ANNUAL REPORT 2022

Australian Made | Proudly Australian Furniture | Advanced Patented Technology | Indigenous








Content Page

LETTER FROM THE CHAIR

Tony Noun
Chairman

Dear Shareholders,

We can certainly say that 2022 was another year dogged by COVID-19 related issues and the uncertainty surrounding that including forced business closures. At Inventis, we are so fortunate to have a strong committed team of talented individuals and business leaders who are spearheading the steady turn-around with three consecutive years of growth. Briefly,

1. We have achieved an average 21% annual growth rate in Network Sales (including our 49% owned associate, Winya) over the last three years,
2. The capital raising was finalised during early F22, which enabled us to successfully re-structure our Balance sheet and improve net equity, including a stronger cash balance at the end of the reporting period of $883K, up 16.5%.
3. Significant value creation through intellectual property innovation leading to Patent certification and approvals in the USA, Australia and NZ with our Hazavoid system,
4. The acquisition of Electronic Circuit Designs Pty Ltd (ECD) was completed. This is a leading electronic circuit board manufacturer and supplier in Australia. The acquisition included the property at Matraville that ECD operate from,
5. We announced a Head of Agreement on the 26th of September 2022 with Open Projects Group, for Inventis to acquire an 80% interest in the business. This is subject to Due Diligence. This potential M&A opportunity potentially adds over $20 Million in aligned annual revenues and enhance the consolidated bottom line circa $3.2 M in EBITDA.
6. We have continued to work towards creating a diverse and culturally inclusive organisation that aims to reward its valued staff with various performance incentives. This includes an increase and a broadening of our shareholder base to include our staff, which not only ensures they have real “skin in the game”, but to provide additional opportunities for staff to participate in the success of the business for the benefit of all stakeholders, and
7. The team has bedded down 5 Brand acquisitions over the last few years and streamlined operations and centralised all manufacturing into our Eastern Creek NSW, site to create efficiency and structure.

In speaking about the past year, I would like to, once again, acknowledge the tremendous efforts and sacrifice of our Board, our Management and most importantly, our Staff again in getting us through this tumultuous Covid period.

Notwithstanding COVID and its likely mutations and the impact of those on the world, Inventis is well placed to continue its growth and profitability with several M&A opportunities in the pipeline as well as initiatives to improve efficiency and enhance shareholder value.

I extend a special thank you to all our stakeholders for their continuing support as we traverse the unchartered waters of a world learning to live with COVID and other unknown issues.

Sincerely,

Dr Tony H Noun
Chairman, Inventis Limited

MD'S ADDRESS

Anthony Mankarios
Managing Director

General Operational Review

During the quarter ended 30 June 2022,

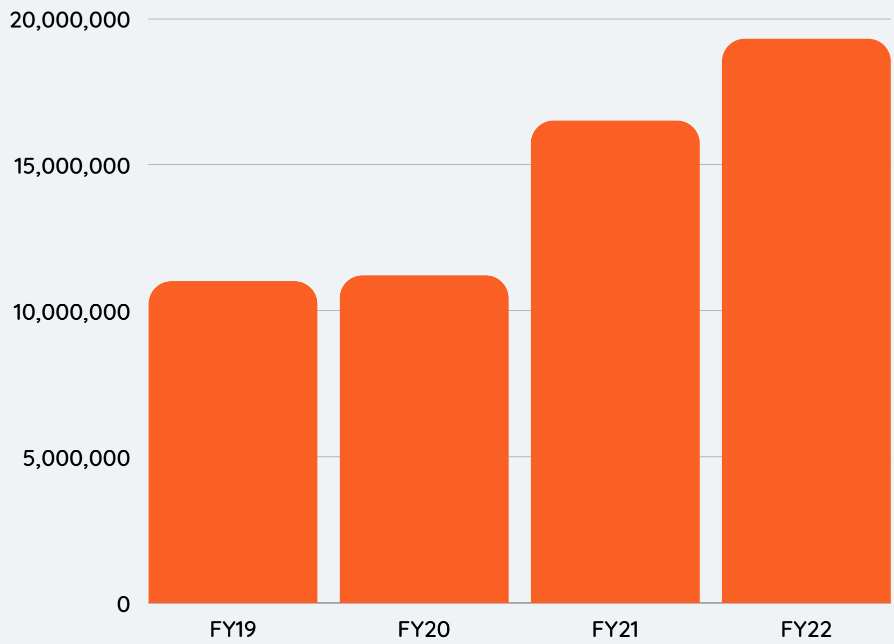
- Sales across all Divisions were robust, especially in May and June, which accords with historic trends. Group's Total Gross Network Sales are up 13.1% year on year (YOY). Thus, achieving three consecutive years of double-digit growth despite COVID lockdowns and the significant supply and logistics disruption that arose during and subsequent.
- The acquisition of Electronic Circuit Designs Pty Ltd (ECD) was finalised. ECD has integrated well into the Inventis Group and is showing strong promise to becoming a good contributor to Group revenue in the current financial year.
- Sales revenue for associate Winya climbed as predicted due to larger government contract orders, enabling it to finish 30.3% up on sales YTD for the same period last year. Winya being an associated company (49% owned by IVT) is a strong customer source for the Gregory Commercial Furniture Division.
- Inventis Technology was granted a United States of America patent (application No. 17/124,815) for its Emergency Alert System Hazavoid TM. This patent provides protection to 17 December 2040. With the benefit of this patent, we are now working diligently to secure partnerships in response to US market demand for an emergency alert system.
- Overall, the Technology Division finished the period up 22.3% on last year and has a robust order book of over $2.5m.

Capital Management

The Group successfully renegotiated a long-term extension to the existing Group finance facilities, which were due to expire in July 2022, and secured new facilities to 1 July 2025, which enabled the acquisition of ECD. We have therefore subsequently allowed for the correct long-term liability accounting treatment in our accounts.
As part of the ECD acquisition, the Group now owns real estate assets in Matraville, NSW, near the Botany shipping terminals.

Trading

- The Group trading companies performed well, despite prolonged periods of Covid uncertainty and world-wide supply chain disruptions.
- Total Group Network Furniture Sales in June were up 9.6% for the month and up 13.1% in total Year to date YOY for the year to 30 June 2022.
- The Company has been able to retain its talent pool, whilst providing new opportunities across the group for the next year and beyond. The current management has a proven track record of sustained sales growth over the last three-year period.



Total Group Network Sales (inc Winya 49% Associate)

Additional orders in first quarter 2023

In June our total Group forward order book (including our 49% associate Winya) stood around $14 million.

The Group has supported a new Winya showroom lease at Margret Steet Brisbane, due to commence 1 September 2022 and plans to negotiate larger showroom space in Sydney in the next 12 months to encompass a growing range of Australian made product. Our Commercial Furniture Division enjoys product showcase in these and other Winya locations.

Despite widely publicised freight and delivery delays due to Covid, our factories have maintained high levels of Delivery In Full and On Time KPI's recording highs of up to 99% & 100% during the last quarter across the manufacturing business. We thank our dedicated Australian manufacturing team for this.

Our Gregory Commercial Furniture Division continues to lead innovation, with technology and Australian design enabling the development of world-first products focused on the health and wellbeing of the user. Our technology is leading the way in large and small organisations that care about their team members' health with;

- G-Smart (mobile app and Smart Chair Technology)
- Project -W office and work-from-home Chair
- Gregory Acoustic Pod (very new!) which has drawn significant interest and new orders into FY23
- "Firstline" Chair for Australia's personnel in our Armed Forces, Police and Security which has seen encouraging initial Police Departments feedback and support.

The Furniture Division has become a well-integrated Australian operation that provides technologically advanced product, sustainability and environmentally responsible solutions as well as working with Indigenous communities and engaging in socially responsible outlook to growth.

The Technology Division continues the Group innovations and has become an international player with a new base in Montgomery Texas USA. The Technology Division is also currently exploring opportunities in South- East Asia through Manila, Philippines in FY23.

The Group continues to forecast strong double digit growth plans in F23 and F24. The overall Group Pipeline including Winya our 49% associate and ECD our newly acquired business is estimated to be in excess of 50% growth compared to this time last year.
The Board looks forward to a 2023 financial year of promising opportunity.

Outlook and Post Reporting Date Balance information

The Group announced on the 26th of September 2022 it signed a Head of Agreement to acquire 80% of a profitable long established manufacturer known as Open Project Group. This will be subject to a 45-day exclusive Due Diligence Period, board approval and finance.
OPG's Revenue and earnings has grown each year during Covid. It specialises in all aspects of Design, supply and Delivery of Commercial Furniture, Cabinetry, and Industrial Kitchens.
OPG has annual revenues of over $20 million and a normalised annual Earnings Before Interest and Amortisation (EBITDA) of Cira $4 million each year is planned to provide accretive growth in group earnings.
The Group plans to engage BDO Queensland to provide an independent DD accounting report.
The aligned group activity will enhance synergy nationally and provide additional verticals for growth across the Group by utilising the footprint of national showrooms in the Group.
The Company plans to buy 80% of OPG using one of its subsidiaries. It will pay $3.4 million in cash over 24 months and will issue $200,000 worth of Inventis (IVT) shares over this period which will be held in escrow. The funds will be provided for by way of $2.4 Million of Finance and $1 million in cash over 24 months. The Vendor will retain 20% of the Company whilst the Group retains a right to acquire 100% over the next five years.
An additional payment post year 3 of an earn out as part of the acquisition cost is planned to reflect lifts in performance and subject to a lift of a minimum annual turn- over and profit of over 10% each year an appropriate earn out of 8.5% equity will be provided to the vendor. The Company still retains rights to acquire 100%. The Vendor Kane Mc Carthy will be retained as Operations Director.
This aligned acquisition will see additional commercial furniture product released into Queensland as part of the Australian made story.
Currently the Group's annual Gross Network Sales is growing in triple digit numbers and with the added $20 Million in Revenue estimated by this recent acquisition the Group's Networks sales is estimated to be near $50M in the following 12 months.
The Company has now set up a base in Montgomery Texas in the USA from which it has already received strong support for its US patented product Hazavoid. The Company has now set up sales plans in the USA. It is also working on plans for the Philippines ensuring a strong international expansion is underway.
Our Winya 49% associate has entered into a new showroom Lease at Margaret Street, Brisbane Qld. This facility is planned to be used to showcase a good cross section of Australian made Commercial Furniture product into Qld.

Mr Anthony Mankarios
Managing Director,
Inventis Limited

DIRECTORS PROFILE

Dr Tony Noun
Chairman

Peter Bobbin
Non-Executive Director

Anthony Mankarios
Managing Director

Alfred Kobylanski
Company Secretary

Alfred Kobylanski
Chief Financial Officer
& Company Secretary

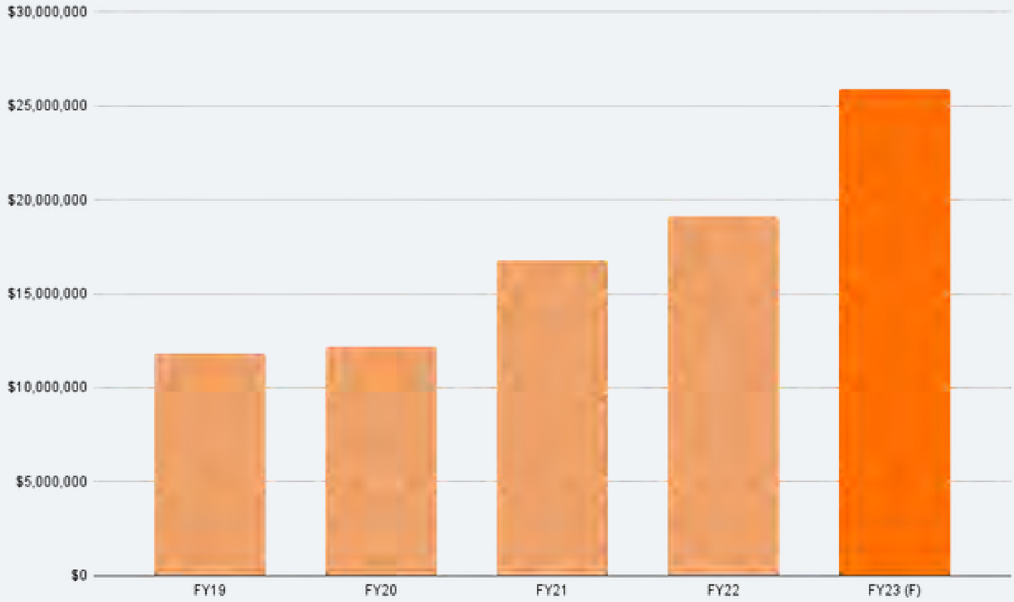
Jeffry Stone
General Manager
-Technology

