Results for announcement to the market.

The audit of these reports is in progress.

Name of Entity and ABN:	IM Medical Limited (ABN 47 009 436 908)
Reporting Period:	30 June 2015
Previous Corresponding Period:	30 June 2014

FY15 Highlights

	2015	2014	$ Change	% Change
Revenue generated	$18	$49	Down $31	Down 63%
Operating loss from ordinary activities	$(523,762)	$(404,293)	Down $119,469	Up 29.55%
Operating loss attributable to members	$(523,762)	$(404,293)	Down $119,469	Up 29.55%
	30 June 2015	**30 June 2014**		
Net tangible assets per ordinary share (cents)	-	0.00009		

No dividends have been declared.

Financial Position

IM Medical Limited Group finished the financial year with $46k cash (2014: $80k). Net deficiency at 30 June 2015 was $472k (2014:55k (Surplus).

In July 2015 the Company raised $632k through the Share Purchase Plan and Placement announced on 1 June 2015 and repaid the Convertible Notes. $300k and associated costs of $60k.

For additional information, please visit www.immedical.com.au

Contact

Investors
Richard Wadley
IM Medical Limited
Phone +61 3 9607 8280

IM MEDICAL LIMITED

ABN: 47 009 436 908

Appendix 4E
Preliminary Final Report
for the Year Ended 30 June 2015

Corporate Information

Company Directors

Mr. Nigel Blaze	Chairman
Mr. Richard Wadley	Non Executive Director
Mr. Paul Burton	Non Executive Director

Company Secretary
Mr. Richard Wadley

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Level 40
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Telephone: +61 3 9607 8280
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Solicitors
GTP Legal
Level 1,
28 Ord Street,
West Perth WA 6005

Bankers
The Bank of Melbourne

Share Register
Security Transfer Registrars Pty Ltd
770 Canning Highway,
Applecross WA 6153

Auditor
Deloitte Touche Tohmatsu
550 Bourke Street,
Melbourne VIC 3000

Contents

Statement of profit or loss and other comprehensive income
for the financial year ended 30 June 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Continuing operations					
Revenue from continuing operations	2	18	49	18	28
Impairment of non-current assets	3	-	-	35,611	161,768
Corporate administration	3	(349,688)	(196,501)	(349,445)	(195,077)
Consultancy fees		(62,468)	(115,842)	(62,468)	(115,842)
Director expenses		(75,000)	(75,000)	(75,000)	(75,000)
Finance costs		(25,890)	-	(25,890)	-
Other expenses		(10,734)	(16,999)	(10,448)	(16,848)
Loss before income tax		(523,762)	(404,293)	(487,622)	(240,971)
Income tax (expense)/benefit	4	-	-	-	-
Loss for the year from continuing operations		(523,762)	(404,293)	(487,622)	(240,971)
Loss for the year		(523,762)	(404,293)	(487,622)	(240,971)
Other comprehensive (loss)/income for the year		-	-	-	-
Total comprehensive (loss)/income for the year		(523,762)	(404,293)	(487,622)	(240,971)
Earnings per share					
From continuing and discontinued operations:					
Basic earnings (loss) per share (cents per share)	12	(0.0006)	(0.0004)		
Diluted earnings (loss) per share (cents per share)	12	(0.0006)	(0.0004)		
From continuing operations:					
Basic earnings (loss) per share (cents per share)	12	(0.0006)	(0.0004)		
Diluted earnings (loss) per share (cents per share)	12	(0.0006)	(0.0004)		

