mr. Crichton made several recommendations (**Crichton Review**) which the Directors accepted. Following from the Crichton Review, a new Remuneration & Nomination Committee was established in January 2015. This Remuneration & Nomination Committee now has responsibility for overseeing the levels and structure of both executive and non-executive remuneration.

**Compensation Structure**

For the reporting year Infomedia's approach was, in accordance with best practice corporate governance recommendations, to maintain the structure of non-executive Director and senior executive compensation as separate and distinct. The total remuneration package of all executives is designed to ensure an appropriate mix of fixed remuneration with both short-term and long-term incentive opportunities.

**Non-executive Director Compensation****Objective**

The Board seeks to set aggregate compensation at a level which provides the Company with the ability to attract and retain directors of appropriate calibre, whilst incurring a cost which is acceptable to shareholders.

**Structure**

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then available between the Directors as appropriate. For the year ended 30 June 2015 non-executive Directors' compensation totalled \$326,663 (2014: \$297,593); the cost increase due to appointments and resignations during FY14 and FY15. The latest determination was at the Annual General Meeting held on 30 October 2012 when shareholders approved a maximum aggregate compensation of \$450,000 per year.

The Board has historically considered advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking a review process. Non-executive director fees now fall within the responsibilities of the Remuneration & Nomination Committee.

**Senior Executive and Executive Director Compensation****Objective**

The Company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

The Company's policy is to pay at the median level for roles as measured against market data. The Company subscribes to a leading remuneration database service for this purpose.

**DIRECTORS' REPORT****REMUNERATION REPORT (CONTINUED) - AUDITED****Structure**

In determining the level and make-up of executive compensation, the Company engages an external consultant from time to time to provide independent advice but more typically conducts its own market salary review of similar companies to determine the level and make-up of executive compensation.

Compensation consists of the following key elements:

- Fixed Compensation;
- Variable Compensation - Short Term Incentive (STI); and
- Variable Compensation - Long Term Incentive (LTI)

The recommendations flowing from the Crichton Review resulted in a number of changes to the Company's short and long term incentive scheme. These have now been adopted in the form of a new Executive Incentive Plan (**Plan**). These changes took effect from 1 July 2014 and have been incorporated into all Key Management Personnel (**KMP**) service agreements. The Plan awards KMP both STI and LTI awards on a rolling annual timetable and align these STI and LTI awards with corporate goals and targets (**Performance Goals**) resulting in at least 40% of KMP's total remuneration being at risk.

The actual proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for KMP by the Board through the Remuneration & Nomination Committee. Other executive salaries are determined by the CEO with reference to market conditions.

**Fixed Compensation****Objective**

The level of fixed compensation is set so as to provide a base level of compensation which is both appropriate to the position and is competitive in the market. Fixed compensation is reviewed periodically by the Remuneration Committee for KMP. Other executive positions are reviewed periodically by the CEO.

**Structure**

Executives are given the opportunity to receive their fixed (primary) compensation in a variety of forms including cash, novated vehicle leasing and/or salary sacrificing into superannuation. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

**Variable Compensation – Short Term Incentive (STI)****Objective**

The objective of STI compensation is to link the achievement of both individual performance and Company performance with the compensation received by the executive.

**Structure**

The structure of STI compensation is a cash bonus dependent upon a combination of individual performance objectives and Company objectives being met. STI awards are in the form of cash bonuses and are subject to Performance Goals which include a combination of metrics including adjusted EBITDA, NPAT, Group Monthly Recurring Revenue (MRR) (as a measure of increasing subscription levels) and Regional Sales Revenue. STI hurdles are approved by the Board during its annual Group Budget process. In FY2015 the Performance Goals were not met and, therefore, KMP will not receive any STI related cash bonuses.

**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED) - AUDITED**

**Variable Compensation – Long Term Incentive (LTI)**

**Objective**

The objective of the LTI plan is to reward executives in a manner which aligns this element of compensation with the creation of shareholder wealth. As such LTI grants are made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against the relevant long term performance hurdle.

**Structure**

The structure of LTI awards are in the form of performance rights (**Rights**) and apply demanding EPS measures. These Rights vest 3 years after grant subject to meeting a forecasted EPS metric. For further information on Rights granted during FY2015 please refer to the tables appearing on page 15 of the Remuneration Report.

**Contract for Services**

The table and notes below summarise current executive employment contracts with the Company as at the date of this report:

The Company may terminate each of the contracts at any time without notice if serious misconduct has occurred. Options that have not yet vested upon termination will be forfeited.

<u>Executives</u>	Commencement date per latest contract	Duration	Notice Period Company	Notice Period Executive
Andrew Pattinson	27-Sep-13	3 years	6 months	6 months
Russel King	15-Aug-14	3 years	3 months	3 months
Karen Blunden	15-Jan-15	3 years	3 months	3 months
Michael Roach	15-Jan-15	3 years	3 months	3 months
Nick Georges	15-Jan-15	3 years	3 months	3 months

**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED) - AUDITED**

Key Management Personnel for the year ended 30 June 2015 and 30 June 2014 is set out below. The amounts are based on individual contracts with each person. The proportion of remuneration that is based on performance is dependent on the achievement of the Performance Goals.

2015 Financial Year:	Short-Term			Post Employment		Share Based Payments		Long Service leave	Total	Percentage Performance Related	Percentage Attributable to Options
	Salary & Fees	Bonus	Non Monetary Benefits	Superannuation	Termination	Options	Performance Rights				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Directors:</b>											
Frances Hernon	115,000	-	-	10,925	-	-	-	-	125,925	-	-
Myer Herszberg	56,300	-	-	5,348	-	-	-	-	61,648	-	-
Clyde McConaghy	66,250	-	-	6,294	-	-	-	-	72,544	-	-
Richard Graham <sup>1</sup>	23,798	-	-	2,261	-	-	-	-	26,059	-	-
Anne O' Driscoll <sup>4</sup>	36,947	-	-	3,510	-	-	-	-	40,457	-	-
<b>Executives:</b>											
Andrew Pattinson	333,575	-	-	31,690	-	49,538	13,600	5,554	433,957	3%	11%
Russel King <sup>3</sup>	236,331	-	-	22,451	-	-	10,899	-	269,681	4%	0%
Jonathan Pollard <sup>2</sup>	41,362	131,100	-	3,929	45,701	395	-	-	222,487	59%	0%
Karen Blunden	329,357	-	38,568	-	-	1,185	11,535	-	380,645	3%	0%
Michael Roach	242,185	-	-	23,008	-	1,185	9,874	4,032	280,284	4%	0%
Nick Georges	230,761	-	-	21,972	-	1,185	9,408	3,842	267,168	4%	0%
<b>Total</b>	<b>1,711,866</b>	<b>131,100</b>	<b>38,568</b>	<b>131,388</b>	<b>45,701</b>	<b>53,488</b>	<b>55,316</b>	<b>13,428</b>	<b>2,180,855</b>		

2014 Financial Year:	Short-Term			Post Employment		Share Based Payments		Long Service leave	Total	Percentage Performance Related	Percentage Attributable to Options
	Salary & Fees	Bonus	Non Monetary Benefits	Superannuation	Termination	Options	Performance Rights				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Directors:</b>											
Frances Hernon	76,587	-	-	7,084	-	-	-	-	83,671	-	-
Myer Herszberg	56,300	-	-	5,208	-	-	-	-	61,508	-	-
Clyde McConaghy	44,846	-	-	4,148	-	-	-	-	48,994	-	-
Richard Graham	94,664	-	-	8,756	-	-	-	-	103,420	-	-
<b>Executives:</b>											
Andrew Pattinson	310,813	58,987	-	28,750	-	65,895	-	5,174	469,619	13%	14%
Jonathan Pollard	249,076	47,270	-	23,040	-	4,262	-	3,732	327,380	14%	1%
Karen Blunden	290,029	52,650	1,091	-	-	4,262	-	-	348,032	15%	1%
Michael Roach	225,659	42,826	-	20,873	-	4,262	-	3,757	297,377	14%	1%
Nick Georges	215,014	40,806	-	19,937	-	4,262	-	3,579	283,598	14%	2%
<b>Total</b>	<b>1,562,988</b>	<b>242,539</b>	<b>1,091</b>	<b>117,796</b>		<b>82,943</b>	<b>-</b>	<b>16,242</b>	<b>2,023,599</b>		

