



● ● IDT Australia Limited
annual report 2015

Company Information

Directors

Graeme Kaufman
BSc, MBA
(Chairman)

Geoffrey F Lord
BEc (Hons), MBA (Distn), ASSA, AICD
(Deputy Chairman)

Dr Graeme L Blackman OAM
BSc (Hons), PhD, FRACI, FTSE

Alan Fisher
BComm (Accg), Fellow ICAA, AICD, FINSIA

Reo Shigeno
BA, Dip Financial Services

Dr Paul MacLeman
MBA, BVSc, Grad Dip Tech, Grad Cert Eng,
FAICD, MATTA
(Managing Director)

Secretaries

Joanna Johnson
BEc, Grad Dip Management, ICAA

Dr David Sparling
BVSc (Hons), LLB (Hons), GDI pAppCor Gov

Share Register

Link Market Services Limited
Level 1, 333 Collins Street
MELBOURNE, VICTORIA, 3000

Bankers

National Australia Bank Limited
NAB Health
Level 2, 151 Rathdowne Street
CARLTON, VICTORIA, 3053

Auditors

Deloitte Touche Tohmatsu
550 Bourke Street
MELBOURNE, VICTORIA, 3000

Stock Exchange

Australian Stock Exchange Limited
530 Collins Street
MELBOURNE, VICTORIA, 3000

(ASX Code : IDT)

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Registered Office and Principal Place of Business

45 Wadhurst Drive
BORONIA, VICTORIA, 3155
Telephone +61 3 9801 8888
Facsimile +61 3 9837 6445

CMAX

Level 5, East Wing Royal Adelaide Hospital
North Terrace
ADELAIDE, SOUTH AUSTRALIA, 5000
Telephone +61 8222 3923
Facsimile +61 8223 3475

Website Address

www.idtaus.com.au
www.cmax.com.au

Chairman's Report

Last year I spoke of the need for IDT to seek new business opportunities as well as rebuild the base business. I am pleased to report that significant progress has been made on both objectives.

Proprietary Product Acquisition

2014 saw a milestone event in the history of the Company, with the acquisition of 23 approved generic products from a large multi-national. The acquisition of these products, with an addressable market of US\$538m (IMS Health June 2015), marks the entry of IDT into the ranks of pharma companies.

As these products enter the market through the course of 2016, we will be able to increase Boronia plant utilisation and leverage our strong manufacturing and quality capabilities to build on our established revenue base. The ability to take these products to market in the US is supported by appointment of a strong US distribution partner, ANI Pharmaceuticals Inc. IDT is actively working to bring these products back to market and anticipates the first cohort of products will be approved for market through the course of 2016.

Strong Organic Growth of Base Businesses

This year has seen dramatic growth in IDT's traditional drug and clinical service businesses, with efforts in recent years to boost business development activities bearing fruit. CMAX revenues grew by 10% during the current year, a continuation of the solid growth trajectory that our clinical business has demonstrated for the past two years. Growth at our Melbourne contract manufacturing business grew by 60% year on year, a spectacular result given that it was achieved with zero increase in operational expenses. This resulted in a modest second half profit after tax in the 6 months to June.

Pleasingly this expansion in our manufacturing services business looks set to continue, with strong forward orders moving into this coming year. This improvement marks a turnaround in our base business that will provide a platform for the company's growth as we expand our proprietary specialty generics business.

New CMAX Facilities

CMAX's lease at our current location ceases in April 2016 with the closure of the old Royal Adelaide Hospital in South Australia. In preparation for this we have located a new site in close proximity to the new Royal Adelaide Hospital being built in the South Australian medical innovation precinct. This year has seen detailed design and planning work for the new facility in preparation for construction in the first half of this year and the move itself early next year. This new purpose designed and built clinical facility will be the newest, largest and most sophisticated clinical trials unit in Australia when it is completed in early 2016.

The Future: Growing the Business and Executing Generics Strategy

In summary therefore, 2015 financial year has been a successful one for IDT, growing the base business, acquiring valuable new assets and positioning the company for stepwise growth and a return to profitability in coming years.

I would like to thank my fellow Directors and the IDT Management team, for their contribution to the transformation of the IDT business, setting it on a course for major successes in coming years.



Graeme Kaufman

Chairman

Managing Director's Report

Healthy Year a Platform for Growth

As our Chairman has outlined, 2015 has been a very successful year for IDT shareholders, with growing Melbourne and Adelaide revenues, the initial deployment of our growth strategy and preparations for further acquisitions in the future under way. Management is confident that the growth in base business revenues is sustainable as evidenced by an increase in our manufacturing sales pipeline from prospects valued at approximately \$7 million in 2013 to over \$40 million today and orders supporting activity well into 2016 already received. These revenue increases have furthermore been achieved within a strong operating cost containment focus.

Bedding in Our New Portfolio

As announced in May this year, we have started to move our newly acquired products into our manufacturing facility in Melbourne. This has necessitated the recommissioning of infrastructure that has not been used for some years and well as a ramp-up in ancillary but vitally important activities such as manufacturing and analytical methods development. Doxazosin, the first product into the facility, performed well in trial batches and with that in hand we moved forward with analytics in preparation for full regulatory batches.

US Product Distribution Partnership

We have spent some months negotiating with a number of interested parties who expressed interest in partnering for the distribution of our new portfolio in the US. In all we received 13 term sheets; pleasingly, far more than was expected. On 12 August 2014 we were pleased to announce the appointment of ANI Pharmaceuticals Inc as our distributor. ANI is a successful, rapidly growing player in the US generic pharmaceutical market, and one that we believe will do a very good job of maximising IDT's economic returns for our portfolio. Being very experienced but also nimble, they are a good cultural fit for us and we look forward to a strong working relationship with them. We are finalising the regulatory and launch planning with ANI but remain confident that our products will begin entering the US market through the course of 2016.

Temozolomide FDA Progress

IDT filed its first Abbreviated New Drug Application in December 2013. The ANDA, for the brain cancer therapy temozolomide, represents an addressable market for IDT of over US\$300m. IDT received correspondence from FDA in Q2 2015, indicating that the filing is now under active review. On this basis, IDT remains confident that the marketing approval for the product will be received sometime in late 2016 or early 2017, adding to IDT's base business and growing generic portfolio income streams.

Future Acquisitions

As we have said in other forums, IDT continues to assess further acquisition opportunities to grow our speciality generics portfolio. In the short term we are focused however on bedding in the current assets and would only look towards another asset once we have demonstrated our ability to professionally execute on the commercial deployment of our current portfolio.

Three Pillars Strategy

In summary, we continue to invest in the growth and development of all three parts of our business; contract drug development, CMAX clinical services and a growing speciality generics business which all remain important growth drivers. We therefore expect to continue to expand and build the business as we create Australia's next pharmaceutical company.