The accompanying notes form part of these financial statements

Statement of financial position
as at 30 June 2015

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		$	$	$	$
Current assets					
Cash and cash equivalents	17(a)	45,838	80,150	34,870	33,048
Trade and other receivables	7	27,877	13,210	20,751	6,078
Prepayments		-	6,894	-	6,894
Total current assets		73,715	100,254	55,621	46,020
Non current assets					
Other financial assets	9	-	-	100	100
Total non current assets		-	-	100	100
Total assets		73,715	100,254	55,721	46,120
Current liabilities					
Trade and other payables	10	159,013	45,420	159,013	45,420
Converting loan	8	385,890	-	385,890	-
Total current liabilities		544,903	45,420	544,903	45,420
Non current liabilities					
Other		-	-	-	-
Total non current liabilities		-	-	-	-
Total liabilities		544,903	45,420	544,903	45,420
Net assets /(deficiency)		**(471,188)**	**54,834**	**(489,182)**	**700**
Equity					
Issued capital	5	22,042,084	22,044,344	22,042,084	22,044,344
Accumulated losses	11	(22,513,272)	(21,989,510)	(22,531,266)	(22,043,644)
Total equity		**(471,188)**	**54,834**	**(489,182)**	**700**

The accompanying notes form part of these financial statements.

Statement of changes in equity
for the financial year ended 30 June 2015

Consolidated	Note	Issued capital $	Accumulated losses $	Total $
Balance as 30 June 2013		**21,811,224**	**(21,585,217)**	**226,007**
Total comprehensive loss for the year		-	(404,293)	(404,293)
Shares issued (net of cost)	5	233,120	-	233,120
Balance as 30 June 2014		**22,044,344**	**(21,989,510)**	**54,834**
Total comprehensive loss for the year			(523,762)	(523,762)
Issue cost		(2,260)		(2,260)
Balance as 30 June 2015		**22,042,084**	**(22,513,272)**	**(471,188)**

Company	Note	Issued capital $	Accumulated losses $	Total $
Balance at 1 July 2013		**21,811,224**	**(21,802,673)**	**8,551**
Total comprehensive loss for the year		-	(240,971)	(240,971)
Shares issued (net of cost)	5	233,120	-	233,120
Balance as 30 June 2014		**22,044,344**	**(22,043,644)**	**700**
Total comprehensive loss for the year		-	(487,622)	(487,622)
Issue cost	5	(2,260)	-	(2,260)
Balance as 30 June 2015		**22,042,084**	**(22,531,266)**	**489,182**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the financial year ended 30 June 2015

	Notes	Consolidated		Company	
		2015	**2014**	**2015**	**2014**
		$	**$**	**$**	**$**
Cash flows from operating activities					
Receipts from customers		-	-	-	-
Payments to suppliers and employees		(332,070)	(383,280)	(331,547)	(385,189)
Interest received		18	49	18	28
Interest paid		-	-	-	-
Net cash flows used in operating activities	17(b)	(332,052)	(383,231)	(331,529)	(385,161)
Cash flows from investing activities					
Investments and loans		-	(2,374)	-	-
Amounts advanced from related parties		-	-	35,611	161,768
Net cash flows (used in)/provided by investing activities		-	(2,374)	35,611	161,768
Cash flows from financing activities					
Proceeds from issue of shares	5(b)(i)	-	248,000	-	248,000
Capital raising costs	5(b)	(2,260)	(14,880)	(2,260)	(14,880)
Proceeds from convertible notes	8	300,000	-	300,000	-
Net cash flows from financing activities		297,740	233,120	297,740	233,120
Net (decrease)/increase in cash held		(34,312)	(152,485)	1,822	9,727
Cash at beginning of the year		80,150	232,635	33,048	23,321
Cash at the end of the year	17(a)	**45,838**	**80,150**	**34,870**	**33,048**

The accompanying notes form part of these financial statements.

Notes to the financial statements

Note **Contents**

1. Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the separate financial statements of IM Medical Limited (the “company”) and the consolidated financial statements of the Group. For the purposes of preparing the financial statements, the company is a for-profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards (‘A-IFRS’). Compliance with A-IFRS ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards (‘IFRS’).

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration in exchange for assets.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report. IM Medical Limited is a public company limited by shares. The financial report is presented in Australian dollars. IM Medical Limited is incorporated in Australia and is the parent entity whose shares publicly trade on the ASX. The financial report covers both IM Medical Limited as an individual entity and IM Medical Limited and its controlled entities as a group of entities.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies have been consistently applied unless otherwise stated.