Greg Welsh
General Manager
- Furniture

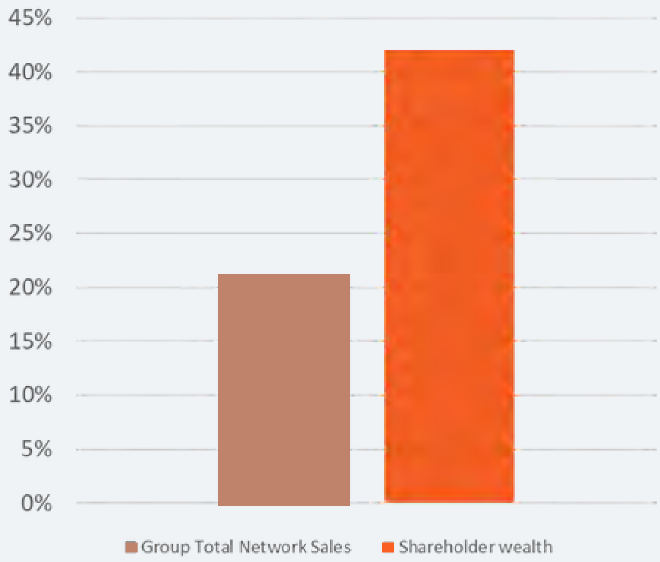
Scott Downes
Channel Manager

Chantelle Knight
Co-Company Secretary
& HR Manager

ANNUAL SALES

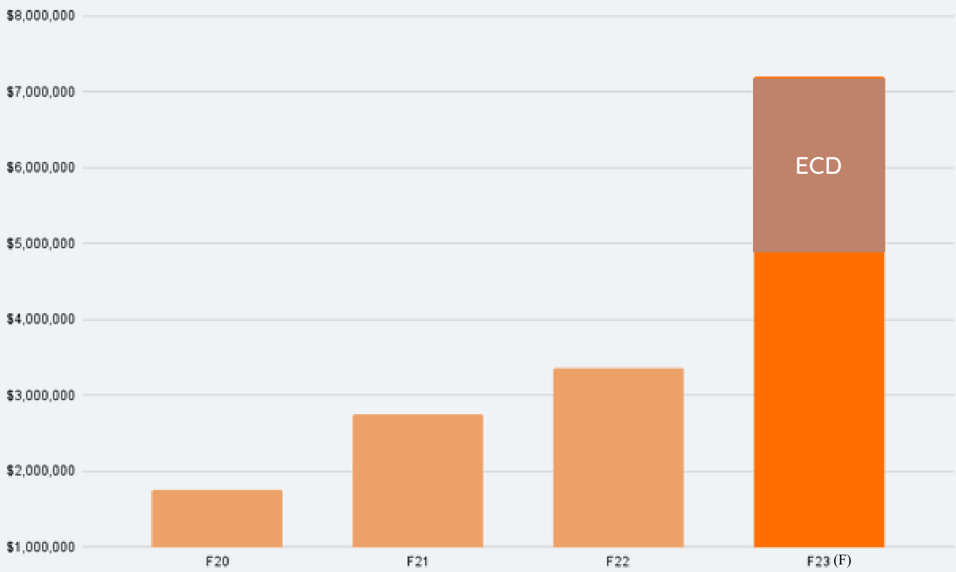


Total Group Network Sales including Winya 49% associate

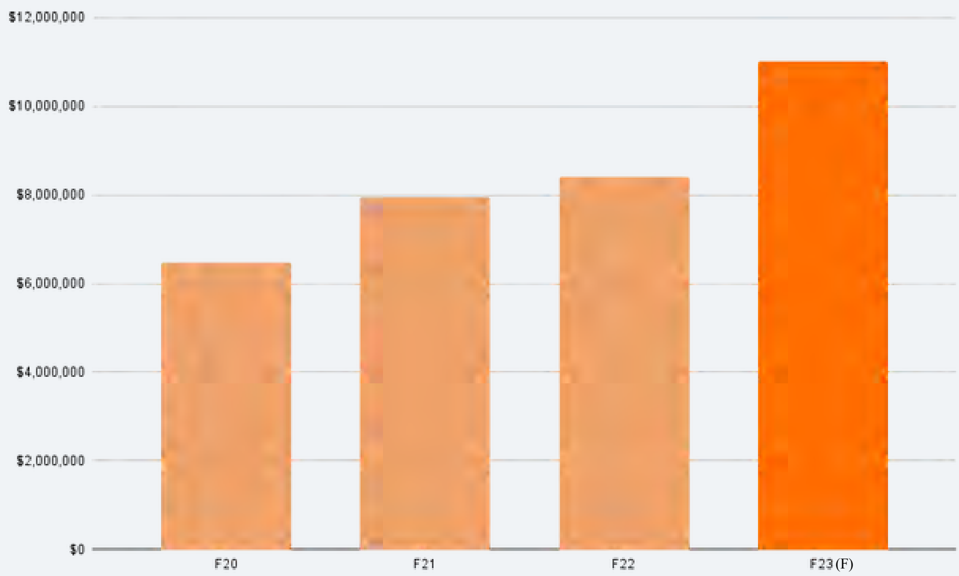


Average Annual 3 Year Compound Growth Rate

ANNUAL SALES



Consolidated Technology Division Sales Historical



Consolidated Furniture Division Statutory Revenue progress

WINYA

HIGHLIGHTS

winya to "Sit now " in Wiradjuri dialect.

- Opened two new showrooms in Darwin and Brisbane CBD
- Opening Brisbane in September 2022
- Revamp of other larger sites to start in Q4. F23
- Focusing on Indigenous Development, remoting community engagement and social economic change.

NSWICC ASSURED FACCI AFFILIATE Kinaway CERTIFIED

ECD

TECHNOLOGY ACQUISITION

Electronic Circuit Designs

- ECD is the largest elevator controller manufacturer within Australia.
- Manufacturing customised controller design for hydraulic and traction elevators.
- Also specialising in the design and manufacture of high quality, low cost, electronic control and information systems for the elevator industry, including shaft information systems, voice annunciator units, brake control boards and dot matrix displays.
- This is an important part of the growth plans both locally and internationally.
- Aligns with the Inventis Group Innovation & Technology direction.

Brake Board

LCD Indicator

ECD Controller

Voice SP

Pulse Board

Soft Starter SMS

DIRECTORS' REPORT

The Directors present their report together with the financial report of the Group, being Inventis Limited ("The Company") and its subsidiaries ("Inventis"), for the financial year ended 30 June 2022 and the auditor's report thereon.

SECTION 1:

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Tony Noun MBA, AICD, FAIM, CFP, CIAM, A&CIPANZIP, DipLi, JP
Chair

Dr Tony Noun has more than 30 years professional and commercial experience with a proven track record of success. Tony's commercial experience, from both an investor and manager perspective, enables him to bring extensive financial and corporate experience to lead the Board and Management of Inventis Limited.

Tony is also an active director for a number of national and international companies that cover a broad range of industries and professional disciplines including financial services, health care, hospitality and manufacturing as well as sales and marketing.

Directorships held in other listed entities in the last 3 years: NIL.

Peter Bobbin B.Com, LL.B, M. Tax, CTA, TEP
Non-Executive Director

Peter, a practicing solicitor for more than 30 years, is a former accountant, former university lecturer and is a Notary Public. He practices primarily in taxation strategy planning and commercial law and was recognised as Tax Advisor of the Year, 2015 (SME) by the Taxation Institute of Australia.

Peter brings to the Board his legal and tax knowledge as well as his experience of running profitable and cash flow positive legal business.

Directorships held in other listed entities in the last 3 years – NIL.

Anthony Mankarios MBA, CFTP, FAICD
Managing Director

Anthony is experienced in leading national and international businesses in multiple sectors and sized companies across manufacturing, property, wholesale, and retail. One of his key strengths is his visionary leadership style. Anthony has proven his ability to continually identify growth opportunities and work with the business to develop and implement strategies to maximise their potential. Anthony has been responsible for integrating 5 Brands into the Inventis Group in his three years as MD. He is effective in assisting Boards and their stakeholders achieve common goals; through professional timely communication promoting learning, creativity, whilst developing strong mentoring relationships with them. Anthony is currently Inventis Limited's Managing Director.

Anthony is an experienced director with over 30 years' experience. He played a key role in developing Joyce Corporation's strategy and developed Joyce's underlying business growth performances since 2010 to 2019 and is Chairman of Man Investments and Consultants as well as being involved in a number of other private companies.

Directorships held in other listed entities in the last 3 years – Joyce Corporation Limited [ASX:JYC]

SECTION 1 (continued)

1. DIRECTORS (continued)

Alfred Kobylanski B.Bus, CPA, ACIS, ACSA
Alternate Director & Company Secretary

Alfred has significant experience in finance and management within multinational organisations in Australia and in the United Kingdom. This experience includes manufacturing, information technology and financial services in both emerging and established markets.

Alfred's background in finance, general management, corporate governance as well as his knowledge of manufacturing and service organisations adds to the substantive body of knowledge at the Board and Senior Management level.

Mr Kobylanski was also appointed Company Secretary.

Directorships held in other listed entities in the last 3 years – NIL.

2. CO-COMPANY SECRETARY

Chantelle Knight

3. DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

	Board Meetings		Audit Committee Meetings		Nomination and Remuneration Committee	
Directors	**Attended**	**Available to Attend**	**Attended**	**Available to Attend**	**Attended**	**Available to Attend**
Dr Tony Noun	12	12	3	3	1	1
Mr Peter Bobbin	12	12	3	3	1	1
Mr Anthony Mankarios	12	12	3	3	1	1
Alfred Kobylanski as Alternate Director	12	12	3	3	1	1

A – Number of meetings attended.
B - Number of meetings held during the time the director held office during the year.

[1] The external auditor met with the Board once during the year together with management. The Audit and Risk Management sub-committee as well as the Remuneration and Nomination sub-committee comprise of all directors however, the Chair of each committee is currently Peter Bobbin and Tony Noun respectively.

4. DIRECTORS' INTERESTS

The relevant interest of each Director that held office during the year in the ordinary shares issued by Inventis Limited, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at 30 June 2022 is as follows:

		Number of Ordinary Shares			
Director	**01 July 2021**	**Acquired**	**Sale / Transfer**	**Cancelled/ Consolidation**	**30 June 2022**
T Noun	142,333,332		-	(135,216,666)	7,116,666
A Kobylanski	33,064,994	1,935,006	-	(33,250,000)	1,750,000
P Bobbin	42,859,975	5,200,020	-	(45,656,996)	2,402,999
A Mankarios	159,614,486	1,839,551	-	(151,633,762)	9,820,275

5. CORPORATE GOVERNANCE STATEMENT

The Directors of Inventis Limited (the Company) are committed to fulfilling its governance obligations and responsibilities in the best interests of the Company and its Shareholders. The 2022 Corporate Governance Statement details the key aspects of the Company's corporate governance framework and practices. Except where specified in the statement, the recommendations set by the ASX Corporate Governance Council's Principles and Recommendations 4th Edition, have been followed.

The Company's current Corporate Governance Statement and additional information about the Company's Governance Framework and Company Policies can be found on the corporate web site. The link below will provide access to Board Charters, Key Corporate Policies, and Key Corporate Documents.

https://www.inventis.com.au/governance/

5.1 Ethical Standards and Policies

5.1.1. Diversity and Inclusion Policy:

The Company has developed a Diversity and Inclusion Policy (last amended and approved September 2022). The Company understands and recognises the value in having a diverse workforce from which to draw on. The Company is committed to treating staff equally irrespective of their gender, race, age, ethnicity, sexual orientation, disability, or religious belief.
The Company's diversity objectives have and continues to be:

- To seek, appoint and promote based on skills, experience, and capability, not gender, race or any other criteria;
- Ensure all employees have equal access to opportunities in the workplace; and
- Ensure equal pay for equal work in the workplace.

The Company has the following women as senior executives:

- The Human Resources Manager and Co-Company Secretary;
- The Customer Services Manager; and
- The Group Marketing Manager.

As at 30 June 2022, the Company had the following female staff:

Company Name	Female Staff	Total Staff	Percentage
Corporate Division	1	5	20%
Inventis Group	21	65	32%

Currently, the Board positions have been restricted to three by the Board and Shareholders.

5.6 Remuneration Report - audited

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Additional disclosures

A. Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group has been designed to align Director and executive objectives with shareholders and business objectives by providing a fixed remuneration component and offering incentive based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

SECTION 1 (continued)

5.6 Remuneration Report - audited (continued)

A. Principles used to determine the nature and amount of remuneration (continued)

Directors' fees

All remuneration paid to Directors is valued at the cost to the Group and expensed.

Executive pay

The executive pay and reward framework has three components:

- Base pay and benefits
- Short-term performance incentives
- Other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration. The Group approved its long-term equity linked performance incentives specifically for executives. For the reporting period there were 4,940,000 options issued under the Executive Share Option Plan (ESOP).

Base pay and benefits

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. It includes Super Guarantee Charge at the rate prescribed by the Government from time to time.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. When required, external remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases, except for CPI in some cases included in any senior executives' contracts.

Benefits

Executives receive benefits including car allowances.

Short-term performance incentives (STI)

If the Group achieves a predetermined profit target set by the Board, a short-term incentive (STI) pool is available to executives during the annual review. Cash incentives (bonuses) are payable on 30 September each year. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. The incentive pool is leveraged for performance above the threshold to provide an incentive for executives to out-perform.

The Group has a bonus incentive scheme for individual management employees. This is broadly based on the achievement of the Group profit objectives and the achievements of the individual KPIs. During the year ended 30 June 2022 due to the performance of the business, no profit targets or individual KPI targets were set and therefore no bonus pool was available.

Other remuneration such as superannuation

The Directors, if salaried, and executives receive a superannuation guarantee contribution required by government, which was 9.5% for the 2021 year and is currently 10%, and do not receive any other retirement benefits. However, some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board considers the following indices in respect of the current financial year and the previous four financial years.

SECTION 1 (continued)

5.6 Remuneration Report - audited (continued)

A. Principles used to determine the nature and amount of remuneration (continued)

Consequences of performance on shareholder wealth (continued)

	2022	2021	2020	2019	2018
Net profit / (loss) attributable to equity holders of the parent ($)	276,201	76,794	(292,804)	(1,669,750)	(3,076,614)
Basic earnings / (loss) per share	0.44c	0.01c	(0.04)c	(0.24)c	(0.46)c

Dividends, share price and return on capital are not considered in setting STI. The overall level of key management personnel's compensation takes into account the performance of the Group over a number of years and meeting specified KPI's.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel of the Group are set out in the following tables. The total value of amounts paid to Directors and the key management personnel was $580,834 (2021: $401,412).

For the year ended 30 June 2022, the key management personnel of the Group included the following Directors and executive officers:

Directors:

Dr. Tony Noun – Chair

Mr. Peter Bobbin – Non-executive Director

Mr. Anthony Mankarios - Managing Director

Other Key Management Personnel:

Alfred Kobylanski – Chief Financial Officer & Company Secretary

SECTION 1 (continued)

5.6 Remuneration Report - audited (continued)

B. Details of remuneration (continued)

		Short-term					Post-employment	Other long term		Termination Pay Includes Unused Long Service Leave and unused Annual Leave		
		Salary & Fees	Other Benefits	Cash & Bonus	Non-monetary benefits	Total	Superannuation Benefits	Long service leave	Share Option Expense to Profit and Loss		Total including benefits	Proportion of remuneration performance related
Company												
Non-Executive Directors												
Dr. Tony Noun - Chair	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	7,306	-	-	-	7,306	694	-	-	-	8,000	-
Mr. Peter Bobbin	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	3,653	-	-	-	3,653	347	-	-	-	4,000	-
Executive Director									-			
Mr. Anthony Mankarios	**2022**	**205,200**	**-**	**-**	**-**	**205,200**	**-**	**-**	**185,372**	**-**	**390,572**	-
Managing Director	2021	200,000	-	-	-	200,000	-	-	-	-	200,000	-
Other Key Management Personnel									-			
Mr. Alfred Kobylanski	**2022**	**172,502**	**-**	**-**	**-**	**172,502**	**27,760**	**-**	**-**	**-**	**200,262**	-
Chief Financial Officer	2021	166,603	-	-	-	166,603	22,809	-	-	-	189,412	-
Total	**2022**	**377,702**	**-**	**--**	**-**	**377,702**	**27,760**	**-**	**185,372**	**-**	**590,834**	**-**
Total	2021	377,562	-	-	-	377,562	23,850	-	-	-	401,412	-

Notes:

1. The Non-executive Directors agreed to waive there renumeration in 2022 and for 11 months remuneration for the 2021 financial year.
2. Excludes payments made from Associates.
3. Anthony Mankarios through a related entity exercised 1,760,000 share options during the financial year with a payment of $105,600 that was received by the Company.
4. The share options for Alfred Kobylanski are anticipated to be expensed in the financial year ended 30 June 2023.