Dr Paul MacLeman
Managing Director

Report of the Directors - 30 June 2015 (including Remuneration Report)

Your directors present their report on the financial report of the company for the year ended 30 June 2015.

The following persons were directors of IDT Australia Limited during or since the end of the financial year:

G Kaufman (Chairman)	G F Lord (Deputy Chairman)
G L Blackman	A D Fisher (appointed 10 June 2015)
P MacLeman	R Shigeno
D Williams (resigned 19th May 2015)	

Principal Activities

The principal activities of the Company in the course of the year were the supply of products and provision of research and development and other technical services for the pharmaceutical and allied industries.

Review of Operations

During the year, the Company continued to provide consulting research and development services and manufacture products for clients in the pharmaceutical and allied industries. In December 2014, the Company acquired 23 abbreviated new drug applications ("ANDAs") and from that date has worked towards commercialising these products. A detailed review is given on pages 2 and 3 of this annual report.

Results

The net result of operations after applicable income tax expense was a loss of \$2.992m (2014: \$6.626m).

Dividends

No dividends were paid during the course of the financial year. There are no dividends or distributions recommended or declared for payment to members, but not yet paid, during the year.

Significant Changes in the State of Affairs

In the opinion of the Directors, there have been no significant changes in the state of affairs of the Company during the financial year under review not otherwise disclosed in this report or the financial statements.

During the reporting period, the Company continued to provide manufactured products and research and development services for clients in the pharmaceutical and allied industries and the operational results achieved are consistent with expectations in terms of value and timing.

Despite improvements in the operational result for the current financial year, particularly in the second half, the Company shows a net loss for the year. Firmed customer commitments are in hand to support a further step up in activity in the next financial year that is expected to be matched with ongoing improvement in profitability, particularly at the Boronia manufacturing campus.

In December 2014, the Company raised net proceeds of \$16.4m from new and existing investors to acquire 23 previously marketed US generic drug products, strategically repositioning IDT as a manufacturer and supplier of its own specialty generic drugs. These products are expected to be progressively launched from the middle of 2016 and should materially increase future plant utilisation, expanding revenues, margins and profitability.

Matters Subsequent to the End of the Financial Year

On 12 August 2015 the Company executed a partnership agreement with ANI Pharmaceuticals Inc., appointing them as distributors for the US market for eighteen of the twenty three products acquired from Sandoz Inc. in December 2014. A signing milestone of US\$1m has been received and further milestones become receivable as the marketing authorisations are reapproved by the FDA.

On 8 July 2015, the commercial loan facility with National Australia Bank Limited was increased by \$0.5m to \$3.25m and the term extended through to 31 October 2016. The \$1.0m overdraft facility remains unchanged.

Report of the Directors - 30 June 2015 (Continued)

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, or the state of affairs of the company in future financial years.

Likely Developments

The Company expects to have three key areas of strategic focus for the coming financial year:

- The Company is well positioned to again realise superior organic revenue growth through identifying, successfully tendering for and completing new manufacturing and service projects which in turn is expected to underpin improvements profitability and cash generating capability.
- Continue process of preparing to launch products to the US market, including the ANDAs purchased in December 2014 and internally developed products, through regulatory and commercial partnering activities. First product launches are expected in 2016.
- With the old Royal Adelaide Hospital to be decommissioned and relocated, a lease for new facilities for CMAX has been executed. The unit will relocate to purpose built premises early in 2016.

Environmental Regulations

The Company is subject to environmental regulations and other licenses particularly in relation to its manufacturing operations, which include obligations to comply with provisions of the Environment Protection Act and a Trade Waste Agreement with South East Water. The Company is subject to environmental audits by local and international clients. Systems are in place to ensure compliance with federal, state and local environmental regulations and as at the date of this report, the Directors are not aware of any breach.

Indemnification of Officers

During the financial year, the Company paid an insurance premium insuring all officers of the company, including the Directors. Liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2015, and the number of meetings attended by each Director.

Director	Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	A	B	A	B	A	B
G L Blackman	12	13	–	–	2	2
A D Fisher (from 10th June 2015)	1	1	–	–	–	–
G Kaufman	13	13	1	2	2	2
G F Lord	12	13	–	–	2	2
P MacLeman	13	13	–	–	–	–
R Shigeno	13	13	2	2	–	–
D Williams (to 19th May 2015)	12	12	2	2	–	–

A = Meetings attended while a director or committee member.

B = Meetings held while a director or committee member.

– = Not a member of relevant committee

Report of the Directors - 30 June 2015 (Continued)

Information on Directors

GRAEME KAUFMAN

Qualifications: BSc, MBA
Experience: Formerly Executive Vice-President of Mesoblast Limited and Chief Financial Officer of CSL Limited. Non executive Director since 1 June 2013
Other Current Directorships: Non executive Chairman of Bionomics Limited (since 2012), non executive Chairman of Paradigm BioPharmaceuticals Limited (since 2014)
Former Directorships in Last 3 Years: Non executive director of Cellmid Limited (until June 2015)
Responsibilities: Chairman, Member of Audit and Risk and Nomination and Remuneration Committees
Equity interests in company: 285,000 fully paid ordinary shares

GEOFFREY F LORD

Qualifications: BEc (Hons), MBA (Distn), ASSA, AICD
Experience: Formerly Chief Executive and Deputy Chairman of Elders Resources Limited. Non executive Director since 1998
Other Current Directorships: Chairman and Chief Executive of Belgravia Group Pty Ltd, Non executive Chairman of UXC Limited (since 2002), Director of Maxitran Industries Limited (since 2000), Director Melbourne Business School (appointed 2015)
Former Directorships in Last 3 Years: Former Chairman of LCM Litigation Fund
Responsibilities: Deputy Chairman from 2008. Member of Nomination and Remuneration Committee
Equity interests in company: 6,831,907 fully paid ordinary shares (indirect)

DR GRAEME L BLACKMAN OAM

Qualifications: BSc (Hons), PhD, FRACI, FAICD, FTSE, FloD
Experience: Formerly Professor of Pharmaceutical Chemistry, Victorian College of Pharmacy. Extensive experience in research and development and commercial scientific consulting. Chairman (1986-2013), Managing Director (1986-2007)
Other Current Directorships: None
Former Directorships in Last 3 Years: None
Responsibilities: Member of Nomination and Remuneration Committee
Equity interests in company: 7,029,710 fully paid ordinary shares

ALAN D FISHER (appointed 10 June 2015)

Qualifications: BComm (Accg), FICAA, AICD, FINSIA
Experience: Managing Director Fisher Corporate Advisory Pty Ltd (since 1997), Managing Director DMC Corporate Pty Ltd, formerly CEO Pental Ltd, Managing Director HRL Ltd and Corporate Finance Partner Coopers & Lybrand
Other Current Directorships: Chairman Australian Renewable Fuels Ltd
Former Directorships in Last 3 Years: Non executive Director Bluestone Global Ltd (29 April 2014 to 4 August 2014)
Responsibilities: Chairman Audit and Risk Committee
Equity interests in company: nil