Going concern basis

The financial statements are prepared on the going concern basis, which contemplates the continuity of normal business activities, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 30 June 2015 the consolidated entity has a deficiency of current assets over current liabilities of $471,188. (30 June 2014: $54,834 (surplus)), for the year ended 30 June 2015 it recorded net losses of $523,762 (30 June 2014: $404,293) and incurred negative cash flows from operations of $332,052 (30 June 2014: $383,231). As at 30 June 2015 the consolidated entity has accumulated losses of $22,513,272 (30 June 2014: $21,989,510). The Company successfully raised $632,259 through a Share Purchase Plan and Placement in July 2015. (refer Note 18)

The directors have prepared a cash flow forecast through to September 2016. Based on current cash reserves in place at the date of this report cash flow forecasts indicate that the consolidated entity will only have sufficient cash resources (based on incurring only nominal cash outflows relating to the maintenance of a corporate administration function) to continue to pay its debts to June 2016. The Directors also note the uncertainty regarding the contingent liability referred to in note 19. Therefore to continue as a going concern the consolidated entity requires the raising of additional equity by June 2016 or upon identifying an appropriate investment opportunity. During the year the directors have investigated various business opportunities which included carrying out due diligence procedures on potential investments. However at the date of signing these financial statements no opportunities have advanced past the preliminary stage. However, to investigate and perform due diligence procedures on potential investments, the consolidated entity will need to incur additional cash outflows over and above the nominal cash outflows. Depending on the level of expenditure incurred in relation to the future investment activities, the consolidated entity may expend its cash reserves before March 2014.

Notwithstanding the circumstances and budgeted expenditure outlined above, the directors, based on discussions with their advisors, are confident that the consolidated entity will be able to raise additional equity to fund the activities outlined above.

Summary of significant accounting policies (con't)

Accordingly the financial report has been prepared on the going concern basis based on the following assumptions:

- The directors will continue to explore investment opportunities for the consolidated entity that may result in future cash flows and;
- The ability of the consolidated entity to raise further equity, where necessary, to fund working capital, and the identification of potential investment opportunities and;
- The ability to successfully complete the acquisition of an identified investment opportunity and, where necessary, raise further capital to fund that acquisition.

In the event that the above initiatives do not eventuate or do not generate sufficient cash flows from operations there is significant uncertainty as to whether the company and consolidated entity will be able to continue as going concerns. If the company and consolidated entity are unable to continue as going concerns they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

The financial statements do not include adjustments, if any, relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and consolidated entity not continue as going concerns.

Changes in accounting policies on initial application of Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in Note 1(n) below. The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a. Principles of consolidation

The consolidated financial statements are prepared by incorporating the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 'Consolidated Financial Statements'. A list of subsidiaries appears in note 13 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entities. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits/losses arising within the consolidated entity ("Group") are eliminated in full.

b. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount and shown within borrowings in current liabilities in the Statement of Financial Position. Interest is charged as an expense as it accrues.

c. Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred. Receivables from related parties are recognised and carried at the nominal amount due less any impairment provision.

Summary of significant accounting policies (con't)

d. Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Impairment testing is performed annually for goodwill, and intangible assets with indefinite lives. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss and comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

e. Investment in subsidiaries

In the separate financial statements of IM Medical Limited, investments in subsidiaries, that are not classified as held for sale or included in a disposal group classified as held for sale, are accounted for at cost less impairment.

f. Trade and other payables

Trade payables and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

g. Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

h. Issued capital

Ordinary issued capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

i. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

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:

Summary of significant accounting policies (con't)

i. Revenue recognition (con't)

- *Rendering of services* – Revenue from the rendering of services is recognised in the statement of profit or loss and comprehensive income when the service is performed and there are no unfulfilled service obligation that will restrict the entitlement to receive the sales consideration.
- *Interest* - Control of the right to receive the interest payment.
- *Dividends* - Control of the right to receive the dividend payment

j. Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base for those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary difference

associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The company and its wholly owned Australian resident entities are part of a tax consolidated group formed on 21 September 2004 under Australian taxation law. IM Medical Limited is the head entity in the tax consolidated group. Tax expense/income, deferred tax assets and deferred tax liabilities arising from temporary differences