SECTION 1 (continued)

5.6 Remuneration Report - audited (continued)

C. Service agreements

It is the Group's policy that service contracts for key management personnel are unlimited in term but capable of termination on notice by either party.

The key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The service contracts outline the components of compensation paid to the key management personnel but do not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

Anthony Mankarios is the Managing Director of the Group and receives remuneration in accordance with a services agreement with Starball Pty Ltd, trading as Man Investments and Consultants dated 28 October 2019, as amended from time to time by the Board. The contract operates continuously with a 12-month notice period.

Alfred Kobylanski is the Chief Financial Officer of the Group and receives remuneration in accordance with a contract of employment dated 1 October 2007 with a 3 month notice period, as amended from time to time.

D. Additional disclosures

Directors' and Executive Officers' Compensation Parent Entity and Group

Details of the nature and amount of each major element of compensation of each Director of the Parent Company and the Group, the Chief Financial Officer and relevant Group executives as other key management personnel are set out in the tables on page 18.

Non-Executive Directors

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2004 AGM, is not to exceed $250,000 per annum and is set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. Directors' base fees are presently set at $48,000 per annum, with the Chair set at $96,000 per annum.

Non-Executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of one committee. Currently there are no sub-committees to the Board.

In the event any non-executive director is required to do an executive role for a short period of time, a separate remuneration amount for the executive role is paid in addition to their director's remuneration.

Share Options

Executive Share Option Plan

The Group established an Executive Share Option Plan (ESOP), to assist in the attraction, retention, and motivation of employees, senior executives, and Executive Directors of the Group.

The ESOP is administered by the Board which may determine:

- Which executives and employees are eligible to participate;
- The criteria relevant to the selection of eligible executives and employees; and

The ineligibility of an executive or employee to participate in the ESOP if in the Board's opinion participation by that executive or employee would constitute a breach of the rules of ESOP, or of the Company's Constitution, or of the ASX Listing Rules, or of any law of any jurisdictions.

A person eligible for participation in the ESOP means either a person who is an employee of the Company or any of its associated entities as an executive or an employee on a full time or part time basis and is declared by the Committee to be eligible to participate in the ESOP.

SECTION 1 (continued)

5.6 Remuneration Report - audited (continued)

D. Additional disclosures (continued)

Share Based Compensation

a. Issue of Shares

There were no shares issued to directors or other key management personnel as part of compensation during the year ended 30 June 2022.

b. Options

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

Name	Nuumber of options granted	Grant Date	Vesting date and exerciseable date	Expiry Date	Exercise Price	Fair Value per option at grant Date
Directors						
Anthony Mankarios	1,760,000	26-Jul-11	26-Nov-21	26-Jul-24	0.060	0.0800
Anthony Mankarios	666,666	26-Nov-21	26-Nov-22	26-Nov-23	0.130	0.0550
Anthony Mankarios	666,666	26-Nov-21	26-Nov-23	26-Nov-24	0.130	0.0660
Anthony Mankarios	666,668	26-Nov-21	26-Nov-24	26-Nov-25	0.130	0.0750
Executive						
Alfred Kobylanski	250,000	01-Jul-21	01-Jul-23	01-Jul-24	-	0.0257

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

It is a condition to the exercise price of Mr Mankarios company Starball Pty Limited's option that the compound growth in Company's share price on the ASX is equal to or greater than 12% per annum during the period prior to the time of the exercise of the option.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year	Value of options exercised during the year	Valuse of options lapse during the year	Remunmeration consisting of options expensed for the year in the profit and loss
Directors				
Anthony Mankarios	271,466	140,800	-	47.5%
Executive				
Alfred Kobylanski	6,425	-	-	0.0%

c. Option Holding

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

Name	Balance at the start of the year	Granted	Exercised	Expired / forfeited / other	Balance at the end of the year
Directors					
Anthony Mankarios	35,200,000	2,000,000	1,760,000	(33,440,000)	2,000,000
Executive					
Alfred Kobylanski	-	5,000,000	-	(4,750,000)	250,000

SECTION 1 (continued)

5.6 Remuneration Report - audited (continued)

D. Additional disclosures (continued)

Share Based Compensation (continued)

d. Shares under Option

Unissued ordinary shares of Inventis Limited under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
05-Jul-21	01-Jul-24	0.000	580,000
26-Nov-21	26-Nov-23	0.130	666,666
26-Nov-21	26-Nov-24	0.130	666,666
26-Nov-21	26-Nov-25	0.130	666,668
04-May-22	19-Sep-24	0.000	500,000
30-Nov-21	30-Nov-23	0.130	240,000
30-Nov-21	30-Nov-24	0.130	240,000

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

e. Shares issued on exercise of options

The were 2,260,000 ordinary shares of Inventis Limited issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted.

Individual directors and executive's compensation disclosures

The Company paid interest of $825,442 (2021: $703,281), purchased information technology services of $5,362 (2021: $3,103), obtained an additional loan totalling $4,006,947 and repaid $1,415,632 (2021: obtained a loan of $749,276 and repaid $369,055) from / to entities associated with Tony Noun. All transactions entered into had been done on arm's length basis.

The Company paid interest of $Nil (2021: $2,283), obtained an no additional loans or made any repayments during the financial year (2021: obtained a loan of $232,000 and repaid $232,000) from / to entities associated with Anthony Mankarios. All transactions entered into had been done on arm's length basis.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Loans from key management personnel and their related parties

Loan amounts owed to an entity associated with Tony Noun as at the reporting date were $9,279,392 (2021: $6,688,077).

Other key management personnel transactions

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

Movements in shares

The movement during the reporting period in the number of ordinary shares in Inventis Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2021	Holding at the date of appointment	Purchases	Share Consolidation / Other	Held 30 June 2022	Direct Holdings held 30 June 2022
Directors						
Tony Noun	142,333,332	-	-	(135,216,665)	7,116,667	-
Peter Bobbin	42,859,975	-	5,200,020	(45,656,996)	2,402,999	-
Anthony Mankarios	159,614,486	-	1,839,551	(151,633,762)	9,820,275	-
Executives						
Alfred Kobylanski	33,064,994	-	1,935,006	(33,250,000)	1,750,000	150,000

SECTION 1 (continued)

5.6 Remuneration Report - audited (continued)

D. Additional disclosures (continued)

There were no other changes in shares held by key management personnel in the period after the reporting date and prior to the date when the financial report is authorised for issue:

End of audited remuneration report.

SECTION 2:

1. PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were the manufacture and sale of commercial furniture, electronic controllers and computers.

2. FINANCIAL REVIEW

	2022	2021	2020	2019	2018
Net profit / (loss) attributable to equity holders of the parent ($)	276,201	76,794	(292,804)	(1,669,750)	(3,076,614)
Basic earnings / (loss) per share	0.44 c	0.01 c	(0.04) c	(0.24) c	(0.46) c

3. FINANCIAL CONDITION

Capital structure

As at the reporting date the number of shares on issue was 65,023,217 (2021: 1,050,515,107 were on issue and as a result of a 1 for 20 share consolidation split undertaken on 6 August 2021 the number of shares on issue became 62,403,217). At the reporting date the share capital of the Group stood at $37,382,841 (2021: $35,521,545) and net equity stood at $905,451 (2021:net liabilities ($1,354,324)).

SECTION 2 (continued)

3. FINANCIAL CONDITION (continued)

Liquidity and funding

As at the reporting date, cash and cash equivalents on hand of the Group stood at $883,313 (2021: $757,948).

Total current assets stood at $7,130,763 (2021: $6,214,382) and current liabilities stood at $7,065,563 (2021: $6,330,586) making the liquidity ratio 1.01 (2020: 0.99).

The Group has available to it $16.4 million in funding facilities of which $9.3 million has been activated and as at the reporting date, $7.1 million was unused.

Cash flows from operations

In the financial year net cash outflows of the Group from operating activities were ($44,281) (2021: ($710,189)).

Net cash outflows from investing activities during the financial year were $4,617,511 (2021: $39,534) of which $90,665 (2021: $53,258) was used for purchase of plant and equipment.

Net cash inflows from financing activities during the financial year was $4,787,157 (2021: $950,734).

In the financial year there was a net increase in cash and cash equivalents of $125,365 (2021: $201,011).

4. PRINCIPAL BUSINESSES

A commentary on the two operating divisions is set out below:

Technology Division:

The Technology Division's revenue for the year ended 30 June 2022 was $3,362,338 as compared to $2,748,829 for the previous financial year and an increase of 22.3%.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation and excluding shared corporate costs) for the year was $468,264 as compared to $979,310 for the previous financial year.

Normalised EBITDA	***2022***	**2021**
Reportable Segment (Loss) / Profit	(501,373)	435,327
Net Finance Income / (Expense)	(198,076)	6,276
Depreciated and Amortisation	(9,128)	(2,899)
Shared Services reallocation	(762,433)	(547,360)
Normalised Divisonal EBITDA	468,264	979,310

Forecasts for this division provide significant growth over the coming 12 months which is dependent upon the overseas travel restrictions being lifted.

Furniture Division:

The Furniture Division's continuing operations revenue for the year ended 30 June 2022 was $8,184,889 as compared to $7,810,508 for the previous financial year.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation, excluding shared corporate costs) for the year was $1,685,061 as compared to the previous financial year of $1,016,081:

Normalised EBITDA	***2022***	**2021**
Reportable Segment Profit / (Loss)	167,124	(87,083)
Net Finance Income / (Expense)	(130,034)	(175,737)
Depreciation and Amortisation	(165,437)	(157,342)
Shared Services reallocation	(1,222,466)	(770,115)
Normalised Divisonal EBITDA	1,685,061	1,016,111

SECTION 2 (continued)

4. PRINCIPAL BUSINESSES continued

Group Results Commentary:

During the year under review, the Net Profit After Tax result of $276,201 was a continued improvement on last year of $76,794 due to the integration of a new subsidiary that partially offset declines in operations due to the current Covid business environment.

General Operational Review

During the quarter ended 30 June 2022,

- Sales across all Divisions were robust, especially in May and June, which accords with historic trends. Group's Total Gross Network Sales are up 13.1% year on year (YOY). Thus, achieving three consecutive years of double-digit growth despite COVID lockdowns and the significant supply and logistics disruption that arose during and subsequent.
- The acquisition of Electronic Circuit Designs Pty Ltd (ECD) was finalised. ECD has integrated well into the Inventis Group and is showing strong promise to becoming a good contributor to Group revenue in the current financial year.
- Sales revenue for associate Winya climbed as predicted due to larger government contract orders, enabling it to finish 30.3% up on sales YTD for the same period last year. Winya being an associated company (49% owned by IVT) is a strong customer source for the Gregory Commercial Furniture Division.
- Inventis Technology was granted a United States of America patent (application No. 17/124,815) for its Emergency Alert System Hazavoid ™. This patent provides protection to 17 December 2040. With the benefit of this patent, we are now working diligently to secure partnerships in response to US market demand for an emergency alert system.
- Overall, the Technology Division finished the period up 22.3% on last year and has a robust order book of over $2.5m.

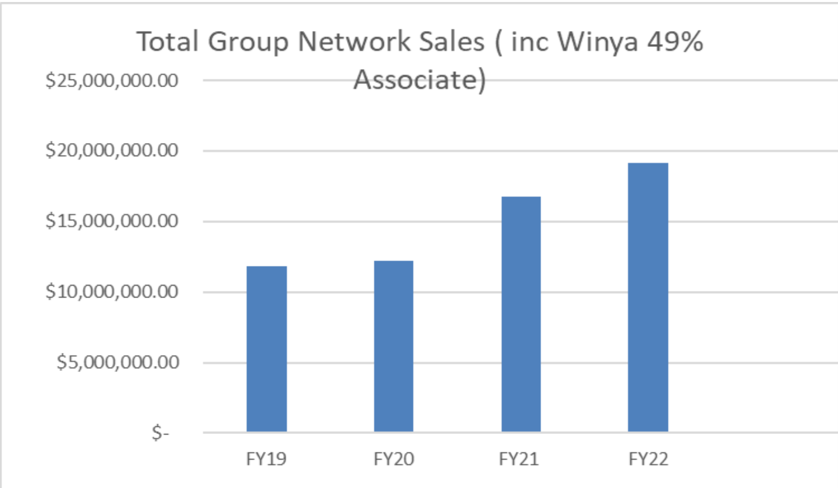
Capital Management

The Group successfully renegotiated a long-term extension to the existing Group finance facilities, which were due to expire in July 2022, and secured new facilities to 1 July 2025, which enabled the acquisition of ECD. We have therefore subsequently allowed for the correct long-term liability accounting treatment in our accounts.

As part of the ECD acquisition, the Group now owns real estate assets in Matraville, NSW, near the Botany shipping terminals.

Trading

- The Group trading companies performed well, despite prolonged periods of Covid uncertainty and world-wide supply chain disruptions.
- Total Group Network Furniture Sales in June were up 9.6% for the month and up 13.1% in total Year to date YOY for the year to 30 June 2022.
- The Company has been able to retain its talent pool, whilst providing new opportunities across the group for the next year and beyond. The current management has a proven track record of sustained sales growth over the last three-year period.



4. PRINCIPAL BUSINESSES continued

General Operational Review: (continued)

Additional orders in first quarter 2023

In June our total Group forward order book (including our 49% associate Winya) stood around $14 million.

The Group has supported a new Winya showroom lease at Margret Steet Brisbane, due to commence 1 September 2022 and plans to negotiate larger showroom space in Sydney in the next 12 months to encompass a growing range of Australian made product. Our Commercial Furniture Division enjoys product showcase in these and other Winya locations.

Despite widely publicised freight and delivery delays due to Covid, our factories have maintained high levels of Delivery In Full and On Time KPI's recording highs of up to 99% & 100% during the last quarter across the manufacturing business. We thank our dedicated Australian manufacturing team for this.