Report of the Directors - 30 June 2015 (Continued)

REO SHIGENO

Qualifications: BA, Dip Financial Services
Experience: Chief Financial Officer of Healthy Clinical Research, a subsidiary of I'ROM Group, Ltd. Non executive Director since 1 June 2013
Other Current Directorships: nil
Former Directorships in Last 3 Years: nil
Responsibilities: Member of Audit and Risk Committee
Equity interests in company: 333,333 fully paid ordinary shares

DAVID WILLIAMS (resigned 19 May 2015)

Qualifications: B.Ec (Hons), M.Ec, FAICD
Experience: Managing Director of Kidder Williams Ltd, with over 30 years' experience in investment banking
Other Current Directorships: Chairman of Medical Developments International Limited, Chairman of PolyNovo Ltd (formerly Calzada Ltd)
Former Directorships in Last 3 Years: nil
Responsibilities: Chair of Audit and Risk Committee
Equity interests in company: nil

PAUL MACLEMAN

Qualifications: MBA, BVSc, Grad Dip Tech, Grad Cert Eng, FAICD, MATTA
Experience: Managing Director, IDT Australia Limited. Director since 21 August 2013
Other Current Directorships: nil
Former Directorships in Last 3 Years: G Tech International Limited (until November 2012)
Responsibilities: Managing Director (MD)
Equity interests in company: 471,000 fully paid ordinary shares, 500,000 options

Information on Secretaries

MS JOANNA JOHNSON

Qualifications: BEc, Grad Dip Management, ICAA
Experience: Chief Financial Officer, IDT Australia Ltd since 2014. Previous roles include Chief Financial Officer and Company Secretary of Generic Health Pty Ltd (a partially owned subsidiary of Lupin Ltd) and Finance Director, Asia Pacific for Hospira Inc

DR DAVID SPARLING

Qualifications: BVSc (Hons), LLB (Hons), GDI pAppCor Gov
Experience: Vice President Legal and Corporate Development, IDT Australia Ltd since 2013. Previous roles include Chairman FYI Resources Limited and Vice President Corporate Development, Genetic Technologies Limited

Report of the Directors - 30 June 2015 (Continued)

Remuneration Report

The Directors of the Company are pleased to present the following Remuneration Report which forms part of the Report of Directors and has been prepared in accordance with s300A of the *Corporations Act 2001*. The Remuneration report has been audited as required by s308 (3C) of the *Corporations Act 2001* and sets out remuneration information for the Company's key management personnel.

The Remuneration and Nomination Committee advises the Board on remuneration policies and practices generally, making specific recommendations on the remuneration framework and other terms of employment for executive Directors, non-executive Directors and senior executives, including incentives and share ownership plans.

The Corporate Governance Statement provides further information on the role of this committee and its membership.

Directors' Remuneration

Fees and payments to non executive Directors reflect the demands made on, and the responsibilities of, the Directors. They are set at market rates for our industry and size of the Company in order to attract Directors with expertise in our industry and Australian capital markets. Non executive Directors' fees are reviewed annually by the Remuneration and Nomination Committee.

The Chairman's and MD's fees were determined independently to the fees of non executive Directors based on comparative roles in the external market. The Chairman and Managing Director were not present at any discussions relating to the determination of their remuneration.

Directors' Fees

Non executive Directors' annual base fee is \$40,000 and the Chairman received \$80,000, plus superannuation contributions, as required under the Australian superannuation guarantee legislation.

Non executive Directors' fees are determined within an aggregate Directors' fee pool limit, periodically referred for approval by shareholders. The current maximum aggregate Directors' fee pool is \$400,000 for non-executive Directors.

Key Management Personnel Remuneration

Remuneration packages are set at levels intended to attract, retain and motivate high quality executives to manage the Company's operations and achieve strategic objectives. The Company is committed to adhering to corporate governance standards for remuneration of executives.

Key Management Personnel remuneration and other terms of employment are reviewed annually by the Remuneration and Nomination Committee having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice where necessary.

The executive pay and reward framework comprises:

- Base salary, plus statutory superannuation
- Short term performance incentives
- Long term incentives via participation in the Company's Employee Share Plan.

Report of the Directors - 30 June 2015 (Continued)**Remuneration Details 2015**

	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non monetary benefits \$	Super-annuation \$	Termination benefits \$	Long Service Leave \$	Options / Shares \$	
Non-executive Directors			–		–	–	–	
G Kaufman – Chairman	80,000	–	–	7,600	–	–	–	87,600
G L Blackman	17,500	–	–	26,300	–	–	–	43,800
A D Fisher*	3,333	–	–	317	–	–	–	3,650
G F Lord	40,000	–	–	633	–	–	–	40,633
R Shigeno	40,000	–	–	3,800	–	–	–	43,800
D Williams**	36,667	–	–	–	–	–	–	36,667
Sub-total Non-executive Directors	217,500	–	–	38,650	–	–	–	256,150
Executive Director								
P MacLeman, MD	310,667	45,000	–	23,821	–	1,691	43,804	424,983
Other key management personnel								
J Johnson Chief Financial Officer	193,486	–	–	24,303	–	630	–	218,419
D Sparling VP Legal & Corporate Development	198,986	47,502	–	18,803	–	1,088	–	266,379
Sub-total – executive management	703,139	92,502	–	66,927	–	3,409	43,804	909,781
Total key management personnel compensation	920,639	92,502	–	105,577	–	3,409	43,804	1,165,931

* Mr Fisher appointed as a Director effective 10 June 2015

** Mr Williams resigned as a Director effective 19 May 2015

On 24 October 2014 Dr MacLeman was granted 360,000 Ordinary Shares under the Employee Share Plan at market value at the date of issue, \$0.205. This issue was funded by an interest free limited recourse loan from the Company, repayable on sale of the shares.

In line with the Company's short term incentive program, cash bonuses were paid to Dr MacLeman and Dr Sparling during 2015 in relation to achievement of KPIs.