Summary of significant accounting policies (con't)

j. Income tax (con't)

Tax Consolidation (con't)

of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and asset and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement and a tax sharing agreement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the company. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Tax losses

Based on the probability test required under Australian Accounting Standards the directors have determined that the deferred tax asset relating to revenue tax losses will not be recognised on the statement of financial position.

k. Employee benefits

A liability is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Contributions to defined contribution plans are expensed when employees have rendered service entitling them to the contributions.

l. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit/loss attributable to equity holders of the company for the financial period, after excluding any costs of servicing equity (other than ordinary shares) by the weighted average number of ordinary shares of the company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with the dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares of the company adjusted for any bonus issue.

Where a net loss is made for the period, basic EPS and diluted EPS are the same, because, the inclusion of options in the earnings per share calculations does not result in further dilution.

m. Critical accounting estimates and judgements

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Judgments made in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable in the relevant notes to the financial statement.

Summary of significant accounting policies (con't)

m. Critical accounting estimates and judgements (con't)

Tax Losses

Based on the probability test required under Australian Accounting Standards the directors have determined that the deferred tax asset relating to revenue tax losses do not meet the criteria for recognition as an asset

n. Adoption of new and revised accounting standards

New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and simultaneous realisation and settlement'. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and simultaneous realisation and settlement'.
AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below. • The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for sharebased payment transactions for which the grant date is on or after 1 July 2014. • The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014. • The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Summary of significant accounting policies (con't)

AASB 2014-1
'Amendments to Australian Accounting Standards'
(Part A: Annual Improvements 2010–2012 and 2011–203 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for sharebased payment transactions for which the grant date is on or after 1 July 2014.
- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.
- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

AASB 2014-1
'Amendments to Australian Accounting Standards'
(Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles) (cont'd)

The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.
- The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.
- The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:
- the property meets the definition of investment property in terms of AASB 140; and
- the transaction meets the definition of a business combination under AASB 3.

The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Summary of significant accounting policies (con't)

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119)	The amendments to AASB 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service. The application of these amendments to AASB 119 does not have any material impact on the disclosures or on the amount recognised in the Company's financial statements.
AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.

(iii) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards[1]	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017

Summary of significant accounting policies (con't)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 January 2016	30 June 2017

[1] The AASB has issued the following versions of AASB 9:

- AASB 9 'Financial Instruments' (December 2009) and the relevant amending standard;
- AASB 9 'Financial Instruments' (December 2010) and the relevant amending standards;
- AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial
- Instruments', Part C – Financial Instruments
- AASB 9 'Financial Instruments' (December 2014) and the relevant amending standards

All the standards have an effective date of annual reporting periods beginning on or after 1 January 2018. Either AASB 9 (December 2009) or AASB 9 (December 2010) can be early adopted if the initial application date is before 1 February 2015. After this date only AASB 9 (December 2014) can be early adopted.

o. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

p Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Summary of significant accounting policies (con't)

p. Business combinations (con't)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of profit or loss and comprehensive income. The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

q Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

r Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2. Revenue from continuing operations

	Consolidated		Company	
	2015 $	2014 $	2015 $	2014 $
Other revenue				
Interest revenue – Bank deposits	18	49	18	28
	18	49	18	28
Total revenue from continuing operations	**18**	**49**	**18**	**28**

3. Loss for the year before income tax from continuing operations

Loss for the year from continuing operations has been arrived at after charging the following expenses, gains and losses

	Consolidated		Company	
	2015 $	2014 $	2015 $	2014 $
Expenses				
Impairment losses on non current assets:				
Impairment (reduction)/ loss on loan to related entities	-	-	(35,611)	(161,768)
Total impairment reversals on non current Assets	-	-	(35,611)	(161,768)
Total depreciation, amortisation and impairment	**-**	**-**	(35,611)	(161,768)
Accounting, auditing, legal and other expenses	309 785	156,056	309,542	154,632
Share registry and listing expenses	39,903	40,445	39,903	40,445
Total corporate administration	**349,688**	**196,501**	**349,445**	**195,077**