1 Resigned 30 November 2014

2 Resigned 29 August 2014

3 Appointed 15 August 2014

4 Appointed Non Executive Director 15 December 2014

Bonuses were paid at a rate of 0 % if maximum bonus potential(2014: 100%)

**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED) - AUDITED**

**Performance rights holdings of Key Management Personnel (Consolidated)**

During the financial year, the Company granted performance rights for no consideration over unissued ordinary shares in the Company to the following named executive officers of the consolidated entity as part of their remuneration:

<u>Executives</u>	Performance Rights granted		Earliest Vesting	Expiry Date
	Number	Date		
Andrew Pattinson	105,763	1/10/2014	1/10/2017	1/10/2017
Nick Georges	73,165	1/10/2014	1/10/2017	1/10/2017
Michael Roach	76,787	1/10/2014	1/10/2017	1/10/2017
Karen Blunden	89,702	1/10/2014	1/10/2017	1/10/2017
Russel King	84,755	1/10/2014	1/10/2017	1/10/2017
<b>Total</b>	<b>430,172</b>			

2015 Financial Year:	Balance at beginning of period	Granted as compensation	Options exercised	Expired	Balance at end of period	Vested at 30 June 2015	
	1 July 2014				30 June 2015	Not exercisable	Exercisable
<u>Executives</u>							
Andrew Pattinson	-	105,763	-	-	105,763	105,763	-
Russel King	-	84,755	-	-	84,755	84,755	-
Karen Blunden	-	89,702	-	-	89,702	89,702	-
Michael Roach	-	76,787	-	-	76,787	76,787	-
Nick Georges	-	73,165	-	-	73,165	73,165	-
<b>Total</b>	-	<b>430,172</b>	-	-	<b>430,172</b>	<b>430,172</b>	-

These Performance Rights will automatically vest and exercise for nil consideration on satisfaction of the Vesting Conditions.

The Vesting Conditions for the Performance Rights are:

- 1) The holder being employed by the Company or any of its related bodies corporate on the vesting determination date (being not before 3 years after the date of grant – for the 2014 Performance Rights that date will be 1 October 2017); and
- 2) The Company having achieved an earnings per share (EPS) target over the three year period ending on 30 June 2017.

Achievement of this EPS target will be assessed on 1 October 2017 when the Performance Rights will either:

- a) Vest and the corresponding Shares will be issued where the EPS target has been achieved or exceeded; or
- b) Otherwise automatically lapse.



**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED) - AUDITED**

**Option holdings of Key Management Personnel (Consolidated)**

2015 Financial Year:	Balance at beginning of period	Granted as compensation	Options exercised	Expired	Balance at end of period	Vested at 30 June 2015	
<u>Executives</u>	1 July 2014				30 June 2015	Not exercisable	Exercisable
Andrew Pattinson	1,050,000	-	(300,000)	-	750,000	500,000	250,000
Jonathan Pollard**	150,000	-	-	(150,000)	-	-	-
Karen Blunden	150,000	-	(150,000)	-	-	-	-
Michael Roach	150,000	-	(150,000)	-	-	-	-
Nick Georges	150,000	-	(150,000)	-	-	-	-
<b>Total</b>	<b>1,650,000</b>	<b>-</b>	<b>(750,000)</b>	<b>(150,000)</b>	<b>750,000</b>	<b>500,000</b>	<b>250,000</b>

\*\* Resigned 29/8/14

2014 Financial Year:	Balance at beginning of period	Granted as compensation	Options exercised	Expired	Balance at end of period	Vested at 30 June 2014	
<u>Executives</u>	1 July 2013				30 June 2014	Not exercisable	Exercisable
Andrew Pattinson	450,000	750,000	(150,000)	-	1,050,000	900,000	150,000
Jonathan Pollard	450,000	-	(300,000)	-	150,000	150,000	-
Karen Blunden	300,000	-	(150,000)	-	150,000	150,000	-
Michael Roach	450,000	-	(300,000)	-	150,000	150,000	-
Nick Georges	300,000	-	(150,000)	-	150,000	150,000	-
<b>Total</b>	<b>1,950,000</b>	<b>750,000</b>	<b>(1,050,000)</b>	<b>-</b>	<b>1,650,000</b>	<b>1,500,000</b>	<b>150,000</b>

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Shareholdings of Key Management Personnel - Number of shares held in Infomedica Ltd

2015 Financial Year:	Balance 30 June 2014	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2015
<u>Directors</u>					
Frances Hernon	5,000	-	-	-	5,000
Myer Herszberg	15,010	-	-	-	15,010
Clyde McConaghy	-	-	-	-	-
Richard Graham <sup>1</sup>	2,750,001	-	-	1,293,000	4,043,001
Anne O'Driscoll <sup>4</sup>	-	-	-	15,000	15,000
<u>Executives</u>					
Andrew Pattinson	2,447,567	-	300,000	-	2,747,567
Russel King <sup>3</sup>	-	-	-	-	-
Jonathan Pollard <sup>2</sup>	101,996	-	-	(101,996)	-
Karen Blunden	300,000	-	150,000	-	450,000
Michael Roach	18,721	-	150,000	-	168,721
Nick Georges	-	-	150,000	(50,000)	100,000
<b>Total</b>	<b>5,638,295</b>	<b>-</b>	<b>750,000</b>	<b>1,156,004</b>	<b>7,544,299</b>

2014 Financial Year:	Balance 30 June 2013	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2014
<u>Directors</u>					
Frances Hernon	5,000	-	-	-	5,000
Myer Herszberg	23,436,599	-	-	(23,421,589)	15,010
Clyde McConaghy	-	-	-	-	-
Richard Graham	103,390,901	-	-	(100,640,900)	2,750,001
<u>Executives</u>					
Andrew Pattinson	2,447,567	-	150,000	(150,000)	2,447,567
Jonathan Pollard	1,996	-	300,000	(200,000)	101,996
Karen Blunden	150,000	-	150,000	-	300,000
Michael Roach	18,721	-	300,000	(300,000)	18,721
Nick Georges	153,000	-	150,000	(303,000)	-
<b>Total</b>	<b>129,603,784</b>	<b>-</b>	<b>1,050,000</b>	<b>(125,015,489)</b>	<b>5,638,295</b>

<sup>1</sup> Resigned 30 November 2014

<sup>2</sup> Resigned 29 August 2014

<sup>3</sup> Appointed 15 August 2014

<sup>4</sup> Appointed Non Executive Director 15 December 2014

All equity transactions with key management personnel other than those arising from the exercise of compensation options and compensation shares have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

**DIRECTORS' REPORT**

**REMUNERATION REPORT (CONTINUED) - AUDITED**

**Loans to Key Management Personnel**

There were no loans at the beginning or the end of the reporting period to key management personnel. No loans were made available during the reporting period to key management personnel.

**Additional information**

Executive rewards are linked to the creation of shareholder value by providing incentives that positively impact the earnings of the company. The earnings of the consolidated entity for the five years to 30 June 2015 are summarised below:

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
EBITDA	18,788	17,653	20,104	24,598	25,024
EBIT	13,172	11,087	11,974	15,406	17,344
Profit after income tax	10,039	8,461	10,066	12,279	13,232

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Dividends per share	2.40	2.40	2.82	3.78	3.89
Share price at financial year end	22	20	47	75	120

Reconciliation of Net Profit After Tax per the Statement of Profit or Loss & Other Comprehensive Income to EBIT and EBITDA.

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Net Profit After Tax</b>	<b>10,039</b>	<b>8,461</b>	<b>10,066</b>	<b>12,279</b>	<b>13,232</b>
Interest	(184)	(101)	(76)	(106)	(123)
Tax	3,317	2,727	1,984	3,233	4,235
<b>EBIT</b>	<b>13,172</b>	<b>11,087</b>	<b>11,974</b>	<b>15,406</b>	<b>17,344</b>
Depreciation & Amortisation	5,616	6,567	8,130	9,192	7,680
<b>EBITDA</b>	<b>18,788</b>	<b>17,654</b>	<b>20,104</b>	<b>24,598</b>	<b>25,024</b>

At the AGM, no comments were received on the remuneration report and it was adopted by way of a show of hands.

This concludes the remuneration report, which has been audited.