Report of the Directors - 30 June 2015 (Continued)

Remuneration Details 2014

	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non monetary benefits	Super-annuation	Termination benefits	Long Service Leave	Options / Shares	
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors			–		–	–	–	
G Kaufman – Chairman **	70,000	–	–	6,475	–	–	–	76,475
R Aston resigned 20 November 2013	16,666	–	–	1,541	–	–	–	18,207
G F Lord	40,000	–	–	–	–	–	–	40,000
R Shigeno	40,000	–	–	3,670	–	–	–	43,670
D Williams	40,000	–	–	–	–	–	–	40,000
Sub-total Non-executive Directors	206,666	–	–	11,686	–	–	–	218,352
Executive Directors								
G L Blackman *	27,499	–	14,972	27,125	–	–	–	69,596
P MacLeman, MD	301,040	–	–	27,750	–	7,500	–	336,290
Other key management personnel								
J Johnson *** Chief Financial Officer	57,000	–	–	5,272	–	1,425	36,996	100,693
R Najdecki **** Chief Financial Officer	164,890	–	–	49,187	–	5,035	–	219,112
D Sparling VP Legal & Corporate Development	196,040	–	–	18,037	–	4,875	36,996	255,948
Sub-total – executive management	746,469	–	14,972	127,371	–	18,835	73,992	981,639
Total key management personnel compensation	953,135	–	14,972	139,057	–	18,835	73,992	1,199,991

* Dr Blackman resigned as Chairman effective 30 September 2013

** Mr Kaufman elected Chairman effective 30 September 2013

*** Ms J Johnson was appointed as Chief Financial Officer and Joint Company Secretary effective 18 March 2014

**** Mr R Najdecki resigned as Chief Financial Officer and Company Secretary effective 20 March 2014

On 15 May 2014 Dr Sparling and Ms Johnson were each granted 222,222 Ordinary Shares under the Employee Share Plan at market value at the date of issue, \$0.27. This issue was funded by an interest free limited recourse loan from the Company, repayable on sale of the shares.

No performance related remuneration was paid to any Key Management Personnel in 2014.

Report of the Directors - 30 June 2015 (Continued)

Share-based Compensation

Employee Share Plan

From time to time, executive management and Directors may be invited to participate in the Employee Share Plan (ESP) whereby fully paid ordinary shares of the Company are issued at the market value at the date of issue and funded by an interest free limited recourse loan from the Company. Grants within the framework of the ESP are determined by the MD together with the Remuneration and Nomination Committee and are subject to approval by the Board.

Amounts disclosed for emoluments relating to these shares are the assessed fair values at issue date determined using a Black-Scholes pricing model taking into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the arrangement.

Additionally, other staff may be invited to participate in the allocation of up to \$1,000 of shares per year, granted for no consideration and escrowed for three years whilst participants remain employees of the Company.

Executive Option Plan

Executive management and Directors are eligible to participate in the plan, subject to invitation and within the terms and conditions of the Executive Option Plan. Options are granted for a four year period, and vest immediately when they are granted and are granted for no consideration. Options granted under the plan carry no dividend or voting rights, when exercisable, each option is convertible into one ordinary share.

Amounts disclosed for emoluments relating to options are the assessed fair values at grant date of options, allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

No options were granted or exercised under the Executive Share Option Plan during the year ended 30 June 2015 (2014: nil granted, nil exercised).

Details of all unissued shares or interest under option at the date of this report are :

	Number	Grant Date	Expiry Date	Exercise Price
Granted 15 April, 2013	250,000	15/04/2013	15/04/2017	\$0.298
Granted 15 April, 2013	250,000	15/04/2013	15/04/2017	\$0.373

Other Transactions with Key Management Personnel

No other transactions or loans were provided to key management personnel other than interest free limited recourse loans provided in association with the Employee Share Plan.

Report of the Directors - 30 June 2015 (Continued)

Key Management Personnel Holdings of Ordinary Shares

The number of ordinary shares in the Company held during the financial year by Directors and each of the specified executives are set out below.

2015

	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
Non executive Directors				
G L Blackman	6,996,376	–	33,334	7,029,710
G Kaufman	185,000	–	100,000	285,000
G F Lord	6,831,907	–	–	6,831,907
R Shigeno **	–	–	333,333	333,333
Executive Director				
P MacLeman *	111,000	360,000	–	471,000
Other key management personnel				
D Sparling	259,859	–	33,334	293,193
J Johnson	222,222	–	100,000	322,222
Total Holdings	14,606,364	360,000	600,001	15,566,365

* At the AGM held on 23 October 2014, 360,000 ordinary shares were approved for issue to Dr MacLeman as a long term incentive within the framework of the Employee Share Plan.

** Mr Shigeno acquired 333,333 ordinary shares on 18 December 2014 through participation in the Share Placement to sophisticated and professional investors. This purchase was approved by a resolution at the Extraordinary General Meeting of shareholders held on 11 December 2014.

All other changes during the year relate to ordinary shares issued on 24 December 2014 from participation in the Share Purchase Plan which was open to all shareholders.

2014

	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
Non executive Directors				
G Kaufman	–	–	185,000	185,000
G F Lord	5,693,254	–	1,138,653	6,831,907
Executive Directors				
G L Blackman	5,830,313	–	1,166,063	6,996,376
P MacLeman	–	–	111,000	111,000
Other key management personnel				
D Sparling	–	222,222	37,637	259,859
J Johnson	–	222,222	–	222,222
Total Holdings	11,523,567	444,444	2,638,353	14,606,364

Report of the Directors - 30 June 2015 (Continued)

Company Performance

The table below sets out summary information regarding the Company's movements in shareholder wealth for the five years to 30 June 2015:

Share price (ASX:IDT)	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Start of year	\$0.20	\$0.20	\$0.24	\$0.35	\$0.62
End of year	\$0.23	\$0.20	\$0.20	\$0.24	\$0.35
High for year	\$0.30	\$0.50	\$0.32	\$0.43	\$0.77
Low for year	\$0.13	\$0.19	\$0.19	\$0.22	\$0.34
# Shares on issue	191,281,032	77,374,248	53,192,059	43,192,059	43,096,294
Market capitalisation as at 30 June	\$43.99m	\$15.47m	\$10.64m	\$10.37m	\$15.08m
Increase / (decrease)	\$28.52m	\$4.83m	\$0.27m	(\$4.71m)	(\$11.64m)
Dividend paid	–	–	–	–	–

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in note 22 to the financial statements.

The Directors have considered the position and are satisfied the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and are satisfied this did not compromise the auditor independence requirements for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor,
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included after this report.

Proceedings on Behalf of the Company

The *Corporations Act 2001*, allows specified persons to bring, or intervene in, proceedings on behalf of the company.

No proceedings have been brought or intervened in on behalf of the company with leave of the court under Section 237 of the *Corporations Act 2001*.

Rounding of Amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Report of Directors. Amounts in the Report of Directors have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Directors Resolution

This report is made in accordance with a resolution of the Directors made pursuant to s298(2) of the *Corporations Act 2001*.



Mr Graeme Kaufman

Chairman

18 August 2015, Melbourne

18 August 2015

The Board of Directors
IDT Australia Limited
45 Wadhurst Drive
BORONIA VIC 3155

Dear Members of the Board,

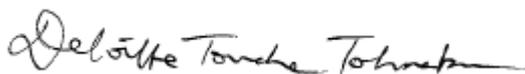
Auditor's Independence Declaration to IDT Australia Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of IDT Australia Limited.