4. Income Tax

	Consolidated		Company	
	2015 $	**2014 $**	**2015 $**	**2014 $**
(a) Income tax recognised in the statement of comprehensive income				
Tax expense/(income) comprises:				
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-	-	-
Total tax expense/(income) in the Statement of Comprehensive Income	-	-	-	-
(b) The prima facie income tax expense on pre-tax accounting profit (loss) from operations reconciles to the income tax expense / (income) in the financial statements as follows:				
Loss from continuing operations	(523,762)	(404,293)	(487,622)	(240,971)
Income tax benefit calculated at 30% (2014: 30%)	(157,129)	(121,288)	(146,287)	(72,291)
Non deductible expenses				
Tax losses not recognised as deferred tax assets	157,129	121,288	(146,287)	72,291
Income tax expense/(income)	-	-	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	Consolidated		Company	
	2015 $	**2014 $**	**2015 $**	**2014 $**
(c) Amounts recognised directly in equity				
Aggregate current and deferred tax arising in the reporting period and recognised directly into equity	-	-	-	-
(d) Deferred tax balances				
Deferred tax assets comprise:				
Temporary differences	-	-	-	-
(e) Unrecognised deferred tax balances				
The following deferred tax assets have not been brought to account as assets:				
Tax losses	1,202,761	1,045,632	1,206,793	1,060,506

(f) Franking account balance	**2015 $**	**2014 $**	**2015 $**	**2014 $**
Franking account balance	-	-	-	-

Tax consolidation

The company and its wholly owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is IM Medical Limited. Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, IM Medical Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group. The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

5. Issued Capital & options

	Company 30 June 2015 Number	$	Company 30 June 2014 Number	$
(a) Issued capital				
Ordinary shares fully paid	952,465,220	22,044,344	952,465,220	22,044,344
Share option reserve	717,713,008	-	717,713,008	-
Options do not carry a right to vote. Voting rights will be attached to the unissued shares when the options have been exercised.		**22,044,344**		**22,044,344**
(b) Movements in shares on issue				
Balance at beginning of the financial period	952,465,220	22,044,344	828,465,220	21,811,224
Equity raisings (i)	-	-	124,000,000	248,000
less transaction costs		(2,260)		(14,880)
Exercise of options (refer Note [c] below)	-	-	-	-
Balance at the end of the financial period	**952,465,220**	**22,042,084**	**952,465,220**	**22,042,084**

(i) Equity raisings year ended 30 June 2014

Date	Details	Number	Issue price	$
19 December 2013	Placement	124,000,000	$0.002	248,000

Equity raisings Year ended 30 June 2015 (Nil)

(c) Movement in share options

The following unlisted share options lapsed during the year
Year ended 30 June 2015: Nil

Year ended 30 June 2014:
- 22,847,603 Options exercisable at $0.175 on 12 August 2013
- 69,935,559 Options exercisable at $0.125 on 12 August 2013

	Company 30 June 2015 Number	$	Company 30 June 2014 Number	$
Balance at beginning of the financial year	**717,713,008**	-	810,496,170	-
Expiration of options (refer note [c] above)	-	-	(92,783,162)	-
Balance at the end of the financial year	**717,713,008**	**-**	**717,713,008**	**-**

6. Remuneration of auditors

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Auditor of the parent company				
Auditing or reviewing the financial report (a)	47,260	74,975	47,260	74,975
	47,260	74,975	**47,260**	**74,975**

(a) Deloitte Touche Tohmatsu is the auditor of IM Medical Limited.

7. Current trade and other receivables

	Consolidated		Company	
	2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
Other receivables	7,115	7,115	-	-
Less allowance for doubtful debts	-	-	-	-
Net trade receivables	7,115	7,115	-	-
Goods and services tax recoverable	20,762	6,095	20,751	6,078
	27,877	13,210	**20,751**	6,078

8. Convertible Note

	Consolidated		Company	
	2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
Convertible note	300,000	-	300,000	-
Redemption fees and interest	85,890	-	85,890	-
	385,890	**-**	**385,890**	**-**

9. Non current other financial assets

	Consolidated		Company	
	2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
Investment in subsidiaries at cost	-	-	100	100
Represented by:				
Investment in eCardio Pty Ltd	-	-	100	100
Investment in subsidiaries	**-**	**-**	**100**	100

IM Medical Limited has a 100% equity interest in eCardio Pty Ltd (2014: 100%).