**DIRECTORS' REPORT**

**DIRECTORS' MEETINGS**

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

	Board		Committees <sup>1</sup>					
	Held	Attended	Audit, Risk & Governance <sup>2</sup>		Audit & Risk <sup>2</sup>		Remuneration & Nominations <sup>3</sup>	
			Held	Attended	Held	Attended	Held	Attended
Richard Graham <sup>4</sup>	5	5	-	2*	-	-	-	-
Frances Hernon	10	10	2	2	-	2*	1	1
Andrew Pattinson	10	10	-	2*	-	2*	-	1*
Clyde McConaghy	10	10	2	2	2	2	1	1
Anne O'Driscoll <sup>5</sup>	5	5	-	-	2	2	-	1*
Myer Herszberg	10	8	2	1	2	2	1	1
Nick Georges (as alternate for Mr Herszberg) <sup>6</sup>	1	1	n/a	n/a	n/a	n/a	n/a	n/a
Total number of meetings held during the year	10		2		2		1	

**Notes:**

Held = number of meetings held whilst a member. Attended = number of meetings attended.

1. Committee meetings are open to all Directors to attend. Where a Director has attended a meeting of a Committee of which he or she is not a member, their attendance is noted with\*.
2. The Audit, Risk & Governance Committee was restructured with effect from 29 January 2015 to become the 'Audit & Risk Committee'. Responsibility for Corporate Governance matters were re-assumed by the Board.
3. The Company re-established its 'Remuneration & Nominations Committee' with effect from 29 January 2015.
4. Mr Graham resigned with effect from 30 November 2014.
5. Ms O'Driscoll was appointed as a Director with effect from 15 December 2014.
6. Mr Georges acted as alternate Director for Mr Herszberg. Mr Georges was appointed as alternate Director for Mr Herszberg between 21 August 2014 and 22 August 2014.

**ROUNDING**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

**INDEMNITY AND INSURANCE OF AUDITOR**

The company has not, during or since 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.

**DIRECTORS' REPORT****CORPORATE GOVERNANCE**

Our Corporate Governance Statement can be found at [www.infomedia.com.au](http://www.infomedia.com.au).

**NON-AUDIT SERVICES**

During the financial year \$29,465 (2014: \$20,000) were paid or payable to the auditor for non-audit services. Further details are outlined in note 21 to the financial statements.

The directors, based on advice provided by resolution of the Audit & Risk Committee, 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 and are of the opinion that these services do not compromise the external auditor's independence for the following reasons:

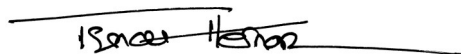
All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by 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.

**AUDITOR INDEPENDENCE**

The Directors received an auditor's independence declaration from the auditor of the Company as required under section 307c of the Corporations Act 2001 (refer page 21).

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,



Frances Herson  
Chairman  
Sydney, 20 August 2015

## INDEPENDENT AUDITOR'S REPORT

To the members of Infomedia Limited

### Report on the Financial Report

We have audited the accompanying financial report of Infomedia Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Infomedia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## Opinion

In our opinion:

- (a) the financial report of Infomedia Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) 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
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 18 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.

## Opinion

In our opinion, the Remuneration Report of Infomedia Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

**BDO East Coast Partnership**



**Grant Saxon**  
Partner

Sydney, 20 August 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 June 2015	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
Sales revenue		60,385	57,143
<b>Expenditure</b>			
Research and development expenses	3	(13,838)	(13,778)
Sales and marketing expenses		(16,278)	(14,677)
General and administration expenses		(13,177)	(11,780)
<b>Total expenditure</b>		<b>(43,293)</b>	<b>(40,235)</b>
<b>Other income and expenses</b>			
Interest income		123	106
Currency exchange gains/(losses)	3	252	(1,502)
<b>Profit before income tax</b>		<b>17,467</b>	<b>15,512</b>
Income tax expense	4	(4,235)	(3,233)
<b>Profit for the year</b>		<b>13,232</b>	<b>12,279</b>
<b>Other comprehensive income</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		253	132
Effective cashflow hedges gain/(losses) recognised in equity		(724)	1,079
<b>Other comprehensive income for the year, net of tax</b>		<b>(471)</b>	<b>1,211</b>
<b>Total comprehensive income for the year</b>		<b>12,761</b>	<b>13,490</b>
<b>Basic earnings per share (cents per share)</b>	5	<b>4.30</b>	4.02
<b>Diluted earnings per share (cents per share)</b>	5	<b>4.29</b>	4.00
<b>Dividends per share - ordinary (cents per share)</b>	6	<b>1.94</b>	3.78

The above Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the attached notes.



STATEMENT OF FINANCIAL POSITION

As at 30 June 2015	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	16(b)	16,092	11,410
Trade and other receivables	7	5,065	6,162
Prepayments		1,599	926
Derivatives	25	-	460
<b>TOTAL CURRENT ASSETS</b>		<b>22,756</b>	<b>18,958</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,055	1,269
Intangible assets and goodwill	9	34,798	34,322
<b>TOTAL NON-CURRENT ASSETS</b>		<b>35,853</b>	<b>35,591</b>
<b>TOTAL ASSETS</b>		<b>58,609</b>	<b>54,549</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	3,435	2,601
Derivatives	25	533	-
Provisions	12	2,801	2,339
Income tax payable		1,579	1,149
Deferred revenue	13	489	477
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,837</b>	<b>6,566</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	460	498
Deferred tax liabilities	4	5,483	5,496
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,943</b>	<b>5,994</b>
<b>TOTAL LIABILITIES</b>		<b>14,780</b>	<b>12,560</b>
<b>NET ASSETS</b>		<b>43,829</b>	<b>41,989</b>
<b>EQUITY</b>			
Contributed equity	15	12,074	11,476
Reserves	15	1,355	1,569
Retained profits		30,400	28,944
<b>TOTAL EQUITY</b>		<b>43,829</b>	<b>41,989</b>

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

**STATEMENT OF CASH FLOWS**

YEAR ENDED 30 June 2015	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		62,371	55,085
Payments to suppliers and employees		(42,752)	(40,213)
Interest received		123	106
Income tax paid		(3,469)	(2,485)
NET CASH FLOWS FROM OPERATING ACTIVITIES	16(a)	16,273	12,493
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(413)	(502)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(413)	(502)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share options	15	598	621
Dividends paid on ordinary shares	6	(11,776)	(10,501)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(11,178)	(9,880)
NET INCREASE IN CASH HELD		4,682	2,111
<b>Add opening cash brought forward</b>		11,410	9,299
<b>CLOSING CASH CARRIED FORWARD</b>	16(b)	16,092	11,410

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

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 June 2015	Notes	CONSOLIDATED					Total
		Contributed equity	Retained earnings	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2014</b>		11,476	28,944	463	324	782	41,989
Profit after tax for the year		-	13,232	-	-	-	13,232
Other comprehensive income, net of tax		-	-	-	(724)	253	(471)
<b>Total comprehensive income for the year</b>		-	13,232	-	(724)	253	12,761
Transactions with shareholders:							
Share based payments	18	-	-	257	-	-	257
Share options exercised	15	598	-	-	-	-	598
Equity dividends	6	-	(11,776)	-	-	-	(11,776)
<b>At 30 June 2015</b>		12,074	30,400	720	(400)	1,035	43,829

YEAR ENDED 30 June 2014	Notes	CONSOLIDATED					Total
		Contributed equity	Retained earnings	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2013</b>		10,855	27,166	252	(755)	650	38,168
Profit for the year		-	12,279	-	-	-	12,279
Other comprehensive income		-	-	-	1,079	132	1,211
<b>Total comprehensive income for the year</b>		-	12,279	-	1,079	132	13,490
Transactions with shareholders:							-
Share based payments	18	-	-	211	-	-	211
Share options exercised	15	621	-	-	-	-	621
Equity dividends	6	-	(10,501)	-	-	-	(10,501)
<b>At 30 June 2014</b>		11,476	28,944	463	324	782	41,989

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

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

## 1. CORPORATE INFORMATION

The financial report of Infomedia Ltd for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 20 August 2015.

Infomedia Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian stock exchange (ASX:IFM). The nature of the operations and principal activities of the Company are described in the Directors' Report.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations as appropriate for profit oriented entities. The financial report has also been prepared on an historical cost basis, except for derivative financial instruments that have been measured at fair value.

### b) Statement of compliance

This financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board. This financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

#### *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.

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

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

#### *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 and its consequential amendments*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***AASB 15 Revenue from Contracts with Customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. 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 will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

**c) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Infomedia Ltd (the 'Company') and its subsidiaries ('the Group'). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Infomedia Ltd has control.

**d) Significant accounting judgments, estimates and assumptions.**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

- Impairment of goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and Intangibles with indefinite useful lives are discussed in Note 10.

- Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 18.

- Research & development

Development costs are only capitalised by the Group when it is assessed that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale and that the asset is expected to generate future economic benefit. Refer to note 2(k) for further discussion.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e) Foreign currency translation**

*Translation of foreign currency transactions*

Transactions in foreign currencies of the Company are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the Company that are outstanding at the balance date and are denominated in foreign currencies have been converted to Australian Dollars using rates of exchange ruling at the end of the reporting period.

All currency exchange differences in the consolidated financial report are taken to the Statement of Profit or Loss & Other Comprehensive Income.

*Translation of financial reports of overseas operations*

Both the functional and presentation currency of Infomedia Ltd is Australian dollars (A\$).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the overseas subsidiaries is as follows:

IFM Europe Ltd	Great British Pounds (GBP)
IFM Germany GmbH	Euros (EUR)
IFM Americas Inc	United States Dollars (USD)
Different Aspect Software Ltd	Great British Pounds (GBP)

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Infomedia Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

**f) Cash and cash equivalents**

Cash on hand and in banks and short-term deposits are stated at nominal values. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within three months, net of outstanding bank overdrafts.

**g) Trade and other receivables**

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

**h) Investments and other financial assets**

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. For the Company the relevant categories are listed below:

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

*Investments in Subsidiaries*

Investments in subsidiaries are recorded at cost.

**NOTES TO THE FINANCIAL STATEMENTS**

30 June 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****i) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials – purchase cost on a first-in-first-out basis

**j) Goodwill**

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Company at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Company's primary or the Company's secondary reporting format determined in accordance with AASB 8 Operating Segments

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. If the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

**k) Intangible assets**

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Research costs are expensed as incurred. Development costs are capitalised and an intangible asset for development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project commencing from the commercial release of the project.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### k) Intangible assets (continued)

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

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

### l) Impairment of assets

The Company assesses impairment at each reporting date or if there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed (with the exception of goodwill) only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.



NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**m) Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Major depreciation periods are:	2015	2014
Leasehold improvements:	5 to 20 years	5 to 20 years
Other plant and equipment:	3 to 15 years	3 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**n) Leases**

Operating lease payments are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term. Lease incentives are recognised in the Statement of Profit or Loss and Other Comprehensive Income as an integral part of the total lease expense.

**o) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

**p) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

**q) Deferred revenue**

Certain contracts allow annual subscriptions to be invoiced in advance. The components of revenue relating to the subscription period beyond balance date are recorded as a liability.

**r) Contributed equity**

Ordinary shares are classified as equity. 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.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Subscriptions*

Subscription revenue is recognised when the copyright article has passed to the buyer with related support revenue being recognised over the service period. Where the copyright article and related support revenue are inseparable then the revenue is recognised over the service period.

#### *Interest*

Interest is recognised using the effective interest method.

### t) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments are measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction. The Company currently has cash flow hedges attributable to highly probable future foreign currency sales.

#### *Cash flow hedges*

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with anticipated future sales that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. The Group tests each of the designated cash flow hedges for effectiveness on a monthly basis both retrospectively and prospectively using the "matched terms" principle.

At each balance date, hedge effectiveness is measured in the first instance by determining whether there have been any changes to these "matched terms". When there have been no changes to these "matched terms", the hedge is considered to be highly effective. Where there has been a change to these terms, effectiveness is measured using the hypothetical derivative method.

The Company sells software to its customers and uses its subsidiaries (eg IFM Americas Inc and IFM Europe Ltd) to act as billing agents and provide sales and support services. Overseas sales are denominated primarily in USD and Euros. The Group hedges foreign exchange exposure on sales (net of sales and support service costs) as this exposure affects consolidated profit when the sale is made to the external customer.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### u) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The tax consolidated current tax liability and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with Interpretation 1052 – Tax Consolidation Accounting. The group uses a group allocation method for this purpose where the allocated current tax payable, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if the company is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. Recognition of amounts allocated to members of the tax consolidated group has regard to the tax consolidated groups future tax profits.

### v) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (“GST”) except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### v) Other taxes (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis.

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

### w) Employee leave benefits

#### *(i) Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and current provisions respectively in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

#### *(ii) Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cashflows.

#### *(iii) Post employment and termination benefits*

A superannuation expense at 9.5% of salaries is recognised on a straight line basis. Termination benefits are recognised at the point of being incurred where relevant.

### x) Share-based payment transactions

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ('equity-settled transactions').

The Company has two equity based incentive plans that govern equity-based awards. These are:

- (i) an Executive Incentive Plan, applicable to certain eligible employees (including senior executives and executive director) as designated by the board, under which participants may receive cash bonuses and performance rights; and
- (ii) a Performance Rights and Options Plan, applicable to employees (including senior executives) as designated by the board.

The cost of the share option transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where the terms of an equity-settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### x) Share-based payment transactions (continued)

Where an equity-settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### y) Earnings per share

Basic earnings per share is determined by dividing the profit attributed to members of the parent after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- cost of servicing equity (other than dividends);
- the after tax effect of dividends associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### z) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### z) Business combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### aa) Cost of Sales

Over recent years the Company has invested significant resources in changing the way customers use its software by migrating users from physical DVD discs and applications installed on end user infrastructure (Disc based), to products accessible online via internet browsers (Software as a Service or 'SaaS').

As customers increasingly migrate to the online 'SaaS' versions, the Company has seen a change to the nature of its business in certain areas. In accordance with the provisions of AASB101 Presentation of Financial Statements which requires classification of items of income and expense on the most reliable and relevant basis, the Company has now adopted a functional approach to presenting its Statement of Profit or Loss and Other Comprehensive Income showing Research & Development expenses, Sales & Marketing expenses and General & Administrative expenses which it believes gives readers a more intuitive view of the Company's activities. Consequently 'Cost of Sales' is no longer presented.

NOTES TO THE FINANCIAL STATEMENTS

3. EXPENSES

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
<b>Research &amp; development costs</b>			
Total research & development costs incurred during the period		14,382	13,771
Amortisation of deferred development costs	9	6,613	8,113
Less: development costs capitalised	9	(7,157)	(8,106)
Net research and development costs expensed		13,838	13,778

Profit before income tax from continuing operations includes the following specific expenses:

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
Depreciation	8	627	662
Amortisation	9	7,053	8,530
Minimum lease payments for rental expense		1,477	1,359
Superannuation expense		1,544	1,443
Share based payment expense		257	211
Employee benefits expense		25,108	24,828

**Currency exchange gains/(losses)**

Unrealised/Realised gain on foreign currency translation	806	1,161
Cashflow hedges gain/(loss)	(554)	(2,663)
Total currency exchange gains/(losses)	252	(1,502)

NOTES TO THE FINANCIAL STATEMENTS

4. INCOME TAX

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
The major components of income tax expense are:			
<b>(a) Income statement</b>			
<i>Current income tax</i>			
Current income tax charge		3,905	3,128
Adjustments in respect of current income tax of previous years.		32	(68)
<i>Deferred income tax</i>			
Relating to origination and reversal of temporary differences		298	173
<b>Income tax expense reported in the statement of profit or loss</b>		<b>4,235</b>	<b>3,233</b>
<b>(b) Disclosure of tax effects relating to each component of other comprehensive income</b>			
Movement in cash flow hedges		(310)	469
		(310)	469
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:			
<b>Accounting profit before income tax</b>		<b>17,467</b>	<b>15,512</b>
At the Company's statutory income tax rate of 30% (2014: 30%)		5,240	4,653
Adjustments in respect of income tax of previous years		32	(175)
Income tax paid in China		32	24
Additional research and development deduction		(1,347)	(1,345)
Expenditure not allowable for income tax purposes		278	76
<b>Income tax expense for the year</b>		<b>4,235</b>	<b>3,233</b>

The current income tax charge is calculated based on current tax legislation. If the amendments contained in the Tax and Superannuation Laws Amendment Bill (2015 Measures No.3) are passed by Parliament retrospective to FY15, the effect will be an increase in income tax of \$0.2m.