Our Gregory Commercial Furniture Division continues to lead innovation, with technology and Australian design enabling the development of world-first products focussed on the health and wellbeing of the user. Our technology is leading the way in large and small organisations that care about their team members' health with;

- G-Smart (mobile app and Smart Chair Technology)
- Project -W office and work-from-home Chair
- Gregory Acoustic Pod (very new!) which has drawn significant interest and new orders into FY23
- "Firstline" Chair for Australia's personnel in our Armed Forces, Police and Security which has seen encouraging initial Police Departments feedback and support.

The Furniture Division has become a well-integrated Australian operation that provides technologically advanced product, sustainability and environmentally responsible solutions as well as working with Indigenous communities and engaging in socially responsible outlook to growth.

The Technology Division continues the Group innovations and has become an international player with a new base in Montgomery Texas USA. The Technology Division is also currently exploring opportunities in South-East Asia through Manila, Philippines in FY23.

The Group continues to forecast strong double digit growth plans in F23 and F24. The overall Group Pipeline including Winya our 49% associate and ECD our newly acquired business is estimated to be more than 50% growth compared to this time last year.

The Board looks forward to a 2023 financial year of promising opportunity.

Outlook and Post Reporting Date Balance information

The Group announced on the 26th of September 2022 it signed a Head of Agreement to acquire 80% of a profitable long-established manufacturer known as Open Project Group (OPG). This will be subject to a 45-day exclusive Due Diligence Period, board approval and finance.

OPG's Revenue and earnings has grown each year during Covid. It specialises in all aspects of Design, supply and Delivery of Commercial Furniture, Cabinetry, and Industrial Kitchens.

OPG has annual revenues of over $20 million and normalised annual earnings before interest and amortisation (EBITDA) of cira $4 million each year is planned to provide accretive growth in group earnings.

4. PRINCIPAL BUSINESSES continued

General Operational Review: (continued)

The Group plans to engage BDO Queensland to provide an independent Due Diligence accounting report.

The aligned group activity will enhance synergy nationally and provide additional verticals for growth across the Group by utilising the footprint of national showrooms in the Group.

The Company plans to buy 80% of OPG using one of its subsidiaries. It will pay $3.4 million in cash over 24 months and will issue $200,000 worth of Inventis (IVT) shares over this period which will be held in escrow. The funds will be provided for by way of $2.4 Million of Finance and $1 million in cash over 24 months. The Vendor will retain 20% of the Company whilst the Group retains a right to acquire 100% over the next five years.

An additional payment post year 3 of an earn out as part of the acquisition cost is planned to reflect lifts in performance and subject to a lift of a minimum annual turn- over and profit of over 10% each year an appropriate earn out of 8.5% equity will be provided to the vendor. The Company still retains rights to acquire 100%. The vendor Kane Mc Carthy will be retained as Operations Director.

This aligned acquisition will see additional commercial furniture product released into Queensland as part of the Australian made story.

Currently the Group's annual Gross Network Sales is growing in triple digit numbers and with the added $20 million in revenue estimated by this recent acquisition opportunity the Group's Networks sales is estimated to be approaching $50 million in the following 12 months.

The Company has now set up a base in Montgomery Texas in the USA from which it has already received strong support for its US patented product Hazavoid. The Company has clear sales plans and objectives in place for the USA. It is also working on plans for the Philippines ensuring a strong international expansion is underway.

Our Winya 49% associate has entered a new showroom lease at Margaret Street, Brisbane Queensland. This facility is planned to be used to showcase a good cross section of Australian made commercial furniture product into Queensland.

5. REVIEW OF OPERATIONS AND ACTIVITIES

Financial Review

The consolidated results for the financial year ended 30 June 2022 are:

	2022	2021
Sales Continuing Operations	11,547,236	10,559,337
Profit from Continuing Operations after tax	276,201	76,794
Profit after tax for the period	276,201	76,794

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year up to the date of this Report.

7. DIVIDENDS

No dividend has been declared or paid relating to the current year.

8. EVENTS SUBSEQUENT TO REPORTING DATE

Inventis Limited on the 26th September 2022, through a 100% owned subsidiary has entered into a Heads Of Agreement (HOA) to purchase 80% of the Open Projects Group (OPG) with rights to acquire up to 100% in five years. OPG has annual revenues of over $20 million with circa $4M normalised Earnings before Interest depreciation and amortisation.

The acquisition is subject to an exclusive 45-day Due Diligence and final Board and finance approvals.

Apart from the above there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

9. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has agreed to indemnify the current Directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Auditor is not indemnified.

Insurance premiums

Since the end of the previous financial year the Company has paid insurance premiums of $23,634 (2021: $19,300) in respect of Directors' and Officers' liability insurance for current and former Directors and Officers of the Company. The insurance premiums relate to:

- Costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual Officers of the Company.

10. NON-AUDIT SERVICES

The Auditor did not provide any non-audit services during the year.

		Consolidated	
	Note	2022	2021
Audit Services			
Auditors of the Company			
BDO * :			
Audit and review of financial reports		130,000	115,500
Total Auditor's Remuneration		130,000	115,500

Note *Includes accrued audit fees as at 30 June 2022.

11. PROCEEDINGS ON BEHALF OF THE COMPANY

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

12. ROUNDING

The Company is of the kind referred to in the Corporations Instrument 2016/191; issued by the Australian Securities and Investments Commissions relating to "rounding off". Amounts in this report have been rounded off in accordance with the Corporations Instrument 2016/191 to the nearest dollar unless otherwise stated.

13. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 28 and forms part of the Directors' Report for the financial year ended 30 June 2022.

This report is made with a resolution of the Directors:

Dr Tony Noun Chair	Mr Anthony Mankarios Managing Director

Dated at Sydney this 30 September 2022

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF INVENTIS LIMITED

As lead auditor of Inventis Limited for the year ended 30 June 2022, 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 Inventis Limited and the entities it controlled during the period.

Ryan Pollett

Ryan Pollett
Director

BDO Audit Pty Ltd

Sydney

30 September 2022

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022	2021
Continuing operations			
Revenue - Sale of Goods	*7*	11,547,236	10,559,337
Cost of sales		(6,522,434)	(5,499,920)
Gross Profit		5,024,802	5,059,417
Other income	*8*	620,480	1,567,440
Share of profits of associates accounted for using equity method		226,061	89,355
Expenses			
Manufacturing & operations		(1,420,429)	(1,530,747)
Engineering & quality assurance		(584,056)	(403,038)
Administration		(1,997,373)	(2,034,534)
Sales & marketing		(1,697,108)	(1,913,258)
Results from operating activities	*8*	172,377	834,635
Finance income		1,469	46,898
Finance expense		(939,895)	(804,739)
Net finance expense	*9*	(938,426)	(757,841)
(Loss) / Profit before income tax		(766,049)	76,794
Income tax benefit	*10*	1,042,250	-
Profit from continuing operations		276,201	76,794
Profit for the period		276,201	76,794
Other comprehensive income			
Items that are or may be reclassified to the profit or loss			
Foreign currency translation differences for foreign operations - continuing operations		(540)	(69)
Other comprehensive income for the period, net of income tax		(540)	(69)
Total comprehensive income for the period		275,661	76,725
Earnings / (loss) per share			
Basic earnings per share (cents)	*25*	0.44	0.01
Diluted earnings per share (cents)	*25*	0.42	0.01
Continuing operations			
Basic earnings per share (cents)	*25*	0.44	0.01
Diluted earnings per share (cents)	25	0.42	0.01

The notes on pages 34 to 68 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Consolidated	Attributable to equity holders of the Company				
	Share capital	Options Reserve	Foreign Currency Retranslation Reserve	(Accumulated losses)	Total equity
Balance at 1 July 2020	34,515,293	17,982	(1,096,203)	(35,874,373)	(2,437,301)
Total comprehensive income for the period					
Profit for the period	-	-	-	76,794	76,794
Other comprehensive income					
Foreign currency translation differences for foreign operations - continuing operations	-	-	(69)	-	(69)
Total other comprehensive income	-	-	(69)	-	(69)
Total comprehensive loss for the period	-	-	(69)	76,794	76,725
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	985,944	-	-	-	985,944
Shortfall application monies received	24,256	-	-	-	24,256
Share issue cost	(3,948)	-	-	-	(3,948)
Total contributions by and distributions to owners	1,006,252	-	-	-	1,006,252
Total transactions with owners	1,006,252	-	-	-	1,006,252
Balance at 30 June 2021	**35,521,545**	**17,982**	**(1,096,272)**	**(35,797,579)**	**(1,354,324)**

The notes on pages 34 to 68 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Consolidated	Attributable to equity holders of the Company				
	Share capital	Options Reserve	Foreign currency retranslation	(Accumulated losses)	Total equity
Balance at 1 July 2021	35,521,545	17,982	(1,096,272)	(35,797,579)	(1,354,324)
Total comprehensive income for the period					
Profit for the period	-	-	-	276,201	276,201
Other comprehensive income					
Foreign currency translation differences for foreign operations - continuing operations	-	-	(540)	-	(540)
Total other comprehensive income	-	-	(540)	276,201	275,661
Total comprehensive income for the period	-	-	(540)	276,201	275,661
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	1,955,299	-	-	-	1,955,299
Shortfall application monies received	-	-	-	-	-
Share issue cost	(94,003)	-	-	-	(94,003)
Share based payments	-	122,818	-	-	122,818
Total contributions by and distributions to owners	1,861,296	122,818	-	-	1,984,114
Total transactions with owners	1,861,296	122,818	-	-	1,984,114
Balance at 30 June 2022	**37,382,841**	**140,800**	**(1,096,812)**	**(35,521,378)**	**905,451**

The notes on pages 34 to 68 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Consolidated 2022	2021
Current Assets			
Cash and cash equivalents	*11*	883,313	757,948
Trade and other receivables	*12*	2,971,908	3,168,670
Inventories	*13*	3,182,188	2,287,764
Prepayments		-	-
Current tax asset		93,354	-
Total current assets		7,130,763	6,214,382
Non-current assets			
Property, plant and equipment	*17*	3,006,463	152,277
Right of Use Asset	*21*	1,057,111	1,665,173
Investments accounted for using the equity method	*14*	526,245	240,185
Other financial assets	*15*	56,847	67,094
Deferred tax asset	*16*	506,245	-
Intangible assets	*18*	5,145,981	3,395,779
Total non-current assets		10,298,892	5,520,508
Total assets		17,429,655	11,734,890
Current Liabilities			
Trade and other payables	*19*	3,952,752	3,076,697
Interest-bearing liabilities	*20*	936,439	1,093,077
Current lease liabiity	*21*	795,456	751,041
Employee benefits	*22*	1,220,272	944,070
Unearned Income		160,644	463,707
Provision for income tax		-	1,994
Total current liabilities		7,065,563	6,330,586
Non-current liabilities			
Interest-bearing liabilities	*20*	8,436,661	5,595,000
Non current lease liabiity	*21*	476,089	1,103,369
Non interest bearing liability		493,989	-
Employee benefits	*22*	51,902	60,259
Total non-current liabilities		9,458,641	6,758,628
Total liabilities		16,524,204	13,089,214
Net Liabilities		905,451	(1,354,324)
Equity			
Share capital	*23*	37,382,841	35,521,545
Reserves	*23*	(956,012)	(1,078,290)
Accumulated losses		(35,521,378)	(35,797,579)
Total equity		905,451	(1,354,324)

The notes on pages 34 to 68 are an integral part of these consolidated financial statements.

.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022	2021
Cash flows from operating activities			
Receipts from customers		12,752,190	10,541,482
Recipts from government grants	*8*	415,890	1,121,850
Payments to suppliers and employees		(12,290,830)	(11,570,382)
Cash generated from operations		877,250	92,950
Interest received		1,469	1,600
Interest paid		(923,000)	(804,739)
Net cash used in operating activities	*33*	(44,281)	(710,189)
Cash flows from investing activities			
Purchase of fixed assets	*17*	(90,665)	(53,258)
Purchase of investments		(4,526,846)	-
Proceeds from the sale of fixed assets		-	13,724
Net cash (used in) investing activities		(4,617,511)	(39,534)
Cash flows from financing activities			
Proceeds from rights offer		1,859,699	1,010,200
Transactions costs paid		(94,003)	(3,948)
Proceeds from borrowings		5,157,138	638,364
Repayment of borrowings		(1,415,632)	(258,041)
Lease principal payments		(720,045)	(435,841)
Net cash from financing activities		4,787,157	950,734
Net increase in cash and cash equivalents		125,365	201,011
Cash and cash equivalents at 1 July		757,948	556,937
Cash and cash equivalents at 30 June	*11*	883,313	757,948

The notes on pages 34 to 68 are an integral part of these consolidated financial statements.

INDEX TO NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 REPORTING ENTITY

Inventis Limited (the “Company”) is a company domiciled in Australia and incorporated in Australia. The current address of the Company’s registered office is Unit 4, 2 Southridge Street, Eastern Creek NSW 2766. The Financial Statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The Group is a “for profit” entity and a manufacturer of products and services including ergonomic office furniture, electronic control systems and computing products (see Note 6 – Segment Reporting).

NOTE 2 BASIS OF PREPARATION

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act, 2001. The Financial Statements were authorised for issue by the Board of Directors on 30 September 2022.

These consolidated financial statements have been prepared in accordance with and in compliance with IFRS.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets and liabilities which are recognised initially at fair value.

The methods used to measure fair values are discussed further in Note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency and the functional currency of the majority of the Group.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

- Note 16(i) and (ii) – Tax assets and liabilities
- Note 17 – Property, plant, and equipment
    - Land and buildings are shown at fair value based on a valuation by external independent valuers who conducted the valuation and subsequently advised the value is consistent with a Level 2 assessment in terms of AASB 13 Fair Value Measurement. The essential test in determining fair value is whether there is an active and liquid market for the asset. Where a quoted market price in an active and liquid market is available for an asset, that price represents the best evidence of an assets fair value.
- Note 18 – Intangible assets
- Note 20 – Leases, incremental borrowing rate, lease period.

NOTE 2 BASIS OF PREPARATION (CONTINUED)

(e) Going concern

The financial report has been prepared on the going concern basis, which assumes, the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 June 2022 the Group's current assets exceeded its current liabilities by $65,200 (2021: $116,204 net current liabilities).

The Group recorded a profit for the financial year of $276,201 (2021: $76,794).