10. Current trade and other payables

	Consolidated		Company	
	2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
Trade payables (i)	69,787	43,357	69,787	43,357
Director related accruals	89,226	2,063	89,226	2,063
	159,013	45,420	159,013	45,420
	159,013	45,420	**159,013**	45,420

(i) Amounts stated in Trade payables are on commercial terms and conditions and generally payable in 30 days. Interest is not charged on any amounts overdue. The Group has financial risk management practices in place to ensure that all payables are paid within the credit timeframe.

11. Accumulated losses

	Consolidated		Company	
	2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
Balance at beginning of the financial year	**(21,989,510**)	(21,585,217)	**(22,043,644**	(21,802,673)
Net loss attributable to members of the Company	(523,762)	(404,293)	(487,622)	(240,971)
Balance at the end of the financial year	**(22,513,272)**	**(21,989,510)**	**(22,531,266)**	**(22,043,644)**

12. Earnings per share

	Consolidated	
	2015 Cents	**2014 Cents**
	Per share	Per share
From continuing and discontinuing operations:		
Basic earnings profit/(loss) per share	(0.0006)	(0.0004)
Diluted earnings profit/(loss) per share	(0.0006)	(0.0004)
From continuing operations:		
Basic earnings profit/(loss) per share	(0.0006)	(0.0004)
Diluted earnings profit/(loss) per share	(0.0006)	(0.0004)
Net loss used in the calculation of basic and diluted EPS – Continuing and Discontinuing	(523,762)	(404,293)
Net loss used in the calculation of basic and diluted EPS – Continuing Operations	(523,762)	(404,293)

	Company	
	2015 Number	**2014 Number**
Weighted average number of ordinary shares on issue during the financial year used in the calculation of basic earnings profit/(loss) per share	878,823,357	890,465,220
Weighted average number of ordinary shares on issue during the financial year used in the calculation of dilutive earnings profit/(loss) per share	878,823,357	890,465,220

The weighted average number has been updated to include the share placement and consolidation which occurred subsequent to year end.

Based on market conditions at balance date, the number and nature of potential ordinary shares that are not dilutive are as follows:

- 717,713,008 options (2014: 717,713,008) exercisable on or before various dates at a range of exercise prices per option. Refer note 5(c)

Potential ordinary shares are not dilutive as they would decrease the loss per share.

13. Subsidiaries

Name of subsidiary	**Country of incorporation**	**2015 Ownership interest**	**2014 Ownership interest**
Intelliheart Pty Ltd (a)	Australia	100%	100%
eCardio Pty Ltd (a)	Australia	100%	100%
eHealth Imaging Pty Ltd (a)	Australia	100%	100%

(a) Members of the tax consolidated group where the head entity is IM Medical Limited.

14. Commitments for expenditure

(a) Operating Leases

There are no operating leases in place. (2014: Nil)

15. Dividends

The Directors resolved not to declare any dividends for the year ended 30 June 2015 (2014: Nil).

16. Segment information

The following is an analysis of the Group's revenue and results by reportable operating segment for the years under review.

	Revenue		Segment loss	
	Year ended		Year ended	
	30 June 2015 $	30 June 2014 $	30 June 2015 $	30 June 2014 $
Continuing operations				
Corporate	18	49	(523,762)	(404,293)
Loss before tax			(523,762)	(404,293)
Income tax (expense)/benefit			-	-
Consolidated segment revenue and loss for the period	18	49	(523,762)	(404,293)

Segment loss represents the loss earned by each segment without allocation of central administration costs and directors' salaries, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by reportable operating segment:

	Assets		Liabilities	
	30 June 2015 $	30 June 2014 $	30 June 2015 $	30 June 2014 $
Corporate	73,715	100,254	544,903	45,420
Total	73,715	100,254	544,903	45,420