NOTES TO THE FINANCIAL STATEMENTS

4. INCOME TAX (CONTINUED)

	Notes	STATEMENT OF FINANCIAL POSITION		STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Deferred income tax</b>					
Deferred income tax at 30 June relates to the following:					
<b>CONSOLIDATED</b>					
<i>Deferred tax liabilities</i>					
Derivatives		160	(138)	13	327
Deferred development costs		(6,543)	(6,380)	163	(2)
Gross deferred income tax liabilities		(6,383)	(6,518)		
<b>CONSOLIDATED</b>					
<i>Deferred tax assets</i>					
Provisions		1,002	872	(130)	(193)
Other payables		(34)	40	74	10
Currency exchange		(68)	110	178	31
Gross deferred income tax assets		900	1,022		
Deferred tax income/ (expense)				298	173
Net deferred income tax liabilities		(5,483)	(5,496)		

5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options). The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	CONSOLIDATED	
	2015 \$'000	2014 \$'000
Net profit after tax	13,232	12,279
	Number of shares	Number of shares
Weighted average number of ordinary shares for basic earnings per share	307,467,837	305,173,135
Effect of dilution:		
Share options	985,780	2,003,292
Adjusted weighted average number of ordinary shares for diluted earnings per share	308,453,617	307,176,427
Diluted EPS (cents)	4.29	4.00

NOTES TO THE FINANCIAL STATEMENTS

6. DIVIDEND PROPOSED OR PAID

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
<b>(a) Dividends paid during the year:</b>			
Interim dividend - 1.94 cents, unfranked (2014: 1.89 cents, 0.5c franked) per share		5,975	5,777
Prior year final dividend - 1.89 cents fully franked (2014: 1.55 cents fully franked) per share		5,801	4,724
<b>Total dividends paid during the year</b>		<b>11,776</b>	<b>10,501</b>
<b>(b) Dividends proposed and not recognised as a liability:</b>			
Final dividend - 1.70 cents per share unfranked (2014: 1.89 cents per share, fully franked)		5,257	5,801
Special dividend - 0.25 cents per share, fully franked		773	-
<b>(c) Franking credit balance:</b>			
The amount of franking credits available for the subsequent financial year are:			
Franking account balance as at the end of the financial year		749	10
Franking credits that are expected to arise from the payment of income tax payable as at the end of the financial year		1,541	1,133
		<b>2,290</b>	<b>1,143</b>

If fully franked, the tax rate on dividends is 30% (2014: 30%).

NOTES TO THE FINANCIAL STATEMENTS

7. TRADE AND OTHER RECEIVABLES (CURRENT)

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
Trade debtors		5,185	6,218
Allowance for impairment loss (a)		(154)	(188)
		5,031	6,030
Other debtors		34	132
		5,065	6,162

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of \$108,000 (2014: \$53,000 loss) has been recognised by the group in the current year. These amounts have been included in the General & Administration expenses item. The amount of the allowance/impairment loss is recognised as the difference between the carrying amount of the debtor and the estimated future cash flows expected to be received from the relevant debtors.

Movements in the provision for impairment loss were as follows:

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
At 1 July		188	224
Charge for the year		108	53
Foreign exchange translation		(42)	4
Amounts written off		(100)	(93)
At 30 June		154	188

At 30 June the aging analysis of trade receivables is as follows:

	Total	0-60 days NI*	0-60 days CI*	61-120 days NI*	61-120 days CI*	121+ days NI*	121+ days CI*
2015 Consolidated (\$'000)	5,185	4,528	11	238	20	264	123
2014 Consolidated (\$'000)	6,218	4,547	21	959	31	524	136

\* Not impaired (NI)

Considered impaired (CI)

All trade receivables over 60 days are considered past due.

**NOTES TO THE FINANCIAL STATEMENTS**

**8. PROPERTY, PLANT & EQUIPMENT**

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
(a)			
Leasehold improvements		497	491
At cost		(446)	(426)
Accumulated amortisation		51	65
Office equipment			
At cost		9,380	8,893
Accumulated depreciation		(8,493)	(7,836)
		887	1,057
Furniture and fittings			
At cost		494	436
Accumulated depreciation		(401)	(329)
		93	107
Plant and equipment			
At cost		3,340	3,331
Accumulated depreciation		(3,316)	(3,291)
		24	40
Total property, plant and equipment			
At cost		13,711	13,151
Accumulated depreciation and amortisation		(12,656)	(11,882)
Total carrying amount		1,055	1,269

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
(b) Reconciliation of property, plant and equipment carrying values			
Leasehold Improvements			
Carrying amount - opening balance		65	68
Additions		3	30
Depreciation		(17)	(33)
Carrying amount - closing balance		51	65
Office equipment			
Carrying amount - opening balance		1,057	1,155
Additions		370	439
Disposals		-	(1)
Depreciation		(540)	(536)
Carrying amount - closing balance		887	1,057
Furniture and fittings			
Carrying amount - opening balance		107	159
Additions		31	3
Disposals		-	(8)
Depreciation		(45)	(47)
Carrying amount - closing balance		93	107
Plant and equipment			
Carrying amount - opening balance		40	56
Additions		9	30
Depreciation		(25)	(46)
Carrying amount - closing balance		24	40
Total property, plant and equipment			
Carrying amount - opening balance		1,269	1,438
Additions		413	502
Depreciation		(627)	(662)
Carrying amount - closing balance		1,055	1,278

NOTES TO THE FINANCIAL STATEMENTS

9. INTANGIBLE ASSETS AND GOODWILL

Notes	CONSOLIDATED				
	Development costs <sup>1</sup>	Intellectual Property <sup>2</sup>	Other Intangibles <sup>2</sup>	Goodwill <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2014</b>					
Cost (gross carrying amount)	55,835	3,221	1,268	12,308	72,632
Accumulated amortisation	(34,571)	(3,021)	(718)	-	(38,310)
Net carrying amount	21,264	200	550	12,308	34,322
<b>Year ended 30 June 2015</b>					
At 1 July 2014, net of accumulated amortisation and impairment	21,264	200	550	12,308	34,322
Additions	7,157	-	-	-	7,157
Revaluation on cost (Fx movement)	-	74	138	321	533
Amortisation	(6,613)	(177)	(263)	-	(7,053)
Revaluation on amortisation	-	(65)	(96)	-	(161)
At 30 June 2015, net of accumulated amortisation and impairment	21,808	32	329	12,629	34,798
<b>At 30 June 2015</b>					
Cost (gross carrying amount)	62,992	3,295	1,406	12,629	80,322
Accumulated amortisation	(41,184)	(3,263)	(1,077)	-	(45,524)
Net carrying amount	21,808	32	329	12,629	34,798

<sup>1</sup> Internally generated

<sup>2</sup> Purchased as part of business/territory acquisition

Development costs that meet the recognition criteria as an intangible asset have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period not exceeding four years commencing from the commercial release of the project. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Intellectual property includes intangible assets acquired through business or territory acquisition and relates primarily to copyright and software code over key products. Intellectual property is amortised over its useful life being 3 years.

NOTES TO THE FINANCIAL STATEMENTS

9. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	Notes	CONSOLIDATED				
		Development costs <sup>1</sup>	Intellectual Property <sup>2</sup>	Other Intangibles <sup>2</sup>	Goodwill <sup>2</sup>	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2013						
Cost (gross carrying amount)		47,729	3,167	1,167	12,008	64,071
Accumulated amortisation		(26,458)	(2,825)	(429)	-	(29,712)
Net carrying amount		21,271	342	738	12,008	34,359
Year ended 30 June 2014						
At 1 July 2013, net of accumulated amortisation and impairment		21,271	342	738	12,008	34,359
Additions		8,106	-	-	-	8,106
Revaluation on cost (Fx movement)		-	54	101	300	455
Amortisation		(8,113)	(168)	(249)	-	(8,530)
Revaluation on amortisation		-	(28)	(40)	-	(68)
At 30 June 2014, net of accumulated amortisation and impairment		21,264	200	550	12,308	34,322
At 30 June 2014						
Cost (gross carrying amount)		55,835	3,221	1,268	12,308	72,632
Accumulated amortisation		(34,571)	(3,021)	(718)	-	(38,310)
Net carrying amount		21,264	200	550	12,308	34,322

NOTES TO THE FINANCIAL STATEMENTS

**10. IMPAIRMENT TESTING OF GOODWILL**

Goodwill acquired through business combinations or territory acquisition has been allocated to four individual cash generating units, each of which is a reportable segment (refer note 23) for impairment testing as follows:

- Asia Pacific;
- Europe, Middle East & Africa;
- North America; and
- Latin and South America

The recoverable amount of each cash generating unit has been determined based on a value in use calculation using cash flow projections as at 30 June 2015 based on financial budgets approved by The Board for the 2016 financial year extrapolated for a five year period on the basis of 5% growth together with a terminal value.