The Group incurred net cash outflows from operating activities for the full year of $44,281 (2021: $710,189) an improvement of $665,908 from the prior year.

There was no breach of any loan covenants as at 30 June 2022.

Management has prepared detailed budgets and forecasts for the year ending 30 June 2023 which show improving financial results and the Directors anticipate that improved profitability and cash flows will enable the Group to continue as a going concern.

The detailed budgets have considered the continued impact of the Covid environment for the financial year ending 30 June 2022 after which a return to normal business conditions is anticipated for the following financial year.

In addition, the Group will continue to raise additional equity or obtain loan financing as and when required to supplement both operational needs but also to pursue further profitable acquisitions to be incorporated into the Group.

In relation to the Directors' assessment of the ability of the Group to continue as a going concern, and therefore, the basis of preparation of this financial report, the directors have considered the following:

- Management has prepared a forecast that shows that the Group will generate a profit and positive cash flows for the years ending 30 June 2023 and 2024. The Directors have reviewed these forecasts and believe that, based on the continuing improvement in operating results, there will be sufficient cash inflows and facilities available to enable the Group to fund its operations for at least 12 months from the date of authorisation of these financial statements;
- The continued business disruptions due to the Covid during the year ending 2022 will be more than offset from the full year trading particularly as the supply chain becomes more reliable and overseas travel has re-commenced;
- The Group continues to invest in senior sales personnel including ongoing product specific training and as a result the Group has a strong pipeline of sales and has achieved improved sales and gross margin in the current year which is expected to be maintained going forward. The significant local and international supply agreements with both multinational commercial organisations and government entities are valid for up to three years in some instances. These preferred supplier agreements are in both key divisions;
- The Directors are confident that the Group has sufficient facilities in place to meet the Group's requirements for 2023 and that all covenants required to be met to maintain these facilities will be met as they were for the financial year ended 30 June 2022. The Group has the following finance facilities in place as at 30 June 2022:
    - A term loan facility with THN Capital Solutions Pty Limited, a related party of the Group, of $7,125,000, which was drawn to $6,336,661 at balance date. This loan was refinance during the financial year and the term was extended until 1 July 2025. As at balance date there is $788,339 available to be drawn down (limit of the long-term loan is $7,125,000); and
    - A secured mortgage loan facility with THN Property Fund Pty Limited, a related party of the Group, of $2,100,000, which was drawn to $2,100,000 at balance date; and
    - A debtor finance facility of $7,200,000 with THN Capital Solutions Pty Limited, a related party of the Group, which was drawn to $842,731 at balance date. Based upon the Group's Debtors as of 30 June 2022, an amount of $ 762,164 was available to be drawn; and
    - Should the Group require, an additional short-term loan facility is available to confirmed sales order funding for use in the current financial year on any major projects subject to the approval of THN Capital Solutions Pty Limited, a related party of the Group. The short-term facility, which is linked to the invoice finance facility, of $1,500,000 is available to fund specific large projects which assist in the management of free working capital of the Group; and
    - The Directors envisage a raising of capital of $1,500,000 during the financial year 2023.

The Directors have therefore concluded that it is appropriate to prepare the financial report on a going concern basis, as they are confident the Group will be able to pay its debts as and when they become due and payable through positive cash flows from operations and finance facilities.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

i. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Inventis Limited ("Company" or "Parent Entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended. Inventis Limited and its subsidiaries together are referred to in these Financial Statements as the Group or the Consolidated Entity.

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

1. Acquisitions

(a) Business Combination

Business combination occurs where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to the fair value in profit and loss, unless the change in value can be identified as existing at acquisition date.

All transactions costs incurred in relation to the business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit and loss when incurred. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(b) Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the translation reserve in equity.

(c) Financial instruments

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, financial assets at ‘amortised cost’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents, trade receivables, other assets and other financial assets are measured at amortised cost using the effective interest method less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Interest income is recognised on an effective interest rate basis for debt instruments other than those financial assets ‘at fair value through profit or loss’.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

i. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends are recognised as a liability in the period in which they are declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(d) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised through profit or loss.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis, for assets acquired after 2008 and diminishing value prior to 2008, over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation Rates calculated under the straight line method (unless otherwise stated) for the current and comparative periods are as follows:

Leasehold improvements 2.5%	Plant and equipment 9% - 50%
Furniture and fittings 11.25% - 40%	Motor vehicles 22.5%
Leased plant and equipment 20% - 33%	

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets

i. Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs (see note 3(d)(i)). Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. The amortisation period used in the financial statements is 10 years.

iii. Customer relationships, patents and trademarks

Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over their estimated useful lives, which vary from 2 to 6 years.

The amortisation periods used in the Financial Statements are:

Customer relationships 5 years and are fully amortised

Brands, patents and trademarks are not amortised as they have and indefinite useful life

iv. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

v. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

vi. Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(f) Leases

The Group leases a number of assets that include property and equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16 the Group recognises right of use assets and lease liabilities for most of these leases.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

On transition for these leases, the lease liabilities were measured at the present value of the remaining lease payments, discounted at the Groups borrowing rate. The Group did not recognise right of uses assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application or were low value assets. The right of use asset is depreciated on a straight-line basis over the term of the lease.

- Right-of-use assets

  A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

  Right of use assets are depreciated on a straight-line basis over the term of the lease. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

  The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

- Lease liabilities

  A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

  Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(g) Inventories

Raw materials and stores, work in progress and finished goods are measured at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment

i. Impairment of financial assets

Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since recognition in which case the lifetime ECL method is adopted.

Trade and other receivables

The Company has adopted a simplified approach for trade receivables with an amount equal to the full expected credit losses to be recognised. The expected loss rates are based on the Company's movement of balances from one aging category to the next to indicate increase in collection time which is an indicator of the probability of default. These loss rates are then applied to the individual aging categories to calculate an expected credit loss. Refer to Note 12 for further details.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU.

Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due for more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

ii. Long service leave

Liabilities for long service leave are recognised as part of 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 to the reporting date. Consideration is given to expected future salaries and wage levels, experience of employee departures and periods of service.

Expected future payments are discounted using high quality corporate bond rates at reporting date with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee benefits (continued)

iii. Wages and salaries and annual leave

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

iv. Bonus plans

The Group recognises an expense and a liability for bonuses when the entity is contractually obliged to make such payments or where there is past practice that has created a constructive obligation.

v. Executive share option plan

The Group has an Executive Share Option Plan ("ESOP") available to assist in the attraction, retention, and motivation of employees, senior executives, and Executive Directors of the Group. The ESOP is not available to the Non-Executive Directors of the Group. This plan has been approved with effect from 1 July 2021. There were 4,940,000 options issued under the Executive Share Option Plan (ESOP) to date.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(k) Revenue

Sales revenue is recognised on the satisfaction of each performance obligation the consolidated entity has with its customers, and is measured based on an allocation of the contract's transaction price. The consolidated entity's key performance obligation is the delivery of goods to its customers. Revenue from bill and hold sales are recognised on agreement with the customer at the date the items are available for despatch as satisfaction of the key performance obligation. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Key components of the transaction price include the price for the goods, along with stock rotation, rebates, and other similar allowances.

Government grants are recognised as income when it is reasonably certain that the Group complies the conditions attached to them and when the right to receive payment is established. The Group has elected to recognise grant income as other income in the financial statements.

(l) Finance income and finance expenses

Finance income comprises interest income on funds invested and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets, and foreign currency losses that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(m) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income tax (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences when this does not affect either accounting or taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Inventis Limited.

(o) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(q) Segment reporting

The Group comprises the following main business segments:

- Furniture Division. The design, manufacture and sale of a range of commercial furniture, which includes office chairs, tables, lounges, and workstations; and
- Technology Division. The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

A corporate head office function provides the Group with finance, human resources and IT services, however this corporate function does not satisfy the requirements for disclosures as a reportable segment.

Information regarding the operations of each reportable segment is included in Note 6. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Inter-segment pricing is determined on an arm's length basis.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Presentation of financial statements

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 2022.

NOTE 4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

i. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

NOTE 5 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk
- interest rate risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim.

The Group does not require collateral in respect of trade and other receivables.

The Group holds credit risk insurance to limit the exposure to any customer and provide protection against bad debts.

The Group has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

NOTE 5 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

- The Group has the following finance facilities in place at 30 June 2022:
    - A debtor finance facility of $7,200,000 with THN Capital Solutions Pty Limited, a related party of the Group, which was drawn to $842,731 at balance date. Based upon the Group's Debtors as at 30 June 2022, an amount of $762,164 was available to be drawn; and
    - A term loan facility with THN Capital Solutions Pty Limited, a related party of the Group, of $9,225,000, which was drawn to $8,436,661 at balance date.

The Group also has access to both short term and long loan funding from a related party (refer Note 25(ii)).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group does not have a significant exposure to equity price risk.

The Group does not enter into derivatives. All market risk transactions are carried out within guidelines set by the Board.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian dollar (AUD) and US dollar (USD). The currencies in which these transactions primarily are denominated are AUD.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's Technology Division both purchases and sells internationally in USD. International sales and purchases are operated through USD bank accounts. This provides a limited natural hedge against foreign exchange risk.

Interest rate risk

The Group's fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in short-term receivables and payables are not exposed to interest rate risk.

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the result from operating activities divided by total shareholders' equity.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor the Group are subject to externally imposed capital requirements.

NOTE 6 SEGMENT REPORTING

The Group comprises the following main business segments:

- Furniture Division. The design, manufacture and sale of a range of commercial furniture, which includes office chairs, tables, lounges, and workstations; and
- Technology Division. The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

A corporate head office function provides the Group with finance, human resources and IT services; however, this corporate function does not satisfy the requirements for disclosure as a reportable segment. This is consistent with the component information provided to the General Manager and Board, who are the chief operating decision makers in relation to decisions about resources allocated to each segment and its performance.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments is as follows:

	Furniture Division		Technology Division		Segment Total		Other		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	8,404,661	7,963,383	3,362,338	2,748,829	11,766,999	10,712,212	-	-	11,766,999	10,712,212
Inter-segment revenue	(219,763)	(152,875)	-	-	(219,763)	(152,875)	-	-	(219,763)	(152,875)
Total external revenue	8,184,898	7,810,508	3,362,338	2,748,829	11,547,236	10,559,337	-	-	11,547,236	10,559,337
Earnings before shared services	**1,685,061**	**1,016,081**	**468,264**	**979,310**	**2,153,325**	**1,995,391**	**(1,302,594)**	**(459,619)**	**850,731**	**1,535,772**
Share services cost allocations	(1,222,466)	(770,115)	(762,433)	(547,360)	(1,984,899)	(1,317,475)	1,984,899	1,317,475	-	-
EBITDA	462,595	245,966	(294,169)	431,950	168,426	677,916	682,305	857,856	850,731	1,535,772
Interest revenue	1,375	1,461	48	93	1,423	1,554	45	46	1,468	1,600
Net foreign exchange (loss) / profit	(5,706)	4,650	(11,190)	40,649	(16,896)	45,299	-	-	(16,896)	45,299
Dividends received	-	-	-	-	-	-	-	-	-	-
Interest expense	(125,703)	(181,818)	(186,934)	(34,466)	(312,637)	(216,284)	(610,363)	(588,455)	(923,000)	(804,739)
Depreciation	(161,818)	(153,635)	(7,868)	(1,639)	(169,686)	(155,274)	(503,787)	(540,896)	(673,473)	(696,170)
Amortisation	(3,619)	(3,707)	(1,260)	(1,260)	(4,879)	(4,967)	-	-	(4,879)	(4,967)
Reportable segment profit / (loss) before income tax (EBT)	167,124	(87,083)	(501,373)	435,327	(334,249)	348,244	(431,800)	(271,450)	(766,049)	76,794
Other material non-cash items:										
Capital expenditure	(24,830)	(9,793)	(2,139,729)	(13,301)	(2,164,559)	(23,094)	(26,106)	(30,164)	(2,190,665)	(53,258)
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
Reportable segment assets	14,912,362	15,189,342	16,403,169	9,705,120	31,315,531	24,894,462	-	-	31,315,531	24,894,462
Reportable segment liabilities	(5,118,720)	(5,205,532)	(5,957,518)	(673,423)	(11,076,238)	(5,878,955)	-	-	(11,076,238)	(5,878,955)

NOTE 6 SEGMENT REPORTING (continued)

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

	2022	2021
Revenues		
Total revenue for reportable segments	11,766,999	10,712,212
Elimination of inter-segment revenue	(219,763)	(152,875)
Consolidated revenue from continuing operations	11,547,236	10,559,337
Profit or loss		
Total (loss) / profit for reportable segments	(334,249)	348,244
Shared services payroll	86,001	105,907
Shared services facilities	48,564	143,300
Share services corporate and unallocated amounts	(566,365)	(520,657)
Consolidated (loss) / profit before income tax from continuing operations	(766,049)	76,794
Assets		
Total assets for reportable segments	31,315,531	24,894,462
Cash and cash equivalents held in shared services	372,138	730,367
Shared services fixed assets	33,278	10,866
Shared services lease assets	922,263	1,390,740
Shared services intangible assets	3,010,716	1,607,423
Eliminations and other shared service assets	(18,224,271)	(16,898,968)
Consolidated total assets	17,429,655	11,734,890
Liabilities		
Total liabilities for reportable segments	(11,076,238)	(5,878,955)
Interest bearing liabilities held in shared services	(4,836,661)	(5,595,000)
Share services leased liabilities	(1,156,605)	(1,558,553)
Eliminations and other shared service liabilities	545,300	(56,706)
Consolidated total liabilities	(16,524,204)	(13,089,214)

Geographical segments

The Group predominantly operates in one geographical area (Australia).

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	2022		2021	
	Revenues	Non-current assets	Revenues	Non-current assets
Australia	11,547,236	10,298,892	10,559,337	5,520,508

NOTE 7 REVENUE FROM CONTRACTS WITH CUSTOMERS

i. Revenue recognition

Sales revenue is recognised on the satisfaction of each performance obligation the consolidated entity has with its customers, and is measured based on an allocation of the contract's transaction price. The consolidated entity's key performance obligation is the delivery of goods to its customers. Revenue from bill and hold sales are recognised on agreement with the customer at the date the items are available for despatch as satisfaction of the key performance obligation. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Key components of the transaction price include the price for the goods, along with stock rotation, rebates, and other similar allowances.

	Consolidated	
	2022	2021
Revenue from the sale of goods	11,547,236	10,559,337

ii. Disaggregation of revenue

Revenue is disaggregated by the product as this depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. See further detail on revenue by product within Note 6.