17. Notes to the statement of cash flows

	Consolidated		Company	
	2015 $	2014 $	2015 $	2014 $
(a) Reconciliation of cash				
Cash balance comprises:				
- cash at bank	45,838	80,150	34,870	33,048
	45,838	**80,150**	**34,870**	**33,048**
(b) Reconciliation of the operating loss after tax to the net cash flows from operations				
(Loss) from activities after tax	(523,762)	(404,293)	(487,622)	(240,971)
<u>Non-cash items</u>				
Impairment adjustment.	-	-	(35,611)	(161,768)
<u>Change in assets and liabilities net of acquisitions:</u>				
(Increase)/Decrease in receivables	(14,668)	1,702	(14,674)	592
Finance costs accrued	85,890	-	85,890	-
Increase/(Decrease) in payables	113,593	11,261	113,593	8,887
Decrease in prepayments	6,896	8,099	6,896	8,099
Net cash flow used in operating activities	**(332,051)**	**(383,231)**	**(331,528)**	**(385,161)**

(c) Non-cash Financing and Investing Activities

There were no non-cash acquisitions during the financial years ended 30 June 2015 and 30 June 2014.

18. Subsequent Events

On 14 July 2015, shareholders approved the underwritten share plan and the consolidation of shares and options on the basis of 2 shares for every one share/ option held. As a consequence 687,400 208 new shares were issued, in addition to 495,064,755 options with an expiry date of 31 March 2019 and an exercise price of $0.002. The total number of shares on issue is now 1,163,632,818 and 853,921,259 options. The $300,000 Converting Note was repaid on 22 July 2015.

19. Contingent liabilities

In August 2015 the Company has received a claim for legal costs in relation to the proposed capital raising in connection with the acquisition of White Data Limited. The acquisition and capital raising did not proceed and legal work on the capital raising ceased in February 2014.

The Company has not previously received any invoices for the legal costs $269,766 excl. GST now claimed which date back to the period from September 2013 to February 2014. The company is reviewing the invoices and will respond to the claim when it has completed its review.

Due to the uncertainty regarding the details of the claim and the extent of the potential eventual liability that may arise no provision has been raised for these amounts.

20. Related party disclosures

The names of the directors of the Company during the financial year are:

- Nigel Blaze
- Brett Johnson (Resigned August 19, 2014)
- Richard Wadley
- Paul Burton

(a) *Equity interests in controlled entities*
Details of the percentage of ordinary shares held in controlled entities are disclosed in note 13 to the financial statements.

(b) *Loan disclosures*
There are no related party loans between the disclosing entity and any of the key management personnel.

(c) *Transactions within the wholly owned group*
The wholly owned group includes:
- The ultimate parent entity in the wholly owned group; and
- Wholly owned controlled entities

The ultimate parent company in the wholly owned group is IM Medical Limited.

(d) *Transactions with other related parties*
Other related parties include:
- the parent entity
- subsidiaries
- key management personnel
- other related partie

20. Related party disclosures (con't)

(e) Director and executive remuneration

The aggregate compensation of the key management personnel of the consolidated entity and company is set out below:

	Consolidated		Company	
	2015 $	2014 $	2015 $	2014 $
Short term employee benefits	137,468	142,585	137,468	142,585
Post employment benefits	-	-	-	-
Other long term benefits	-	-	-	-
Share based payments	-	-	-	-
Termination benefits	-	-	-	-
	137,468	142,585	137,468	142,585

(f) Details of key management personnel

Names and positions held of key management personnel in office at any time during the financial year are:

- Nigel Blaze (Non executive director, Appointed 23 March 2011)
- Richard Wadley (Non executive director, Company Secretary, CFO Appointed 23 March 2011)
- Paul Burton (Non executive director, Appointed 23 March 2011)
- Brett Johnson (non-executive director Appointed 19 December 2013 / Resigned 19 August 2014)

(g) *Loans to key management personnel*

There are no loans made by the disclosing entity or any of its subsidiaries to any key management personnel, including their personally related entities.