The discount rate applied to cash flow projections is 14% (2014: 14%). The discount rate reflects management’s estimate of the cost of capital.

**Carrying amount of goodwill allocated to each of the cash generating units is as follows:**

**Key assumptions used in value in use calculations:**

CONSOLIDATED	Asia Pacific	Europe, Middle East & Africa	North America	Latin and South America	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount of goodwill 2014	2,793	5,870	2,768	877	12,308
Foreign exchange movement	73	153	72	23	321
Carrying amount of goodwill 2015	<b>2,866</b>	<b>6,023</b>	<b>2,840</b>	<b>900</b>	<b>12,629</b>

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of its cash generating units:

- The Company will continue to have access to the data supply from automakers over the budgeted period;
- The Company will not experience any substantial adverse movements in currency exchange rates;
- The Company’s research and development program will ensure that the current suite of products remain leading edge;
- The Company is able to maintain its current gross margins;
- The discount rates estimated by management are reflective of the time value of money; and
- Management has used an AUD/USD exchange rate of \$0.84 and an AUD/EUR exchange rate of \$0.70 in its cash flow projections.

**Sensitivity to changes in assumptions:**

**Growth rate assumptions** –Management notes that if negative growth rates are applied to revenues, by 5% over the five year period, this still yields a recoverable amount to be above its carrying amount.

**Discount rate assumptions** – Management recognises that the time value of money may vary from what they have estimated. Management notes that applying a discount rate of double the current rate still yields the recoverable amount to be above its carrying amount.

**Foreign exchange rate assumptions** –Management notes that applying an AUD/USD exchange rate of \$1.00 and an AUD/EUR exchange rate of \$0.80 still yields the recoverable amount to be above its carrying amount.



NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER PAYABLES (CURRENT)

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
Trade creditors	11(a)	623	411
Other creditors		2,812	2,190
		<b>3,435</b>	<b>2,601</b>

(a) Trade creditors are non-interest bearing and are normally settled on 30 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

12. PROVISIONS (CURRENT)

		CONSOLIDATED	
		2015 \$'000	2014 \$'000
Employee benefits	14(a)	2,801	2,339
		<b>2,801</b>	<b>2,339</b>

Employee benefits obligation expected to be settled within 12 months is \$1,050,000.

13. DEFERRED REVENUE (CURRENT)

		CONSOLIDATED	
		2015 \$'000	2014 \$'000
Revenue in advance		489	477
		<b>489</b>	<b>477</b>

14. PROVISIONS (NON-CURRENT)

		CONSOLIDATED	
		2015 \$'000	2014 \$'000
Employee benefits		460	498
(a) Movement in employee benefit provision		460	498
Carrying amount at the beginning of the year		2,837	2,487
Utilised		(1,243)	(1,219)
Arising during the year		1,667	1,569
<b>Carrying amount at the end of the year</b>		<b>3,261</b>	<b>2,837</b>
Current	12	2,801	2,339
Non-current		460	498
		<b>3,261</b>	<b>2,837</b>

NOTES TO THE FINANCIAL STATEMENTS

15. CONTRIBUTED EQUITY AND RESERVES

Movement in ordinary shares on issue:	Notes	Number	\$'000
At 1 July 2014		306,766,855	11,476
Share options exercised		2,473,332	598
At 30 June 2015		309,240,187	12,074

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue:	Notes	Number	\$'000
At 1 July 2013		303,576,855	10,855
Share options exercised		3,190,000	621
At 30 June 2014		306,766,855	11,476

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**Capital management**

When managing capital, the company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Subject to the company's financial position and future financial performance, the company's current dividend policy is to distribute, in the order of 75-85% of profit after tax.

During the 2015 financial year, the company paid dividends of \$11.8 million (2014: \$10.5 million).

NOTES TO THE FINANCIAL STATEMENTS

15. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

Employee Option Plan

There were nil (2014: 2,170,000) options granted during the current year (average exercise price 2014: \$0.565).

Notes	CONSOLIDATED			
	Employee equity benefits reserve	Foreign currency translation reserve	Cashflow hedge reserve	Total
	\$'000	\$'000	\$'000	\$'000
<b>Movement in reserves:</b>				
<b>At 1 July 2013</b>	252	650	(755)	147
Currency translation differences	-	132	-	132
Share based payments expense	211	-	-	211
Derivatives marked to market	-	-	1,079	1,079
<b>At 30 June 2014</b>	<b>463</b>	<b>782</b>	<b>324</b>	<b>1,569</b>
Currency translation differences	-	253	-	253
Share based payments	257	-	-	257
Derivatives marked to market	-	-	(724)	(724)
<b>At 30 June 2015</b>	<b>720</b>	<b>1,035</b>	<b>(400)</b>	<b>1,355</b>

Nature and purpose of reserves

*Employee equity benefits reserve*

This reserve is used to record the value of equity benefits provided to employees as part of their compensation. Refer to Note 18 for further details.

*Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

*Cashflow hedge reserve*

The cash flow hedge reserve is used to record the mark to market valuation of forward currency contracts at the balance sheet date that are considered effective hedges.

NOTES TO THE FINANCIAL STATEMENTS

16. STATEMENT OF CASH FLOWS

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
(a) Reconciliation of profit after tax to the net cash flows from operations:			
Profit from ordinary activities after income tax expense		13,232	12,279
Depreciation of non-current assets		627	662
Amortisation of non-current assets		7,053	8,530
Share based payment		257	211
(Gains)/losses on hedging instruments		(28)	(1,112)
Disposal of property, plant, and equipment		-	7
Changes in assets and liabilities:			
(Increase)/decrease in trade and other debtors		1,383	(687)
(Increase)/decrease in inventories		-	1
(Increase)/decrease in prepayments		(733)	129
(Increase)/decrease in deferred development costs		(7,157)	(8,106)
(Increase)/decrease in intangible assets		(372)	(387)
Increase/(decrease) in trade and other creditors		896	126
Increase/(decrease) in allowance for doubtful debts		(33)	(37)
Increase/(decrease) in provision for employee entitlements		424	350
Increase/(decrease) in income tax payable		428	538
Increase/(decrease) in deferred income tax liability		285	179
Increase/(decrease) in revenue in advance		11	(190)
Net cash flow from operating activities		16,273	12,493
(b) Reconciliation of cash			
Cash balance comprises:			
-Cash at bank		8,432	6,017
-Cash on deposit		7,660	5,393
		16,092	11,410

**NOTES TO THE FINANCIAL STATEMENTS**

**17. COMMITMENTS & CONTINGENCIES**

	Notes	CONSOLIDATED	
		2015 \$'000	2014 \$'000
(a) Lease expenditure commitments			
Operating leases (non-cancellable):			
Minimum lease payments			
- not later than one year		1,358	1,268
- later than one year and not later than five years		1,419	1,990
- later than five years		-	-
Aggregate operating lease expenditure contracted for at balance date		2,777	3,258

Operating lease commitments are for office accommodation both in Australia and abroad.

(b) Performance Bank Guarantee

Infomedia Ltd has a performance bank guarantee to a maximum value of \$508,000 (2014: \$508,000) relating to the lease commitments of its corporate headquarters.

NOTES TO THE FINANCIAL STATEMENTS

18. SHARE BASED PAYMENT PLANS

Employee Performance Rights Plan

On 1 October 2014, the Company established the Executive Incentive Plan. The plan enables the Company to offer performance rights to eligible employees to obtain shares in the Company at no cost contingent upon performance conditions being met. The performance conditions include either a service period with performance components or a service period with an EPS hurdle. The performance rights are automatically exercised into shares upon the performance conditions being met. The following performance rights were granted during the period:

Employee Performance Rights Plan

	Notes	2015		2014	
		Number of performance rights	Exercise price	Number of options	Exercise price
Balance at beginning of year		-	Nil	-	Nil
- granted	(i)	614,702	Nil	-	Nil
- expired		-	Nil	-	Nil
- exercised		-	Nil	-	Nil
Balance at end of year		614,702	Nil	-	Nil

(i) Number of performance rights granted during the year

Number of performance rights	Grant date	Earliest vesting date	Expiry date	Exercise price
614,702	1/10/2014	1/10/2017	1/10/2017	Nil

Employee Option Plan

The Employee Option Plan entitles the Company to offer ‘eligible employees’ options to subscribe for shares in the Company. Options will be granted at a nil issue price unless otherwise determined by the Directors of the Company and each Option enables the holder to subscribe for one Share. The exercise price for the Options granted will be as specified on the option certificate or, if not specified, the volume weighted average price for Shares of the Company for the five days trading immediately before the day on which the options were granted. The Options may be exercised in accordance with the date determined by the Board, which must be within four years of the option being granted.