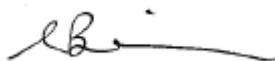
As lead audit partner for the audit of the financial statements of IDT Australia Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,



DELOITTE TOUCHE TOHMATSU



Chris Biermann
Partner
Chartered Accountants

Corporate Governance Statement

IDT Australia Limited (the Company) and the Board are committed to achieving and demonstrating high standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of all stakeholders.

The Company's main corporate governance practices are set out below. Unless otherwise stated, these practices were in place at the date of signing and for the entire year, satisfying the Principles and Recommendations of corporate governance for Companies listed on the ASX.

Principle 1: Lay Solid Foundations for Management and Oversight

Directors are responsible to shareholders for the Company's performance in both the short and longer terms and to balance competing objectives in the best interests of the Company as a whole. Their focus is to enhance the shareholders and other key stakeholders' interests and to ensure the Company is properly managed.

The functions of the Board include:

- providing strategic guidance to the Company, including contributing to development and approval of corporate strategy;
- reviewing and approving business plans, the annual budget and financial plans, including assessment of available resources and major capital initiatives;
- overseeing and monitoring progress of major capital expenditures and significant corporate projects including acquisitions and divestments;
- overseeing the integrity of corporate reporting systems and monitoring financial performance including approval of annual and half-yearly financial reports and liaison with the Company's auditors;
- appointment and performance assessment of the MD against annually set key performance indicators
- approving the Company's remuneration framework;
- ensuring the Company has an appropriate risk management framework and material risks have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place;
- reporting to shareholders;
- ensuring appropriate resources are available to the executive team;
- overseeing the process for making timely and balanced disclosure of material information concerning the Company which a reasonable person would expect to have material impact on the price of the Company's securities; and
- monitoring effectiveness of the Company's Governance practices.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the MD and Executive team.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters associated with the proper functioning of the Board.

Specific limits of authority delegated to the MD and the Executive team are outlined in a formal Delegation of Authority Policy and approved by the Board.

Performance Assessment

The Board undertakes annual self assessment of its performance in relation to its leadership, structure, functionality, systems, meetings and relationship with management.

Corporate Governance Statement (Continued)

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity, recognising the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. The Company's diversity policy is available on the Company's website.

The Company is committed to building a strong representation of female employees, across the entire Company. The proportion of women employees in various positions is as follows:

	2015	2014
Board of Directors	0%	0%
MD and Executive Team	33%	29%
Other Managers	45%	63%
All Other Employees	62%	58%
Total Organisation	61%	57%

Principle 2: Structure the Board to Add Value

The Board of Directors

The Board operates in accordance with the following broad principles that:

- it should comprise both executive and non executive Directors, ideally with a majority of non executive Directors. Non executive Directors bring fresh perspective to consideration of strategic, risk and performance matters;
- the Chair is elected by the Board and meets regularly with the MD;
- the Company benefits from having Directors with different backgrounds, with complementary skills and experience;
- an annual Board performance review is undertaken; and
- Directors should exercise independent judgment when making Board decisions. Processes are in place to enable Directors to seek independent professional advice where required, at the Company's expense.

The Board seeks to ensure:

- its membership represents an appropriate balance between Directors with experience and knowledge of the Company and directors with an external position. The number of independent and non-independent directors are balanced in order to challenge and hold management to account, and to represent the best interests of security holders as a whole rather than specific individuals or groups;
- principles of diversity, including gender diversity, are promoted; and
- the size of the Board is conducive to effective discussions with efficient decision making.

Responsibilities

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions. The MD is responsible for implementing Company strategies and policies.

Term of Office

The Company's Constitution specifies one-third of Directors (other than the MD) must retire from office at the Annual General Meeting. They may offer themselves for re-election at this time.

Commitment

The Board meets approximately monthly throughout the year. The number of meetings of the Board and of each Board committee held, and the number attended by each Director is disclosed on page 5.

Corporate Governance Statement (Continued)

Board Committees

The Board has established two committees to assist execution of its duties and facilitate consideration of complex issues; the Nomination and Remuneration Committee and the Audit and Risk Committee. The composition and meeting attendance of both Committees is outlined in the Report of Directors.

Each committee has a written charter setting out its responsibilities, powers, duties and the manner in which it is to operate. These charters are available on the Company's website. All matters determined by committees are submitted to the full Board as recommendations for Board decision. Minutes of committee meetings are tabled at the subsequent Board meeting.

Nomination and Remuneration Committee

The main responsibilities of the Nomination and Remuneration Committee are to:

- advise the Board on remuneration policies and practices generally, making specific recommendations on remuneration packages and other terms of employment for non executive Directors, executive Directors and senior executives; and
- conduct an annual review of the membership of the Board with regard to the Company's present and future needs and make recommendations on Board composition and appointments, including succession planning.

When the need for a new Director is identified or an existing Director is required to stand for re-election, the committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short-list of candidates with skills and experience which complement the mix of skills and diversity the Board seeks to achieve in its membership. Where necessary, advice may be sought from independent search consultants.

The full Board will appoint the most suitable candidate, who must in turn stand for election at the next Annual General Meeting. Re-appointment of existing Directors is not automatic and is contingent on performance and contribution to the Company.

The Committee's objective is to ensure remuneration policies are fair and competitive. The Remuneration and Nomination Committee seeks independent advice as and when it deems necessary.

The Nomination and Remuneration Committee's Charter is published on the on the Corporate Governance page of the Company's website.

Principle 3: Promote Ethical and Responsible Decision Making

Code of Conduct

The IDT Staff Handbook is provided to all Directors, senior Executives and employees and outlines the Company's expectations that personnel act with utmost integrity, objectivity and in compliance with relevant legislation at all times. The IDT Staff Handbook provides guidance in specific areas, including:

- Mission Statement, including Values and Relationship Statement;
- Quality Policy;
- Workplace Behaviour, including Equal Opportunity and Whistleblower Policies;
- Occupational Health and Safety; and
- Security Trading Policy.

These guidelines extend to providing a safe and non-discriminatory workplace, honest and fair dealings with suppliers and customers, acting responsibly to environment and working with business partners who demonstrate similar objectives.

Trading in Company Securities

All staff are reminded of their obligations under Insider Trading legislation and additionally key management personnel and senior executives are precluded from trading in specific windows.

The Securities Trading Policy is available on the Corporate Governance page of the Company's website.