(h) Other transactions and balances with key management personnel

The following transactions, which comprise the short term employee benefits, and/or balances between the disclosing entity and any of its subsidiaries to any key management personnel, including their personally related entities were as follows:

During the year, the Company procured services to a value of $33,956 (2014: $32,560) from Nigel Blaze for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 $20,644 (2014: $5,199) of the consulting services provided to the company remained unpaid.

During the year, the Company procured services to a value of $74,200 (2014: $77,800) from Richard Wadley for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 $49,833 (2014: $4,051) of the consulting services provided to the company remained unpaid.

During the year, the Company procured services to a value of $29,312 (2014: $32,225) from Paul Burton for the provision of consulting services. The value of the services was determined on an arm's length basis at commercial terms. At 30 June 2015 $18,750 (2014: $2,083) of the consulting services provided to the company remained unpaid.

21.Financial instruments

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and accumulated losses as disclosed in notes 5 and 11 respectively. The Group operates within Australia, primarily through subsidiary companies established in the markets in which the Group trades. None of the Group's entities are subject to externally imposed capital requirements. The Group's policy is to borrow centrally, using a variety of capital market issues and borrowing facilities, to meet anticipated funding requirements.

Gearing ratio

The Board reviews the capital structure on an as needs basis. As a part of this review the board considers the cost of capital and the risks associated with each class of capital. The Group currently has no target gearing ratio. Based on recommendations of the board the Group will balance its overall capital structure through new share issues as well as the issue of new debt or redemption of existing debt.

The gearing ratio at year end was as follows:

	Consolidated		Company	
	2015 $	2014 $	2015 $	2014 $
Debt	(385,890)	-	(385,890)	-
Cash and cash equivalents	45,838	93,360	34,870	39,126
Net debt	(340,052)	93,360	(351,020)	39,126
Equity (i)	(471,188)	54,834	(489,182)	700
Net debt to equity ratio	(72.2%)	(170.2%)	(71.7%)	(558.9%)

(i) Equity includes all capital, losses and reserves.

(b) Categories of financial instruments

	Consolidated		Company	
	2015 $	2014 $	2015 $	2014 $
Financial assets at amortised cost				
Cash and cash equivalents	45,838	80,150	34,870	33,048
Trade Receivables	27,877	13,210	20,751	6,078
	73,715	93,360	55,621	39,126
Financial liabilities at amortised cost				
Trade Payables	159,013	45,420	159,013	45,420
Borrowings	385,890	-	385,890	-
	544.903	45,420	544.903	45,420

(c) Financial risk management objectives

The Group's Corporate Treasury function is provided by the Company Secretary, who monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group seeks to minimize the effects of these risks and invests excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(d) Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates (refer note 21(e)). The Group enters into a variety of financial instruments to manage its exposure to interest rate risk, including:

- Excess liquidity is invested in short term deposits only to take advantage in movements of interest rate

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

21. Financial Instruments (cont'd)

(e) Interest rate risk management

The company and the Group are exposed to interest rate risk. The company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The Group's sensitivity to interest rates has decreased during the current period.

At reporting date, the Group had a $300,000 (2014:Nil) convertible loan. If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss would reduce by $1500 and increase by $1500 (2014: reduce by Nil and increase by Nil).

(f) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit facilities are granted on information supplied by the company or organization and sometimes supplemented by information provided by independent rating agencies. The Group's exposure of its counterparties is continuously monitored.

(g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities by monitoring actual cash flows.

The table below reflects all contractually fixed payouts and receivables for settlement, repayments and interest resulting from recognized financial assets and liabilities. The respective undiscounted cash flows for the respective upcoming fiscal years for other obligations are presented.

The remaining contractual maturity of the Group's financial liabilities are:

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
6 months or less	544,903	45,420	544,903	45,420
6-12 months	-	-	-	-
1-5 years	-	-	-	-
	544,903	45,420	544,903	45,420

(h) Fair value of financial instruments

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The directors consider that the carrying amounts of financial assets and liabilities, recorded at amortised cost in the financial statements, approximates their fair value.

22. Company details

The registered office and principal place of business of the company is:
Level 40
140 William Street
Melbourne. Vic 3000