Information with respect to the number of options granted under the employee share incentive scheme is as follows:

Employee Option Plan

	Notes	2015		2014	
		Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	18(a)	4,630,000	\$0.370	5,850,000	\$0.200
- granted	18(b)	-	-	2,170,000	\$0.565
- expired	18(b)	(203,334)	\$0.289	(200,000)	\$0.190
- exercised	18(c)	(2,473,332)	\$0.242	(3,190,000)	\$0.230
Balance at end of year	18(d)	1,953,334	\$0.542	4,630,000	\$0.370

NOTES TO THE FINANCIAL STATEMENTS

18. SHARE BASED PAYMENT PLANS (CONTINUED)

(a) Options held at the beginning of the year:

The following table summarises information about options held by employees at 1 July 2014

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
900,000	15/01/2012	15/01/2013	14/03/2015	\$0.190
1,320,000	30/05/2012	30/05/2013	30/05/2015	\$0.190
240,000	12/03/2013	15/01/2014	1/02/2016	\$0.280
750,000	27/09/2013	27/09/2014	31/10/2016	\$0.565
1,420,000	16/12/2013	15/12/2014	31/12/2016	\$0.565

(b) Options expired during the year:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
150,000	15/01/2012	15/01/2013	14/03/2015	\$0.190
53,334	16/12/2013	15/12/2014	31/12/2016	\$0.565

(c) Options exercised during the year:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
750,000	15/01/2012	15/01/2013	14/03/2015	\$0.190
1,320,000	30/05/2012	30/05/2013	30/05/2015	\$0.190
80,000	12/03/2013	15/01/2014	1/02/2016	\$0.280
323,332	16/12/2013	15/12/2014	31/12/2016	\$0.565

(d) Options held at the end of the year

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
160,000	12/03/2013	15/01/2014	1/02/2016	\$0.280
750,000	27/09/2013	27/09/2014	31/10/2016	\$0.565
1,043,334	16/12/2013	15/12/2014	31/12/2016	\$0.565

The weighted average fair value of options granted during the year was nil (2014: \$0.295).

The fair value of the equity-settled options granted under the option plan is estimated as at the grant date using a binomial model taking into account the term and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year.

NOTES TO THE FINANCIAL STATEMENTS

18. SHARE BASED PAYMENT PLANS (CONTINUED)

	Granted 15/01/2012	Granted 30/05/2012	Granted 12/03/2013	Granted 27/09/2013	Granted 16/12/2013
Dividend yield (%)	10.00%	10.00%	4.33%	3.87%	4.98%
Expected volatility (%)	41%	39%	42%	42%	42%
Risk free rate (%)	3.95%	3.08%	3.22%	3.09%	3.17%
Option exercise price	\$0.190	\$0.190	\$0.280	\$0.565	\$0.565
Weighted average share price at grant date	\$0.190	\$0.190	\$0.280	\$0.565	\$0.565

	CONSOLIDATED	
	2015 \$'000	2014 \$'000
Expense arising from equity-settled share-based payment	257	211

19. PENSIONS AND OTHER POST-EMPLOYMENT PLANS

Superannuation Commitments

Contributions are made by the Company in accordance with the relevant statutory requirements. Contributions by the Company for the year ending 30 June 2015 were 9.50% (2014 : 9.25%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation of Key Management Personnel

	CONSOLIDATED	
	2015 \$	2014 \$
Short-Term	1,881,535	1,806,618
Post Employment	177,089	117,796
Other Long-Term	13,428	16,242
Share-based Payments	108,803	82,943
	2,180,855	2,023,599



NOTES TO THE FINANCIAL STATEMENTS

21. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2015	2014
	\$	\$
Amounts received or due and receivable by the auditors of Infomedica Ltd:		
BDO East Coast Partnership		
-An audit or review of the financial report of the entity and any other entity in the consolidated entity	108,000	105,000
-Tax compliance	25,000	20,000
- Other assurance services	4,465	-
	137,465	125,000

22. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedica Ltd is the ultimate Australian parent company

Wholly-owned group transactions

- (a) An unsecured, trade receivable of \$2,005,404 (2014: \$125,130) remains owing from IFM Europe Ltd from Infomedica Ltd.
- (b) An unsecured, trade receivable of \$1,176,600 (2014: \$744,265) remains owing from IFM Americas Inc. to Infomedica Ltd.
- (c) An unsecured, trade receivable of \$73,696 (2014: \$Nil) remains owing from Infomedica China (Wholly Owned Foreign Entity) to Infomedica Ltd.
- (d) During the year Infomedica Ltd paid \$3,603,995 (2014: \$3,989,036) to IFM Europe Ltd for intra-group distribution services.
- (e) During the year Infomedica Ltd paid \$5,520,363 (2014: \$4,065,682) to IFM Americas Inc. for intra-group distribution services.
- (f) During the year IFM Europe paid \$Nil (2014: \$22,441) to IFM Germany GmbH for intra-group distribution services.

NOTES TO THE FINANCIAL STATEMENTS

23. SEGMENT INFORMATION

30 June 2015	Notes	Asia Pacific	Europe, Middle East, & Africa	North America	Latin & South America	Corporate *	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Business Segments</b>							
REVENUE							
Sales revenue		14,882	27,252	15,211	3,040	-	60,385
Consolidated revenue							60,385
Segment result		11,214	22,363	9,212	2,956	(28,401)	17,344
Finance revenue		-	-	-	-	123	123
<b>Consolidated profit before income tax</b>		<b>11,214</b>	<b>22,363</b>	<b>9,212</b>	<b>2,956</b>	<b>(28,278)</b>	<b>17,467</b>
Income tax expense	4						(4,235)
Consolidated profit after income tax							13,232
Assets							
Segment assets		62	8,016	726	-	49,805	58,609
Total assets							58,609
Liabilities							
Segment liabilities		-	868	466	-	13,446	14,780
Total liabilities							14,780
Capital Expenditure		-	32	80	-	301	413
Amortisation		-	440	-	-	6,613	7,053
Depreciation		-	99	52	-	476	627

\* Corporate contains all business functions excluding direct sales & support costs of the other business segments. Unallocated assets/liabilities are all group assets and liabilities not directly attributable to the business segments.

	Notes	2015 \$'000	2014 \$'000
<b>Unallocated costs:</b>			
Research and development expenses		14,458	13,778
Sales and marketing expenses		5,453	5,174
General and administration expenses and currency gains / losses		8,490	10,487
		<b>28,401</b>	<b>29,439</b>

NOTES TO THE FINANCIAL STATEMENTS

23. SEGMENT INFORMATION (CONTINUED)

30 June 2014	Notes	Asia Pacific	Europe, Middle East, & Africa	North America	Latin & South America	Corporate *	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUE</b>							
Sales revenue		13,863	27,161	13,082	3,037	-	57,143
Consolidated revenue							57,143
Segment result		10,965	22,219	8,801	2,860	(29,439)	15,406
Finance revenue		-	-	-	-	106	106
Consolidated profit before income tax		10,965	22,219	8,801	2,860	(29,333)	15,512
Income tax expense	4						(3,233)
Consolidated profit after income tax							12,279
<b>Assets</b>							
Segment assets		-	7,941	486	-	46,122	54,549
Total assets							54,549
<b>Liabilities</b>							
Segment liabilities		-	504	461	-	11,595	12,560
Total liabilities							12,560
Capital Expenditure		-	51	21	-	430	502
Amortisation		-	417	-	-	8,113	8,530
Depreciation		-	93	66	-	503	662

\* Corporate contains all business functions excluding direct sales & support costs of the other business segments. Unallocated assets/liabilities are all group assets and liabilities not directly attributable to the business segments.

**Identification of reportable segments**

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the region in which the product is sold. Discrete financial information about each of these operating businesses is reported to the Board of Directors regularly. The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold as these are the sources of the Group's major risks and have the most effect of the rates of return.

**Accounting policies and inter-segment transactions**

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the accounts and in the prior period.

The group accounting policies for segments are applied to the respective segments up to the segment result level.

**Major customers**

The Group has many customers to which it provides products. There is no significant reliance on any single customer.