NOTE 8 OTHER INCOME & EXPENSES

(i) Other Income

	Consolidated	
	2022	2021
Government Job Keeper Grant	382,890	894,832
Government Business Grant	33,000	-
Government Cash Boost Grant	-	398,205
R & D incentive	-	156,744
License fees	6,000	6,000
Other net (expenses) / income	198,590	111,659
	620,480	1,567,440

(ii) Personnel expenses

	Consolidated	
	2022	2021
Wages and salaries	3,747,498	3,779,335
Other associated personnel expenses	593,995	570,916
Contributions to defined contribution plans	373,658	355,579
Increase in liability for annual leave	145,492	27,141
Increase in liability for long service leave	150,686	43,044
	5,011,329	4,776,015

(iii) Profit / (loss) from continuing operations includes the following specific expenses

	Consolidated	
	2022	2021
Depreciation fixed assets	23,031	48,494
Depreciation ROU	650,443	647,676
Amortisation	4,879	49,670
Research & development	368,612	403,038
Net rental expenses on operating leases	78,739	82,504

NOTE 9 FINANCE INCOME AND FINANCE EXPENSES RECOGNISED IN PROFIT OR LOSS

	Consolidated	
	2022	2021
Interest income on bank deposits	1,469	1,600
Net foreign exchange gain	-	45,298
Finance income	1,469	46,898
Interest expense on financial liabilities measured at amortised cost	(923,000)	(804,739)
Net foreign exchange loss	(16,895)	-
Finance expense	(939,895)	(804,739)
Net finance income / (expense)	(938,426)	(757,841)

Interest income

Interest income is recognised on a time proportionate basis that takes into account by applying the effective interest rate.

NOTE 10 INCOME TAX BENEFIT / EXPENSE

	Consolidated	
	2022	2021
Current tax benefit		
Current period	-	-
Deferred tax benefit / (expense)		
Origination and reversal of temporary differences	-	-
Temporary differences recognised / (not recognised)	1,042,250	-
Income tax benefit	1,042,250	-

Numerical reconciliation between tax (benefit)/expense and pre-tax net (loss)/profit

	2022	2021
Total income tax expense		
Profit / (loss) from continuing operations excluding income tax	(766,049)	76,794
Income tax using the Company's domestic tax rate of 25.0% (2021:26.0%)	(191,512)	19,966
Timing differences recognised	691,512	57,923
Tax loss recognised	542,250	-
Temporary differences recognised / (not recognised)	-	(77,889)
Tax (benefit) expense	1,042,250	-

NOTE 11 CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
Bank balances	883,313	757,948
Cash and cash equivalents in the statement of cash flows	883,313	757,948

The Group’s exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26.

NOTE 12 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2022	2021
Current		
Trade receivables	2,513,181	2,866,474
Provision for expected credit losses	(17,631)	(17,631)
Other receivables	476,358	319,827
	2,971,908	3,168,670

Bad and Doubtful Trade Receivables

The Group maintains trade receivables insurance which has an excess of $15,000 per claim and the allowance for the expected credit loss is discussed at Note 24 which includes specific impairment provisions for bad and doubtful debt.

Other Receivables

Other receivables amount primarily comprise GST recoverable and certain balances generally arising from transactions outside the usual operating activities of the Group. Interest and /or security are not normally obtained.

Effective interest rates and credit risk

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 26.

Other receivables

Receivables denominated in currencies other than the functional currency comprise $1,825 of trade and other receivables denominated in US Dollars (2021: $nil).

The Group's trade and other receivables at year end assessed under impairment requirements which use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted. As part of this impairment review Covid had been considered but to date there has not been any. material impact on collectability.

As at 30 June 2022 current trade receivables of the Group with a nominal nil value (2021: Nil) were fully impaired.

NOTE 13 INVENTORIES

	Consolidated	
	2022	2021
Raw materials and consumables	2,497,049	1,543,789
Work in progress	483,069	554,487
Finished goods	199,312	187,597
Stock in transit	2,758	1,894
	3,182,188	2,287,767

During the financial year inventory vales were impact by the inclusion of $377,282 stock held at Electronic Circuit Designs Pty Ltd which was acquired on 31 March 2022.

There was a decrease in the provision of $155,590 in the provision for impairment to $50,380 (2021: $205,970) recognised in relation to certain obsolete inventories and is included in the amount shown for raw materials and consumables.

NOTE 14 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

	Ownership Interest	
	2022	2021
Name		
Winya Indigenous Office Furniture Pty Ltd	49%	49%

Summarised Financial Information	Winya Indigenous Office Furniture 2022	2021
Summarised Statement of Financial Position		
Current Assets	6,374,491	3,319,617
Non current Assets	757,914	479,716
Total Assets	7,132,405	3,799,333
Current Liabilities	6,062,609	3,351,478
Non Current Liabilities	428,813	268,211
Total Liabilities	6,491,422	3,619,689
Net Assets	640,983	179,644
Summarised Statement of Profit and Loss and Other Comprehensive Income		
Revenue	9,129,242	7,004,335
Other income	166,456	148,186
Expenses	8,674,788	7,023,446
Profit before income Tax	620,910	129,075
Income Tax expense	(159,561)	36,797
Profit after income tax	461,349	165,872
Other comprehensive income	-	-
Total comprehensive income	461,349	165,872
Reconciliation of the consolidated entitles carrying amount		
Opening Carrying amount	240,185	98,908
Share of profit after income tax	226,061	81,277
Acquisition tranche payment	60,000	60,000
Closing Carrying amount	526,245	240,185

NOTE 15 OTHER FINANCIAL ASSETS

	Consolidated	
	2022	2021
Non-current		
Rental deposits	52,901	62,424
Other investments	3,946	4,670
	56,847	67,094

NOTE 16 TAX ASSETS AND LIABILITIES

i. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in in the statement of financial position for the following items:

	2022	2021
Unused tax losses	10,869,420	14,100,118
Deductible temporary differences	-	2,018,808
	10,869,420	16,118,926
Potential benefit at 25.0% (2021: 26%)	2,717,355	4,190,921

The deductible tax losses and temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

ii. Recognised deferred tax assets and liabilities

Amounts recognised in profit and loss:		
Provision for Debtors impairment	4,408	-
Provision for Obsolete Stock	12,595	-
Accruals	134,145	-
Other Provisions	110,003	-
Annual leave	92,279	-
Long Service leave current	116,339	-
Long Service leave non-current	12,976	-
Amounts recognised in equity:		
Transaction costs on share issue	23,501	-
DTA recognised in relation to tax losses	542,500	
DTL recognised due to business combination	(542,500)	
Deferred Tax Assets	506,245	-
Movements		
Opening Balance	-	-
Credited to profit or loss	1,042,250	-
Credit and charged to equity	6,495	-
Recognised due to business combinations	(542,500)	-
Net Deferred Tax Asset	506,245	-

NOTE 17 PROPERTY, PLANT AND EQUIPMENT

	2022						2021				
	Land and Buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Total	Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
Balance at 1 July	-	3,102	122,002	15,945	11,228	152,277	18,054	111,944	12,298	12,350	154,646
Additions	0	-	5,493	250	-	5,743	-	25,118	14,349	-	39,467
Additions acquisition	2,650,000	-	171,000	12,600	38,250	2,871,850	-	-	0	-	0
Depreciation for the year	-	(954)	(19,478)	(1,954)	(1,021)	(23,407)	(14,952)	(14,151)	(10,702)	(1,122)	(40,927)
Disposals	-	-	-	-	-	-	-	(909)	-	-	(909)
Balance at 30 June	2,650,000	2,148	279,017	26,841	48,457	3,006,463	3,102	122,002	15,945	11,228	152,277
At 30 June											
Cost	2,650,000	124,144	1,442,768	109,536	84,731	4,411,179	124,144	1,266,275	96,686	46,481	1,533,586
Accumulated depreciation	-	(121,996)	(1,163,751)	(82,695)	(36,274)	(1,404,716)	(121,042)	(1,144,273)	(80,741)	(35,253)	(1,381,309)
Carrying amount	2,650,000	2,148	279,017	26,841	48,457	3,006,463	3,102	122,002	15,945	11,228	152,277
Carrying amounts											
At beginning of financial year	-	3,102	122,002	15,945	11,228	152,277	18,054	111,944	12,298	12,350	154,646
At end of financial year	2,650,000	2,148	279,017	26,841	48,457	3,006,463	3,102	122,002	15,945	11,228	152,277

Note the land and builds were acquired for $1,878,150 as per the share sale agreement and a subsequent independent market valuation was used as support for an asset revaluation of $771,850.

NOTE 18 INTANGIBLE ASSETS

	2022					2021				
	Goodwill	Patents and trademarks	Customer Relationships	Development costs	Total	Goodwill	Patents and trademarks	Customer Relationships	Development costs	Total
Balance at 1 July	3,294,711	55,000	-	46,068	3,395,779	3,294,711	55,000	-	51,035	3,400,746
Additions	-	-	-	56,932	56,932	-	-	-	-	-
Addition on acquisition	1,698,148	-	-	-	1,698,148	-	-	-	-	-
Amortisation for the year (Note 7 (iii)	-	-	-	(4,878)	(4,878)	-	-	-	(4,967)	(4,967)
Balance at 30 June	4,992,859	55,000	-	98,122	5,145,981	3,294,711	55,000	-	46,068	3,395,779
At 30 June										
Cost	5,156,158	1,753,000	1,086,623	1,903,723	9,899,504	3,458,010	1,753,000	1,086,623	1,846,791	8,144,424
Accumulated amortisation and impairment	(163,299)	(1,698,000)	(1,086,623)	(1,805,601)	(4,753,523)	(163,299)	(1,698,000)	(1,086,623)	(1,800,723)	(4,748,645)
Carrying amount	4,992,859	55,000	-	98,122	5,145,981	3,294,711	55,000	-	46,068	3,395,779
Carrying amounts										
At beginning of financial year	3,294,711	55,000	-	46,068	3,395,779	3,294,711	55,000	-	51,035	3,400,746
At end of financial year	4,992,859	55,000	-	98,122	5,145,981	3,294,711	55,000	-	46,068	3,395,779

NOTE 18 INTANGIBLE ASSETS (continued)

Amortisation and impairment charge

The amortisation is allocated as an expense to administration expense.

Any impairment loss is recognised through profit or loss and is allocated to Administration expenses for continuing operations.

Valuation of identifiable intangibles at acquisition (at fair value)

- Customer Relationships – This was valued on a discounted cash flow basis, taking into account future revenues and likely customer turnover. The discount rate was based on a weighted average cost of capital for the Company; and
- Patents and Trademarks – These were also based on a notional royalty basis and were discounted using a weighted average cost of capital for the Company.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments reported in Note 6.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	2022	2021
Gregory Commercial Furniture Pty Limited	2,478,191	2,478,191
Workstations Pty Limited	320,844	320,844
Impart Special Products Pty Limited	495,676	495,676
Electronic Circuit Design Pty Limited	1,698,148	-
	4,992,859	3,294,711

For the following entities, the recoverable amount of the cash generating unit of each business was based on its value in use:-

- Gregory Commercial Furniture Pty Limited ("Furniture")
- Impart Special Products Pty Limited ("Technology")
- Electronic Circuit Design Pty Limited ("Circuit")
- Workstations Pty Limited ("Workstations")

Based on management impairment test conducted as at 30 June 2022 the estimated recoverable amount of the Furniture CGU exceeds it carrying amount by approximately $3,531,627, the Workstations CGU exceeds it carrying amount by approximately $3,923,424, $2,959,121 for Technology CGU and $4,985,341 for Circuit CGU. Management has identified that a reasonably possible change in a key assumption could cause the carrying amount to exceed the recoverable amount.

The sensitivity analyses performed for the CGU's assuming all other factors are consistent that:

- A minimum revenue growth of 9.9% in 2023-2027 is calculated for the Furniture CGU's estimated recoverable amount to be equal to the carrying amount.
- A minimum revenue growth of 6.4% in 2023-2027 is calculated for the Workstations CGU's estimated recoverable amount to be equal to the carrying amount.
- A minimum revenue growth of 14.4% in 2023-2027 is calculated for the Technology CGU's estimated recoverable amount to be equal to the carrying amount.
- A minimum revenue growth of 32.0% in 2023-2027 is calculated for the Circuit CGU's estimated recoverable amount to be equal to the carrying amount.

NOTE 18 INTANGIBLE ASSETS (continued)

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

2022 Value in use assumptions:

Cash flows were projected based on the Management approved forecasts for the financial year ending 30 June 2023 and 30 June 2024, cash flows for further 3-year period to 30 June 2027 were extrapolated using a constant growth rate and a terminal value incorporated.

The Covid environment has been factored into calculations for the financial year ended 2023 thereafter normal trading conditions are anticipated. This is particularly relevant to the Technology Division which has been restrained by the inability to travel interstate overseas to meet clients directly. It is anticipated travel will re-commence in the first half of the financial year 2023 to capitalise on these sales that had been delayed from the current financial year.

Cash Generating Unit ("GCU")	Furniture	Workstations	Technology	Circuit
Revenue growth in approved forecast for year ended 30 June 2023	33.0%	20.5%	93.8%	269.4%
Revenue growth in approved forecasts for year ended 30 June 2024	14.8%	10.0%	3.6%	10.0%
Annual average revenue growth per annum 2025– 2027	5.0%	5.0%	7.7%	5.0%
Inflation per annum	3.0%	3.0%	3.0%	3.0%
Cost growth per annum 2023 -2027	9.9%	6.6%	25.2%	69.1%
Pre-tax discount rate	18.6%	18.6%	18.6%	18.6%

Note that the revenue growth and cost growth percentages for the Circuit CGU are impacted by full year trading being consolidated in the financial year 2023, as the business was acquired 31 March 2022.

2021 Value in use assumptions:

Cash flows were projected based on the Management approved forecasts for the financial year ending 30 June 2022 and 30 June 2023, cash flows for further 3-year period to 30 June 2026 were extrapolated using a constant growth rate and a terminal value incorporated.

The Covid environment has been factored into calculations for the financial year ended 2021 thereafter normal trading conditions are anticipated.