Corporate Governance Statement (Continued)

Principle 4: Safeguard Integrity in Financial Reporting

Audit and Risk Committee

The main responsibilities of the Audit and Risk Committee includes:

- review, assess and recommend Board approval of the annual report, the half-yearly financial report and all other financial information published by the Company or released to the market;
- assist the Board review the effectiveness of the organisation's internal control environment;
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, removal and remuneration of the external auditors, review the terms of their engagement and the scope and quality of the audit;
- consider the independence and competence of the external auditor on an ongoing basis, including rotation of the audit engagement partner if required;
- review and approve non audit services provided by the external auditors to ensure it does not adversely impact auditor independence;
- review and monitor related party transactions and assess their propriety; and
- report to the board on matters relevant to the Committee's role and responsibilities.

In fulfilling its responsibilities, the Audit and Risk Committee:

- receives regular reports from management and the external auditors;
- meets external auditors at least twice a year – more frequently if necessary;
- reviews processes the MD and CFO use to support their certifications to the Board that, in their opinion, the financial records of the entity have been properly maintained, the financial statements comply with the appropriate accounting standards, give a true and fair view of the financial position and performance of the company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- provides the external auditors with a clear line of direct communication at any time to either the Chair of the Audit Committee or the Chair of the Board; and
- ensures the external auditor attends the AGM in order to answer any questions a security holder may have in relation to the audit.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Audit and Risk Committee's Charter is published on the Corporate Governance page of the Company's website.

Principles 5 and 6: Make Timely and Balanced Disclosures, Respect the Rights of Shareholders

Continuous Disclosure

The Chairman is responsible for ASX communications. He is also responsible for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and coordinating information disclosed to the ASX, analysts, brokers, shareholders, the media and the public.

Management are responsible for ensuring all information that have the potential to materially affect the price or value of the Company's shares is brought to the Chairman's attention immediately it becomes known so it may be assessed in liaison with the Board and management in regards to the requirements of ASX listing rule 3.1.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX and email alerts are available to shareholders via the Company website.

Corporate Governance Statement (Continued)

Shareholder Communication

The Company recognises the value of providing current and relevant information to shareholders through effective communication and publishes its Shareholder Communication Policy on the Corporate Governance page of its website.

All information disclosed to the ASX announcements platform is available to shareholders on the Company website including prior year announcements. The website also holds the latest Company presentation used in analyst's briefings and share price details. Shareholders can subscribe to email alerts of ASX announcements.

Shareholders may elect to receive the Notices of Meetings and the Company's Annual Report in hard or soft copy. Current and prior years' Annual Reports are also available on the Company's website.

Principle 7: Recognise and Manage Risk

The Company's Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The Audit and Risk Committee is in place to develop and oversee the Company's risk management framework.

The Company does not have an internal audit function and does not consider the existence of such a function to be typical for a company of its size and scope.

Risk Assessment and Management

The Company's focus on risk management recognises that risk management is, prima facie, an issue for line management. The current framework supports this focus, providing a structured context to profile current and future risks. Management ensures appropriate controls are in place to effectively manage identified risks. Importance is placed on maintaining a strong control environment within the framework of the Company Quality Policy and the organisation's structure has clear lines of accountability with formally delegated authority. Adherence to the control environment is required at all times and the Board actively promotes a culture of quality and integrity.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management, compliance and internal control. Management formally presents the Company's Risk Register to the Board on a quarterly basis and provides more frequent updates where items have been identified which materially impact the risk environment.

The Environment, Occupational Health and Safety

The Company recognises the importance of Environmental and Occupational Health and Safety (OH&S) issues and is committed to the highest levels of performance. To help meet this objective the Company has regular monitoring to facilitate the systematic identification of environmental issues and the OH&S committee meets monthly to review and discuss specific health and safety issues. This system allows the Company to:

- monitor compliance with relevant legislation;
- continually assess and improve the impact of its operations on the environment;
- encourage employees to actively participate in the management of environmental and OH&S issues; and
- use energy and other resources efficiently.

Information on compliance with significant environmental regulations is set out in the Report of Directors.

Corporate Governance Statement (Continued)

Corporate Reporting

Integrity of the Company's financial reporting depends on existence of sound risk oversight systems, management and internal control which are enhanced by certifications to the Board made by the MD and Chief Financial Officer:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards and *Corporations Act 2001* provisions.
- that the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Principle 8: Remunerate Fairly and Responsibly

The Nomination and Remuneration Committee advises the Board on remuneration and incentives policies and practices generally, making specific recommendations on remuneration packages and other terms of employment for executives and Directors.

Remuneration packages are set at levels intended to attract, retain and motivate high quality executives capable of managing the Company's operations and achieving the Company's strategic objectives and to align their interests with the creation of value for security holders.

Executive remuneration and other terms of employment are reviewed annually by the committee with regard to performance, relevant comparative information and independent expert advice. As well as base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits. Eligible employees may also be invited to participate in the Employee Share Plan.

The Remuneration and Nomination Committee is also responsible for reviewing any transactions between the organisation and Directors, or any interests associated with Directors, to ensure the structure and terms of the transaction comply with Corporations Law and are appropriately disclosed.

Further information on Directors' and executives' remuneration is set out in the Report of Directors and note 25 to the financial statements.

For the year ended 30 June 2015

Statement of Profit or Loss and Other Comprehensive Income

	Note	2015 \$'000	2014 \$'000
Revenue from ordinary activities	2	15,720	13,374
Raw materials		974	981
Employee benefits expense		9,560	8,947
Depreciation and amortisation expense		2,267	2,321
Impairment of development costs		–	621
Borrowing costs expense		45	31
Utilities		741	778
Repairs and maintenance		702	684
Subject and screenings		2,510	3,102
Insurance		317	355
Waste removal		54	70
Consumables		148	152
Travel		200	181
Share registry		52	65
Accounting and audit		100	125
Consultants		315	291
Rent		274	262
Other expenses		670	991
Loss before income tax	3	(3,209)	(6,583)
Income tax expense/(benefit)	4	(217)	43
Loss for the year		(2,992)	(6,626)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Revaluation gain on land and buildings		207	-
Income tax relating to components of other comprehensive income		(62)	-
Total comprehensive income/(loss)		(2,847)	(6,626)
Basic earnings per share	28	(2.2¢)	(9.5¢)
Diluted earnings per share	28	(2.2¢)	(9.5¢)

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

For the year ended 30 June 2015

Statement of Financial Position

	Note	2015 \$'000	2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	129	2,415
Trade and other receivables	6	3,775	1,916
Current tax asset	7	430	169
Inventories	8	503	647
Total Current Assets		4,837	5,147
Non Current Assets			
Property, plant and equipment	9	19,923	21,210
Deferred tax assets	15	–	–
Intangible assets	10	18,440	1,938
Total Non Current Assets		38,363	23,148
Total Assets		43,200	28,295
Liabilities			
Current Liabilities			
Trade and other payables	11	2,241	1,432
Borrowings	12	436	39
Provisions	16	1,164	1,110
Total Current Liabilities		3,841	2,581
Non Current Liabilities			
Borrowings	13	18	49
Provisions	16	136	114
Total Non Current Liabilities		154	163
Total Liabilities		3,995	2,744
Net Assets		39,205	25,551
Equity			
Contributed equity	17	39,287	22,877
Reserves	18	3,801	3,565
Accumulated losses	19	(3,883)	(891)
Total Equity		39,205	25,551