NOTES TO THE FINANCIAL STATEMENTS

**24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company’s principal financial instruments, other than derivatives, comprise cash and short-term deposits. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Company also enters into derivative transactions through forward currency and range forward contracts. The purpose is to manage the currency risks arising from the Company’s operations. It is, and has been throughout the period under review, the Company’s policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company’s financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

*(a) Interest rate risk*

The Company’s exposure to the risk of changes in market interest rates relates solely to the Company’s cash holding of \$16,092,000 (2014: \$11,410,000) with a floating interest rate.

The Company’s policy is to accept the floating interest rate risk with its cash holdings. Cash is held primarily with leading Australian banks for periods not exceeding 30 days, as such any reasonably expected change in interest rates (+/- 1%) would not have a significant impact on post tax profit or other comprehensive income.

*(b) Foreign currency risk*

The Company has transactional currency exposures. These exposures mainly arise from the transactional sale of products and to a lesser extent the associated cost of sales component relating to these products. As the Company’s product offerings are typically made on a recurring monthly subscription basis, there is a relatively high degree of reliability in estimating a proportion of future cashflow exposures. Approximately 30% of the Company’s sales are denominated in United States Dollars and 45% are denominated in Euros (measured using the spot foreign exchange rates in existence in the current financial year). The Company seeks to mitigate exposure to movements in these currencies by entering into forward exchange derivative contracts under an approved hedging policy.

As a result of the Company’s investment in both its European and United States subsidiaries, the Company’s statement of financial position can be affected by movements in both the Euro and United States dollar against the Australian dollar.

At 30 June, the Group had the following exposure to foreign currency that is not designated in cash flow hedges:

	CONSOLIDATED USD		CONSOLIDATED EUR	
	2015 \$'000	2014 \$'000	2015 €'000	2014 €'000
Financial Assets				
Cash and cash equivalents (in Australian \$)	1,138	2,512	1,844	853
	1,138	2,512	1,844	853

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

At 30 June, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and total equity would have been affected as follows:

Judgments of reasonably possible movements:

CONSOLIDATED	Post tax profit Higher/(Lower)		Total equity Higher/(Lower)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
AUD/USD +10%	(72)	(160)	(72)	(160)
AUD/USD - 15%	141	310	141	310
AUD/EUR +10%	(117)	(54)	(117)	(54)
AUD/EUR - 15%	228	105	228	105

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

(c) Credit risk

The Company's credit risk with regard to accounts receivables is spread broadly across three automotive groups - manufacturers, distributors and dealerships. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. As the products typically have a monthly life cycle and are priced on a relatively low subscription price, the concentration of credit risk is typically low with automotive manufacturers being the exception.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, and certain derivative instruments, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Company trades only with recognised third parties, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

(d) Price risk

There are no items on the statement of financial position as at 30 June 2015 that are subject to price risk.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) *Liquidity risk*

The Company’s exposure to liquidity risk is minimal given the relative strength of the statement of financial position and cash flows from operations.

Given the nature of the Company’s operations, operating leases and no borrowings, the Company does not have fixed or contracted payments at balance date other than with respect of its cash flow hedges which are disclosed below. Consequently the remaining contractual maturity of the group entity’s financial liabilities is as stated in the statement of financial position and is less than 60 days. Deferred revenue requires no cash outflow.

**Liquidity and Interest rate risk**

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate or liquidity risk:

	CONSOLIDATED			
	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate
Floating rate	\$'000	\$'000	\$'000	%
Cash and cash equivalents	16,092	-	-	1.4
Trade and other receivables	5,065	-	-	-
Trade and other payables	(3,435)	-	-	-

	CONSOLIDATED			
	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate
Floating rate	\$'000	\$'000	\$'000	%
Cash and cash equivalents	11,410	-	-	1.4
Trade and other receivables	6,162	-	-	-
Trade and other payables	(2,601)	-	-	-

Interest on cash and cash equivalents classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value

Derivative instruments use valuation techniques other than quoted prices in active markets with only observable market inputs for the asset or liability, either directly (as prices) or indirectly (derived from prices) to determine the fair value of foreign exchange contracts.

**Derivative contracts**

The following table summarises the forward exchange contracts on hand at 30 June 2015.

	CONSOLIDATED		
	Company buys \$A'000	Company sells USD'000	Exchange rate
<b>Maturity - Forward exchange contracts</b>			
Less than one year	11,651	9,375	0.805
<b>Maturity - Forward exchange contracts</b>	<b>\$A'000</b>	<b>EUR'000</b>	
Less than one year	11,134	7,500	0.674
More than one year	298	200	0.671

The mark to market valuation of these contracts at 30 June 2015 was (\$533,000) which is booked directly in equity.

The following table summarises the forward exchange contracts on hand at 30 June 2014.

	CONSOLIDATED		
	Company buys \$A'000	Company sells USD'000	Exchange rate
<b>Maturity - Forward exchange contracts</b>			
Less than one year	9,408	8,445	0.898
<b>Maturity - Forward exchange contracts</b>	<b>\$A'000</b>	<b>EUR'000</b>	
Less than one year	9,301	6,245	0.671

The mark to market valuation of these contracts at 30 June 2014 was \$460,000 which is booked directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company’s financial instruments recognised in the financial statements. The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates.

CONSOLIDATED	Carrying Amount		Fair Value	
	2015	2014	2015	2014
<b>Financial assets</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	16,092	11,410	16,092	11,410
Trade and other debtors	5,064	6,162	5,064	6,162
Derivatives	-	460	-	460
<b>Financial liabilities</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade and other creditors	3,435	2,601	3,435	2,601
Derivatives	533	-	533	-

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

	30-Jun-15	30-Jun-14
	\$'000	\$'000
Foreign exchange contracts - Level 2	(533)	460

Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

Transfers

During the year ended 30 June 2015, there were no transfers of available-for-sale equity securities or derivatives between levels 1 and 2 of the fair value hierarchy. There were also no transfers into or out of level 3 during the period.

Valuation techniques used to derive level 2 fair values

Derivative instruments use valuation techniques other than quoted prices in active markets with only observable market inputs for the asset or liability, either directly (as prices) or indirectly (derived from prices) to determine the fair value of foreign exchange contracts.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current receivables and current trade and other payables is assumed to approximate their fair value.



NOTES TO THE FINANCIAL STATEMENTS

26. PARENT ENTITY INFORMATION

	PARENT ENTITY	
	2015 \$'000	2014 \$'000
Current assets	15,519	14,362
Non current assets	39,410	36,765
<b>Total assets</b>	<b>54,929</b>	<b>51,127</b>
Current liabilities	7,580	5,673
Non current liabilities	5,885	5,923
<b>Total liabilities</b>	<b>13,465</b>	<b>11,596</b>
Contributed equity	12,074	11,476
Retained earnings	29,072	27,268
Employee equity benefit reserve	720	463
Cashflow hedge reserve	(402)	324
<b>Total shareholders' equity</b>	<b>41,464</b>	<b>39,531</b>
Profit or loss of the parent entity	13,580	12,106
Total comprehensive income of the parent entity	14,305	13,185

27. INTERESTS IN CONTROLLED ENTITIES

Name	Country of incorporation	Percentage of equity interest held by the Company (directly or indirectly)		Parent entity	
		2015 %	2014 %	2015 \$	2014 \$
IFM Europe Ltd	United Kingdom	100	100	247	247
-Ordinary shares					
Different Aspect Software Ltd	United Kingdom	100	100	4,719	4,719
-Ordinary shares					
IFM Americas Inc	United States of America	100	100	1	1
-Ordinary shares					
IFM Germany GmbH*	Germany	100	100	-	-
-Ordinary shares					
IFM China (WFOE)	China	100	-	103	-
-Ordinary shares					

\* Investment is held by IFM Europe Ltd.

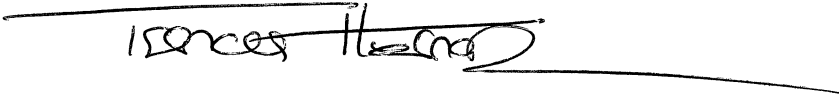
Directors' Declaration

In accordance with a resolution of the directors of Infomedia Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2..
- (c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2015.

On behalf of the Board



Frances Hemon  
Chairman  
Sydney  
20 August 2015

## DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF INFOMEDIA LIMITED

As lead auditor of Infomedia Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Infomedia Limited and the entities it controlled during the year.



Grant Saxon  
Partner

**BDO East Coast Partnership**

Sydney, 20 August 2015