Cash Generating Unit ("CGU")	Furniture	Workstations	Technology
Revenue growth in approved forecast for year ended 30 June 2022	24.6%	0.9%	94.8%
Revenue growth in approved forecasts for year ended 30 June 2023	25.0%	10.0%	25.5%
Annual average revenue growth per annum 2024– 2026	18.3%	8.3%	5.0%
Inflation per annum	3.0%	3.0%	3.0%
Cost growth per annum 2022 -2026	3.0%	3.0%	3.0%
Pre-tax discount rate	18.6%	18.6%	18.6%

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data).

NOTE 19 TRADE AND OTHER PAYABLES

	Consolidated	
	2022	2021
Trade payables	1,654,417	1,275,720
Other trade payables	407,314	150,931
Deferred Consideration	548,877	-
GST Payable	279,178	306,501
PAYG Payable	525,940	847,330
Non-trade payables and accrued expenses	537,026	496,215
	3,952,752	3,076,697

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 26.

NOTE 20 INTEREST BEARING LIABILITIES

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 24.

	Consolidated 2022	2021
Current liabilities		
Debtors finance facility	842,731	735,784
Purchase order funding	93,708	357,293
Total current Liabilities	936,439	1,093,077
Non-current liabilities		
Loan from related party (Note 25(ii))	8,436,661	5,595,000
Totalnon-current Liabilities	8,436,661	5,595,000
Total interest bearing liabilities	9,373,100	6,688,077

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Currency	Interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Debtors financing facility	AUD	8.40% -11.75%	2023	842,731	842,731	735,784	735,784
Purchase order funding	AUD	9.30%	2023	93,708	93,708	357,293	357,293
Interest bearing long term debt	AUD	7.75%-10.00%	2025	8,436,661	8,436,661	5,595,000	5,595,000

The loans for both the current and the comparative period were secured by a mortgage over the Group's assets.

NOTE 21 LEASE LIABILITY

	Consolidated 2022	2021
Lease liability - Current	795,456	751,041
Lease liability - Non-current	476,089	1,103,369
	1,271,545	1,854,410

	Consolidated *2022*	Consolidated *2021*
Reconciliation of Right of Use Assets		
Right of use assets recognised opening balance	1,665,173	588,040
Right of use assets recognised for the period	34,820	1,674,943
Amortisation expense	(642,882)	(597,810)
Balance as at 30 June	1,057,111	1,665,173
Reconciliation of Lease Liability		
Lease liability recognised opnening balance	(1,854,410)	(653,140)
Additonal Lease liability recognised for the period	(89,222)	(1,674,944)
Interest expense and cash payments	672,087	473,674
Balance as at 30 June	(1,271,545)	(1,854,410)

NOTE 22 EMPLOYEE BENEFITS

	Consolidated 2022	2021
Current		
Liability for annual leave	369,117	223,625
Liability for long service leave	465,357	306,314
Other employee benefits	385,798	414,131
Total employee benefits - current	1,220,272	944,070
Non-current		
Liability for long service leave	51,902	60,259
Total employee benefits - non-current	51,902	60,259

NOTE 23 CAPITAL AND RESERVES

Share capital
Equity Share Capital

	Ordinary shares 2022	2021
On issue at 1 July	1,050,515,107	936,865,819
Share Consolidation 6 August 2021	(997,989,419)	-
Issued for cash	12,497,529	113,649,288
Reclassification - converted to ordinary shares	-	-
On issue at 30 June	65,023,217	1,050,515,107

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. On the 6 August 2021 the company completed a 1 for 20 share consolidation.

Ordinary shares

The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Dividends

The following dividends were declared and paid by the Company for the year.

in AUD Dollars	2022	2021
0.0 cents per non-redeemable preference share (2021: 0.0 cents)	-	-
	-	-

In AUD Dollars	2022	2021
Dividend franking account		
Amount of franking credits available to shareholders of Inventis Ltd for subsequent financial years	1,539,339	1,539,339

Dividend franking account

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has also assumed the benefit of $1,539,339 (2021: $1,1539,339) franking credits.

The 30 per cent franking credits are available to shareholders of Inventis Limited for subsequent financial years.

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and

(d) Franking credits that the entity may be prevented from distributing in subsequent years.

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, convertible preference shares and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 24 SHARE BASED PAYMENTS

During the financial year ended 30 June 2022], 4,940,00 shares were issued to key management personnel at average issue price of $0.14 per share and a total transactional value of $443,600

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

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

Grant Date	Expiry Date	Exercise Price	Balance at the Start of the Year	Granted	Exercised	Expired/ Forfeited / Other	Balance at End of the Year
1/07/21	1/07/24	0	-	580,000	-	-	580,000
26/07/21	26/07/24	0.06	-	1,760,000	1,760,000		-
26/11/21	26/11/25	0.13	-	2,000,000	-	-	2,000,000
30/11/21	30/11/25	0.13	-	600,000	-	-	600,000
Weighted Average Exercise Price				0.09	0.06	0.00	0.11

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.7 years.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Risk Free Interest Rate	Fair Value at Grant date
1/07/21	1/07/24	0.180	0.000	100.0%	7.8%	0.0257
26/07/21	26/07/24	0.140	0.060	N/A	N/A	0.0800
26/11/21	26/11/25	0.140	0.130	68.4%	8.9%	0.055 to 0.075
30/11/21	30/11/25	0.135	0.130	68.4%	8.3%	0.036 to 0.064

NOTE 25 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2022 was based on the profit / (loss) attributable to ordinary shareholders of $276,201 (2021: $76,794) and a weighted average number of ordinary shares outstanding of 62,537,332 (2021: 948,008,801). The calculation of basic earnings per share for continuing operations at 30 June 2022 was based on the profit attributable to ordinary shareholders for continuing operations of $276,201 (2021: $76,794) and the same weighted average number of shares.

Weighted average number of ordinary shares

	2022	2021
Issued ordinary shares at beginning of the period	1,050,515,107	936,865,819
Weighted average number of ordinary shares at the end of the period	62,537,332	948,008,801

Diluted earnings per share

The calculation of diluted earnings / (loss) per share at 30 June 2022 was based on the earnings attributable to ordinary shareholders of $276,201 (2021: $76,794) and a weighted average number of ordinary shares outstanding of 65,163,085 (2021: 972,666,336). The calculation of diluted earnings per share for continuing operations at 30 June 2022 was based on the earnings attributable to ordinary shareholders for continuing operations of $276,201 (2021: $76,794) and the same weighted average number of shares.

Profit attributable to ordinary shareholders (diluted)

	Consolidated	
	2022	2021
Net profit from continuing operations attributable to ordinary shareholders (basic)	276,201	76,794
Net profit from continuing operations attributable to ordinary shareholders (diluted)	276,201	76,794

Weighted average number of ordinary shares (diluted)

	Consolidated	
	2022	2021
Weighted average number of ordinary shares (basic)	62,537,332	948,008,801
Weighted average number of ordinary shares (diluted) at 30 June	65,163,085	972,666,336

There were no options outstanding which have a dilutionary effect on the weighted average number of ordinary shares.

NOTE 26 FINANCIAL INSTRUMENTS

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:

		Consolidated	
	Note	2022	2021
Cash and cash equivalents	*11*	883,313	757,948
Trade and other receivables	*12*	2,513,181	2,866,474
		3,396,494	3,624,422

The Group's maximum exposure to credit risk for trade receivables at the reporting date by geographical region was:

		Consolidated	
	Note	2022	2021
Australia		2,510,646	2,866,474
USA		2,535	-
	12	2,513,181	2,866,474

The Group's maximum exposure to credit risk for trade receivables at the reporting date by customer type was:

	Note	2022	2021
End user customer		2,193,536	2,136,208
Distributors		140,465	195,696
Government		179,180	534,570
	12	2,513,181	2,866,474

Impairment Losses

The Group's receivable ageing at the reporting date was as follows:

Consolidated	Gross 2022	Impairment 2022	Gross 2021	Impairment 2021
Current	1,783,615	-	2,231,652	-
Past due 30 days	508,286	-	415,972	-
Past due 60 days	43,460	-	93,890	-
Past due 90 days and over	177,820	17,631	124,960	17,631
	2,513,181	17,631	2,866,474	17,631

The movement in the allowance for impairment in respect of trade receivables in the consolidated group during the year was as follows:

		Consolidated	
	Note	2021	2021
Balance 1 July		17,631	19,009
Impairment (reversal) / loss recognised		0	(1,378)
Balance at 30 June		17,631	17,631

The Group has adopted a simplified approach for the impairment of trade receivables based upon the adoption of AASB 9 with an amount equal to the full expected credit losses to be recognised. The expected loss rates are based on the Company's movement of balances from one aging category to the next to indicate increase in collection time which is an indicator of the probability of default. These loss rates are then applied to the individual aging categories to calculate an expected credit loss as at 30 June 2022.

However, the Group maintained an impairment loss provision of $17,631 (2021: $17,631) that had been determined after specific review of all outstanding amounts greater than 90 days taking into account any likely debtors insurance claims.

The Group believes that no further impairment allowance is necessary in respect of trade receivables than that already identified and provided for.

NOTE 26 FINANCIAL INSTRUMENTS (continued)

Currency risk
Exposure to currency risk
The Group's exposure to foreign currency risk at reporting date was as follows, based upon notional amounts:

	Note	Consolidated NZD	EUR	USD
30 June 2022				
Trade receivables		-	-	42,015
Trade payables		(20,973)	-	(30,935)
Net exposure		(20,973)	-	11,080
Estimated forecast sales		5,625	-	362,715
Estimated forecast purchases		-	(289,759)	(5,186,825)
Gross Exposure		(15,348)	(289,759)	(4,813,030)
30 June 2021				
Trade receivables		-	-	-
Trade payables		(20,323)	-	(19,306)
Net exposure		(20,323)	-	(19,306)
Estimated forecast sales		1,847,437	-	231,300
Estimated forecast purchases		-	-	(1,547,470)
Gross Exposure		1,827,114	-	(1,335,476)

The following rates applied during the year:

	Average rate 2022	2021	Reporting date spot rate 2022	2021
NZD 1.00 = AUD	0.9374	0.9307	0.9019	0.9302
USD 1.00 = AUD	1.3785	1.2092	1.4516	1.2148

Sensitivity Analysis

Consolidated	30-Jun-21 Equity	Profit or loss	30-Jun-21 Equity	Profit or loss
NZD	(767,056)	(1,787)	(791,542)	(1,719)
EURO	-	-	-	-
USD	-	1,389	-	(2,352)
Total	**(767,056)**	**(398)**	**(791,542)**	**(4,071)**

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Note	Consolidated Carrying Amount 2022	2021
Fixed rate instruments			
Financial assets			
Cash and cash equivalents	*11*	6,332	6,329
Financial liabilities			
Secured Loan	*20*	(8,436,661)	(5,595,000)
Total fixed rate instruments		(8,430,329)	(5,588,671)
Variable rate instruments			
Financial assets			
Cash and cash equivalents	*11*	876,981	751,619
Financial liabilities			
Debtors financing facility	*20*	(842,731)	(735,784)
Purchase order finance	*20*	(93,708)	(357,293)
Total variable rate instruments		(59,458)	(341,458)

NOTE 26 FINANCIAL INSTRUMENTS (continued)

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points on the interest rates charged would have increased / (decreased) the profit or loss by the amounts shown below which is also the net cash flow effect. The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Note	Increase 100bp $	Decrease 100bp $
30 June 2022			
Variable rate instruments		(9,364)	9,364
30 June 2021			
Variable rate instruments		(10,931)	10,931

Effective interest rates and repricing analysis

In respect of interest-bearing financial liabilities, the following tables indicate their average effective interest rates at the reporting date and the periods in which they mature or, if earlier, re-priced.

Consolidated	2022							2021						
	Average interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Average interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Variable rate														
Debtors financing facility	8.40% - 11.75%	842,731	842,731	-	-	-	-	40% - 11.75	735,784	735,784	-	-	-	-
Purchase order facility	9.30%	93,708	93,708	-	-	-	-	9.30%	357,293	357,293	-	-	-	-
Lease Liabilities	4.63%	1,271,545	381,749	375,567	504,884	9,345	-	4.63%	1,854,410	294,056	392,685	1,167,669	-	-
Loan from related party	7.75%	8,436,661	-	-	-	8,436,661	-	7.75%	5,595,000	-	-	5,595,000	-	-
Carrying amount		10,644,645	1,318,188	375,567	504,884	8,446,006	-		8,542,487	1,387,133	392,685	6,762,669	-	-

h

NOTE 26 FINANCIAL INSTRUMENTS (continued)

Effective interest rates and repricing analysis (continued)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	2,971,908	2,971,908	3,168,670	3,168,670
Cash and cash equivalents	883,313	883,313	757,948	757,948
Trade and other payables	(3,952,752)	(3,952,752)	(3,076,697)	(3,076,697)
Unearned revenue	(160,644)	(160,644)	(463,707)	(463,707)
Debtors financing facility related party	(842,731)	(842,731)	(735,784)	(735,784)
Purchase order funding	(93,708)	(93,708)	(357,293)	(357,293)
Lease liabilities	(1,271,545)	(1,271,545)	(1,854,410)	(1,854,410)
Related Party Loan	(8,436,661)	(8,436,661)	(5,595,000)	(5,595,000)

NOTE 27 RELATED PARTIES

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see Note 8 (i)) is as follows:

	Note	Consolidated 2022	Consolidated 2021
Short term employee benefits		377,702	377,562
Post-employment benefits		27,760	23,850
Share options expense		185,372	-
		590,834	401,412

i. Transactions with Key Management Personnel

The Company paid interest of $825,442 (2021: $703,281), purchased information technology services of $5,362 (2021: $3,103), obtained an additional loan totalling $4,006,947 and repaid $1,415,632 (2021: obtained a loan of $749,276 and repaid $369,055) from / to entities associated with Tony Noun. All transactions entered into had been done on arm's length basis.

The Company paid interest of $Nil (2021: $2,283), obtained an additional loan totalling $Nil and repaid $Nil (2021: obtained a loan of $232,000 and repaid $232,000) from / to entities associated with Anthony Mankarios. All transactions entered into had been done on arm's length basis.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

ii. Loans from key management personnel and their related parties

Loan amounts owed to an entity associated with Tony Noun as at the reporting date were $9,279,392 (2021: $6,688,077).

iii. Other key management personnel transactions -

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered by other Group employees or customers and are trivial or domestic in nature.

NOTE 28 ACQUISITION OF SUBSIDIARY AND ASSOCIATE

On the 31 March 2022 the Group member Inventis Technology Pty Limited acquired all the of the shares in Electronic Circuit Designs Pty Ltd for a total consideration amount of $5,610,934. The company manufactures, supplies and repairs electronic circuits primarily for mechanical lifts and escalators of major lift manufacturers and maintenance service providers.