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

For the year ended 30 June 2015

Statement of Changes in Equity

	Contributed Capital	Asset Revaluation Reserve	Share based Payment Reserve	Retained Profits / (Accumulated Losses)	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	17,031	1,552	1,711	5,735	26,029
Loss for the year	–	–	–	(6,626)	(6,626)
Shares issued during the year	6,260	–	–	–	6,260
Transaction costs	(414)	–	–	–	(414)
Vesting of arrangements involving limited recourse loans	–	–	302	–	302
Balance at 30 June 2014	22,877	1,552	2,013	(891)	25,551
Balance at 1 July 2014	22,877	1,552	2,013	(891)	25,551
Loss for the year	–	–	–	(2,992)	(2,992)
Shares issued during the year	17,016	–	–	–	17,016
Transaction costs	(606)	–	–	–	(606)
Vesting of arrangements involving limited recourse loans	–	–	91	–	91
Other comprehensive income for the year	–	145	–	–	145
Balance at 30 June 2015	39,287	1,697	2,104	(3,883)	39,205

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

For the year ended 30 June 2015

Statement of Cash Flows

	Note	2015 \$'000	2014 \$'000
Cash Flows From Operating Activities			
Receipts from customers (inclusive of goods and services tax)		13,868	14,989
Payments to suppliers and employees (inclusive of goods and services tax)		(15,774)	(16,862)
		(1,906)	(1,873)
Interest and other costs of finance paid		(45)	(38)
Income taxes refund		153	271
Interest received		12	64
Net Cash Outflow From Operating Activities	27	(1,786)	(1,576)
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(682)	(221)
Proceeds from sale of property, plant and equipment		2	22
Payments for development costs		(892)	(291)
Payments for purchased Intangible Assets		(15,704)	-
Net Cash Outflow From Investing Activities		(17,276)	(490)
Cash Flows From Financing Activities			
Proceeds from issue of equity		17,016	6,260
Payments for issue of equity		(606)	(414)
Repayment of bills payable		-	(1,850)
Proceeds from borrowings		397	-
Repayment of lease liabilities		(31)	(93)
Net Cash Inflow From Financing Activities		16,776	3,903
Net Increase / (Decrease) In Cash And Cash Equivalents Held		(2,286)	1,837
Cash and cash equivalents at the beginning of the financial year		2,415	578
Cash and Cash Equivalents at the End of the Financial Year	5	129	2,415

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

Notes To And Forming Part Of The Financial Statements

1. Summary Of Significant Accounting Policies

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

1.1 Statement of Compliance

These financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS).

For the purposes of preparing the financial statements, the Company is a for-profit entity.

1.2 Basis of Preparation

These financial statements have been prepared under the basis of historical cost, except for certain financial instruments that are measured at fair value at the end of the reporting period, and explained in the notes below.

Historical cost is generally based on fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. Detailed forecasts and sensitivity analyses have been prepared for the next twelve months to support the view that the Company will continue to improve its underlying profitability and have sufficient funds available to continue to invest in the commercialisation of new products and fit out the new clinic for CMAX within its existing bank facility. Accordingly, the Directors consider it reasonably foreseeable that the Company will continue as a going concern and accordingly adopts the going concern basis in the preparation of the financial report.

All amounts are presented in Australian dollars unless otherwise noted.

1.3 Going concern basis

For the year ended 30 June 2015, the Company incurred a loss after tax of \$2.992 million and experienced negative cash flows from operations of \$1.786 million. The Company achieved a small profit after tax in the second half of the financial year under review as well as generating a net cash inflow from operations for the period. Sales growth and hence cash generating activity in the organic business is expected to continue to improve into the coming financial year.

The Company is not only pursuing organic sales growth opportunities but has a core strategy of developing and acquiring new products in order to leverage existing manufacturing facilities and capabilities. The acquisition of 23 previously marketed US generic drugs in December 2014 and ongoing internal development of temozolomide are examples of successful execution of this strategy and will require the Company to continue to invest in the development of these products.

These financial statements have been prepared on a going concern basis contemplating continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors believe the going concern basis of preparation to be appropriate given its budget and forecasts, which include cash flow forecasts and customer confirmed forward sales orders, indicate the Company's base operations are expected to continue to grow. As at 30 June 2015, the Company had available debt facilities of \$3.75 million of which only \$405,000 was drawn down and which has been subsequently renewed and expanded by \$500,000.

Notes To And Forming Part Of The Financial Statements (Continued)

Having carefully assessed the Company's cash flow forecasts and available debt facilities, the Directors believe the Company will continue to operate as a going concern for at least the next 12 months and therefore it is appropriate to prepare the financial statements on a going concern basis.

1.4 Change in Accounting Policy

The Company has adopted new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the previous reporting period and are detailed in Note 1.24. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent significant change in information from that previously made available.

There have been no other significant changes in accounting policies during the reporting period.

1.5 Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when assets are recovered or liabilities settled, based on tax rates which are enacted or substantively enacted. The relevant tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company incurs eligible expenditure to support a R&D Tax Incentive Claim. This receivable balance is accounted for as a current tax asset and income tax expense.

1.6 Foreign Currency Translation

Foreign currency transactions are translated into functional currency (Australian Dollars) using exchange rates prevailing at the dates of the transactions.

Transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Foreign exchange gains and losses resulting from settlement of such transactions and from translation at period end exchange rates of foreign currency monetary assets and liabilities are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except for exchange differences on transactions entered into in order to hedge certain material foreign currency risks.

The company has entered a number of forward foreign exchange hedge contracts to manage its exposure to foreign exchange risk. Such contracts are initially recognised at fair value at the date they were initiated and subsequently remeasured to their fair value at the end of the reporting period with the resulting unrealised gain or loss recognised in profit or loss.

1.7 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. A sale is recorded when the significant risks and rewards of ownership of manufactured goods have passed to the customer, including despatch to a customer pursuant to a sales order.

Notes To And Forming Part Of The Financial Statements (Continued)

Revenue from a contract to provide services is recognised with reference to the stage of completion of the contract. The stage of completion is determined with reference to key project milestones achieved to date within the total contractual value.

It must also be probable that the economic benefits of the transaction will flow to the Company and the amount of revenue can be measured reliably.

1.8 Trade and Other Receivables

These amounts represent amounts receivable relating to the provision of goods and services to a customer pursuant to a valid order or contract. All receivables are recognised at the full amounts receivable, as they are due for settlement within 60 days of invoice date and therefore do not require re-measurement.