Due to the timing of the acquisition, the accounting for the acquisition has been provisionally determined in accordance with AASB 3 Business Combinations'

The acquired business contributed revenues of $626,897 and profit after tax of $158,587 to the consolidated entity for the three-month period from 1 April 2022 to 30 June 2022. If the acquisition occurred on 1 July 2021 the full-year contributions would have been revenues of $2,333,645 and a profit after tax of $398,835.

The acquisition of Electronic Circuit Designs Pty Ltd had the following effect on the Group's assets and liabilities on acquisition date:

	Recognised *on Acquistion*
Cash and cash equivalents	1,187,004
Trade and other receivables	297,097
Inventories	340,783
Property, Plant & Equipment	2,871,850
Right of use asset	13,182
Other financial assets	69,426
Trade and other payables	(115,695)
Interest-bearing liabilities / leases	(13,444)
Employee benefits	(195,635)
Deferred Tax liability	(542,500)
Net identifiable assets and Liabilities	3,912,067
Goodwill on Acquisition	1,698,148
Consideration Payable (tranche payments due per sale agreement)	1,002,070
Consideration paid	4,608,145

NOTE 29 GROUP ENTITIES

Significant subsidiaries

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

Parent Entity	Significant Subsidiaries	Country of Entity	% Interest 2022	% Interest 2021
Inventis Limited	Gregory Commercial Furniture Pty Limited	Australia	100	100
	Inventis Technology Pty Limited	Australia	100	100
	Opentec Solutions Pty Limited	Australia	100	100
	Inventis HR Services Pty Limited	Australia	100	100
	Inventis Properties Pty Limited	Australia	100	100
	Vibe Furniture Pty Limited	Australia	100	100
Vibe Furniture Pty Limited	Bassett Furniture Pty Limited	Australia	100	100
	Workstations Pty Limited	Australia	100	100
	Winya Indigenous Office Furniture Pty Limited *	Australia	49	49
Inventis Technology Pty Limited	Electronic Circuit Designs Pty Limited	Australia	100	-

The proportion of ownership interest is equal to the proportion of voting power held.

* Equity accounted as an associate as the Group has significant influence.

NOTE 30 PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2022 the parent company of the Group was Inventis Limited.

	Company	
	2022	2021
Results of the parent entity		
Profit / (loss) for the period	475,883	(520,657)
Other Comprehensive income	-	-
Totat comprehensive profit / (loss) for the period	475,883	(520,657)
Financial position of parent entity at year end		
Current assets	10,106,787	9,462,898
Total assets	12,109,710	10,363,571
Current liabilities	(686,422)	(476,943)
Total liabilities	(5,523,084)	(6,239,943)
Total equity of the parent entity comprising of:		
Share Capital	46,466,072	44,481,957
Accumulated losses	(39,879,446)	(40,355,329)
Total equity	6,586,626	4,126,628

NOTE 31 SUBSEQUENT EVENTS

Inventis Limited on the 26th September 2022, through a 100% owned subsidiary has entered into a Heads Of Agreement (HOA) to purchase 80% of the Open Projects Group (OPG) with rights to acquire up to 100% in five years. OPG has annual revenues of over $20 million with circa $4M normalised Earnings before Interest depreciation and amortisation.

The acquisition is subject to an exclusive 45-day Due Diligence and final Board and finance approvals.

Apart from the above there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

NOTE 32 AUDITOR'S REMUNERATION

	Note	Consolidated 2022	2021
Audit Services			
Auditors of the Company			
BDO Audit Pty Ltd			
Audit and review of financial reports		130,000	115,500
		130,000	115,500
Other services		-	-
Total Auditor's Remuneration		130,000	115,500

Note * Reflects accrued audit fees as at 30 June 2022

NOTE 33 RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated 2022	2021
Cash flow from operating activities		
Profit after tax	276,201	76,794
Adjustment for non-cash items:		
Depreciation / amortisation of ROU	673,474	696,170
Amortisation of intangible assets	4,879	4,967
Unrealised foreign exchange (loss) / gains	(16,895)	7,524
Share of profits of associates accounted for using equity method	(226,061)	(89,355)
Operating profit before changes in working capital	711,598	696,100
Decrease / (increase) in trade and other receivables	196,762	(704,371)
Decrease in prepayments	-	15,496
Increase in inventories	(894,424)	(326,227)
Decrease in trade and other payables	(277,123)	(557,851)
Increase in employee benefits	267,845	166,664
Increase in lease liabilities	44,415	-
Income tax paid	(93,354)	-
Net cash outflow from operating activities	(44,281)	(710,189)

DIRECTORS' DECLARATION

1. In the opinion of the directors of Inventis Limited ('the Company'):

   a. the financial statements and notes set out on pages 29 to 68 and the Remuneration report in section 5.4 of the Directors' report, are in accordance with the Corporations Act 2001, including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date; and

      ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2022.

3. The directors draw attention to note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dr Tony Noun Chair	Mr Anthony Mankarios Managing Director

Dated at Sydney this 30 September 2022

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Inventis Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Inventis Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

BDO

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Goodwill

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 18 of the financial report Goodwill amounted to $4,992,859 at 30 June 2022. This was determined to be a key audit matter as the determination of the "Value in Use" of each cash generating unit (CGU) and whether or not an impairment charge is necessary, involved judgements by management about the future growth rates of the business in each CGU, discount rates applied to future cash flow forecasts for each CGU and sensitivities of inputs and assumptions used in the cash flow models. Furthermore, the goodwill balance is material.	Our audit procedures included, amongst others: • Evaluating and challenging the assumptions used in the discounted cash flow analysis, in particular the key assumptions regarding revenue growth, gross margin, expenses and discount rates; • Applying a sensitivity analysis on the Group's discounted cash flow models for each cash generating unit to assess whether changes in the assumptions made would result in impairment; • Assessing the historical accuracy of management's forecasts in the context of the value in use model; and • Evaluating the adequacy of the disclosures in Note 18 pertaining to those assumptions to which the outcomes of the impairment test are most sensitive, that is, those that will have the most significant effect on the determination of the recoverable amount.

Going Concern

Key audit matter	*How the matter was addressed in our audit*
As at 30 June 2022 the Group incurred negative operating cash flows for the year and made a loss before tax of $766,049. In note 2 (e) 'Going Concern' of the financial report, the Directors have documented their considerations regarding their conclusion that the going concern basis is the appropriate basis of accounting.	Our audit procedures for addressing this key audit matter included, but were not limited to, the following: • Obtaining and evaluating management's assessment of the Group's ability to continue as a going concern; • Assessing management's assumptions in the cash flow forecasts to assess

Key audit matter	*How the matter was addressed in our audit*
Our assessment of the going concern basis was considered a key audit matter due to the judgements and assumptions made by the Directors. The ability of the Group to continue as a going concern is supported by the cash flow forecasts prepared by the Directors. These forecasts include the Directors' assumptions regarding the timing of future cash flows, operating results and capital raising activities which are by their nature uncertain.	whether current cash levels along with expected cash inflows and expenditure can sustain the operations of the Group for a period of at least 12 months from the date of authorisation of the financial report; • Analysing the impact of reasonable changes in cash flow forecasts by applying sensitivities to key inputs including future sales, gross margin and expected capital raisings; and • Considering the facilities available to be drawn down if required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Inventis Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit Pty Ltd

BDO

Ryan Pollett

Ryan Pollett
Director

Sydney, 30 September 2022

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below

1. **Shareholdings (as at 21 September 2022)**

Substantial Shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	**Number Held**
MRS DEBRA ANN NOUN	11,980,000
INNOVATIVE MANAGEMENT PTY LIMITED	6,750,000
TOVEKEN PROPERTIES PTY LTD	5,424,991
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5.350,106
RICHTOLL PTY LIMITED	4,529,273

2. **Voting rights**

Ordinary shares

Every ordinary share is entitled to one vote when a poll is called, otherwise each member present t at the meeting or by proxy has one vote on a show of hands.

Distribution of equity security holders

Category	**Ordinary Shares**
1 -1,000	58,204
1,001 – 5,000	179,409
5,001-10,000	723,897
10,0001-100,000	2,157,356
100,001-9,999,999,999	61,904,351
Rounding Total	**65,023,217**

The number of shareholders holding less that a marketable parcel of ordinary shares is 281 as at 21 September 2022.

Unmarketable Parcels

	Minimum Parcel Size	**Holders**	**Units**
A below minimum $500.00 parcel at $0.08 per unit	6,250	281	323,863

3. **Unquoted equity securities**

Securities Exchange

The Company is listed on the Australian Securities Exchange. The home exchange is Sydney.

Other information

Inventis Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. All ordinary shares are listed on the Australian Securities Exchanges.

On-market buy-back

There is no current on-market buy back.

4. Twenty largest shareholders

Rank	Name	Units at 21September 2022	% of Units
1	MRS DEBRA ANN NOUN	11,980,000	18.42
2	INNOVATIVE MANAGEMENT PTY LIMITED	6,750,000	10.38
3	TOVEKEN PROPERTIES PTY LTD	5,424,991	8.34
4	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,350,106	8.23
5	RICHTOLL PTY LIMITED	4,529,273	6.97
6	STARBALL PTY LTD	2,292,678	3.53
7	DR DAVID REX GEORGE LITTLEJOHN	2,022,221	3.11
8	AUSTRALIAN PERPETUAL PROPERTIES PTY LTD	2,001,454	3.08
9	BOBBIN ED PTY LTD	1,902,999	2.93
10	LOG-IT PTY LTD	1,842,000	2.83
11	BASELINE PROFESSIONAL SERVICES PTY LTD	1,600,000	2.46
12	MR BRIAN PAUL HERMANN & WAIKATO TRUSTEE SERVICES LTD	1,333,333	2.05
13	MR GREG WELSH	1,000,000	1.54
14	ASB NOMINEES LIMITED	965,713	1.49
15	FARROW RD PTY LTD	840,000	1.29
16	NICHOLAS P S OLISSOFF	750,000	1.15
17	YUCAJA PTY LTD	692,222	1.06
18	FALAFEL INVESTMENTS PTY LIMITED	689,045	1.06
19	PETFERN CONSULTANTS PTY LTD	669,999	1.03
20	RUSSELL ROY MALONEY	624,999	0.96
	Totals: Top 20 holders of Ordinary Fully Paid Shares	**53,261,033**	**81.91**
	Total Remaining Holders Balance	**11,762,184**	**18.09**

5. Offices and Officers

Tony H Noun, Chair

Peter Bobbin, Non-Executive Director

Anthony Mankarios, Managing Director

Alfred Kobylanski, Chief Financial Officer

Jeffery Stone, General Manager Technology

Gregory Welsh, General Manager Furniture

6. Company Secretary

Alfred Kobylanski

7. Co-Company Secretary

Chantelle Knight

CORPORATE DIRECTORY

Principal Registered Office

Inventis Limited

Unit 4, 2 Southridge Street

Eastern Creek NSW 2766

Telephone: +61 2 8808 0400

Facsimile: +61 2 9620 1582

Location of Share Registries

Link Market Services Limited

Level 12, 680 George Street

SYDNEY NSW 2000

Telephone: +61 1300 554 474

Facsimile: +61 2 9287 0303

Auditors

BDO Audit Pty Ltd

Level 11, 1 Margaret Street

Sydney NSW 2000

Solicitors

Eakin McCaffery Cox

Level 28, I Market Street

Sydney NSW 2000

SUSTAINABILITY

The Company is proudly 100% Australian owned and has two Australian manufacturing sites as well as regional development sites in Queanbeyan and Darwin NT.

Inventis Technology and Furniture has achieved ISO 14001 following an extensive audit of our Environmental Management System by SAI Global. This is complementary of our existing sustainability certification to ISO 9001.

Winya (49% associate) is actively promoting Indigenous development, working with remote community's supply chain procurement with aligned 100% owned and manufactured product and is socially responsible and active in sustainability measures across its supply chain.

Committed to sourcing timbers from renewable sources and ensuring recyclable plastics and metal components are used in the production wherever possible with Australian made Chairs, Lounges and Tables.

The Group is obtaining AFRDI Green Tick accreditation and has now received AFRDI 160 Kg rating for the Gregory Chairs ranges and continues with AFRDI 6 certification maintaining the highest possible benchmark in safety and performance.

The Group is committed to achieving zero emissions targets by 2030 and keeping steadfast toward the United Nations sustainability goals .

The Group is committed to Modern anti slavery ACT 2018 and the Labour Compliance and is National Disability insurance Scheme compliant.

The Company encourages large Government departments and Corporates NOT to throw Office Chairs into Land fill but utilise its services encouraged to achieve maximum sustainability.

Gregory Chairs and Bassett Furniture are built to last with 10 -year warranties and a takeback program to help end of life replacement. Reducing the need for wasteful landfill.

End of Life Take Back Service

- Gregory leads the Australian furniture industry with its Circular-Economy program to minimise its environmental impact. Many importers have “programs” to take back their seating at the end of the products life by the reality is that they lack event the basic manufacturing facilities to deliver on this promise.
- Gregory is a genuine Australian manufacturer and has a genuine local disassembly and recycling capability, to offer a genuine whole of life service. Gregory also has a refurbishment program to give a second life to various products. We currently provide this unmatched sustainability service to a number of the major banks for their visitor seating. Gregory also has the capability of refurbishing a large part of our range which allows our customers optimum sustainability opportunities and minimises waste.
- Gregory’s Circular-Economy take-back program means Gregory has the capability to take back and fully disassemble Gregory chairs at the end of their product life. Gregory will recycle individual components and recycle or dispose of components correctly in its factory. The take-back program is priced at $35 per chair (this price will vary over the years due to inflation). Gregory can also take back non-Gregory chairs; this will involve a higher price as we are not aware of the material content or reusability in non-Gregory product.
- Our Circular-Economy take-back program optimises our ability to provide our customers with the best in class ergonomics and sustainability while minimising waste.

Manufactured in Australia

Australian Made | Proudly Australian Furniture | Advanced Patented Technology | Indigenous

inventis
inspired solutions

Australian Made | Proudly Australian Furniture | Advanced Patented Technology | Indigenous

inventis technology

GREGORY
innovating ergonomic seating

opentec

EAS

impart

PNE

SAFEZONE

bevisco
intelligent by design

Bassett furniture
FINE UPHOLSTERY

WORKSTATIONS.COM.AU

Winya*

*49% shareholder of Winya