Collectability of receivable balances is reviewed on an ongoing basis and a provision raised where collection in full is no longer considered probable. Debts which are known to be uncollectable are written off.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value with the cost determined on a first-in-first-out basis. Net realisable value reflects the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

1.10 Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases (note 21). Finance leases are capitalised as Assets at fair value at the lease's inception, or if lower, at the present value of the minimum lease payments. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 21). Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.11 Property, Plant and Equipment

Freehold land and buildings are shown at their revalued amounts being the fair value at date of revaluation less subsequent depreciation for buildings. Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the revaluation reserve within equity. Decreases that offset previous increases of the same asset are recognised against revaluation reserve directly in equity; all other decreases are recognised in profit or loss.

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment. The cost of non-current assets constructed by the company includes the costs of all materials used in construction, direct labour on the project and an appropriate proportion of directly attributable variable and fixed overheads.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land) over their estimated useful lives, net of their residual values, using the straight line method, as follows:

- Buildings 40 years
- Machinery 10-15 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 3-10 years

Assets held under finance leases are depreciated over their expected useful lives over the same basis as owned assets.

Notes To And Forming Part Of The Financial Statements (Continued)

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Plant is regularly overhauled through an ongoing cyclical maintenance program. Routine operating maintenance, repair costs and minor renewals are charged as expenses as incurred.

An item of property, plant and equipment is derecognised upon disposal or where no future economic benefits are expected to arise from its continued use. Any gain or loss arising on disposal or retirement is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

1.12 Intangible Assets

a) Intangible Assets acquired separately

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and any applicable impairment loss.

Amortisation on the ANDAs acquired in December 2014 will commence once internal development activities are completed and the products launched. At this time the assets' useful life will be assessed, with amortisation to be applied on a straight line basis and reviewed at the end of each reporting period.

b) Internally generated Intangible Assets

Research expenditure is recognised as an expense as incurred.

An internally generated intangible asset arising from development is recognised where all of the following conditions can be demonstrated :

- technical feasibility of completing the project that it will be available for use or sale
- intention to complete the intangible asset and use it or sell it
- ability to use the intangible asset
- the intangible asset will generate probable future economic benefits
- availability of adequate technical, financial and other resources to complete the development
- and the ability to measure reliably the expenditure attributable to the development of the asset.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date the asset first met the recognition criteria listed above. Development expenditures that do not meet these criteria are recognised in profit or loss in the period in which incurred.

Developments costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation from the date the intangible asset first meets the recognition criteria, on the same basis as intangible assets which are acquired separately. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change accounted for on a prospective basis.

1.13 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine if there is any indication the assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes To And Forming Part Of The Financial Statements (Continued)

Assets, including Intangible Assets not yet available for use, are tested for impairment at least annually, and whenever there is an indication the asset may be impaired.

In testing for impairment, the recoverable amount is determined using a value-in-use approach based on discounted cash flows for each project, using a fair value less costs of disposal approach, based on either independent valuations or insured replacement cost.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss immediately after identification and the asset is derecognised if no future economic benefits are estimated from use or disposal.

1.14 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid at balance date. The amounts are unsecured and are usually paid within 30-60 days of recognition.

1.15 Provisions

Provisions are recognised when the Company has a present obligation (legal and constructive) as a consequence of a past event, it is probable the Company will be required to settle the obligation and a reliable estimate of the value of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking account of the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows, where the effect of the time value of money is material.

1.16 Short and Long Term Employee Benefits

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

Liabilities recognised in respect of short term benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured at the present value of the estimated future outflows to be made by the Company in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

1.17 Share-based payments

Share-based compensation benefits are provided to employees via the IDT Australia Limited Executive Option Plan (EOP) and the Employee Share Plan (ESP).

(i) Executive Option Plan

The fair value of options granted under the EOP is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options and is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

Notes To And Forming Part Of The Financial Statements (Continued)

(ii) Employee Share Plan

The ESP provides an annual value of up to \$1,000 of shares may be issued to employees for no consideration. The market value of shares issued to employees under the ESP is recognised as an employee benefits expense with a corresponding increase in equity at the date such shares were issued to employees.

Also within the ESP, Executive Managers can be offered shares in the Company to be issued at the current market value at the date of issue and funded by an interest free limited recourse loan from the Company. Grants within the framework of the ESP are determined by the MD together with the Remuneration and Nomination Committee, and subject to approval by the Board.

Amounts disclosed for emoluments relating to such shares are the assessed fair values at issue date determined using a Black-Scholes pricing model taking into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the arrangement.

1.18 Cash and Cash Equivalents

For purposes of the statement of cashflows, cash and cash equivalents includes deposits which are readily convertible to cash on hand and in banks and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

1.19 Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings per Share

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

1.20 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables on the Balance Sheet.

Cashflows are included in the statement of cashflow on a gross basis. The GST component of cashflows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as operating cashflows.

1.21 Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

1.22 Financial Instruments

The Company holds financial instruments to hedge foreign currency exposures which are initially recognised at fair value. Subsequent to initial recognition, instruments are measured at fair value with changes recognised in profit and loss.

Notes To And Forming Part Of The Financial Statements (Continued)

1.23 Rounding of Amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

1.24 Application of new and revised Accounting Standards

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

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

As the Company does not have any financial assets and financial liabilities that qualify for offset, application of the amendments does not have material impact on the disclosures or on the amounts recognised in the Company's financial statements.

AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. The amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

The Company does not recognise Goodwill or Intangible Assets with indefinite useful lives and accordingly application of these amendments does not have material impact on the disclosures in the Company's financial statements.

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

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

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share based payment transactions for which the grant date is on or after 1 July 2014.
- The amendments to AASB 3 clarify contingent consideration classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss.
- The amendments to AASB 8 (i) require an entity to disclose judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.
- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

Notes To And Forming Part Of The Financial Statements (Continued)

- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation / amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation / amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
- The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required

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

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

Application of these amendments does not have material impact on the disclosures or on the amounts recognised in the Company's financial statements.

Interpretation 21 'Levies'

Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. Interpretation 21 has been applied retrospectively.

The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Company's financial statements.

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.

AASB108.28(f)(ii) The impact of the application of the new and revised Standards on basic and diluted earnings per share is disclosed in note 28.

Notes To And Forming Part Of The Financial Statements (Continued)**1.25 Standards and Interpretations in issue not yet adopted**

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards (*)	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

(*) The AASB has issued the following versions of AASB 9:

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

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

At the date of publication, there have been no IASB Standards or IFRIC Interpretations that are issued but not yet effective.

Notes To And Forming Part Of The Financial Statements (Continued)

2. Revenue	2015	2014
	\$000	\$000
Sales revenue	15,703	13,171
Other revenue		
– Government grants	5	67
– Interest	12	64
– Royalties	–	72
	17	203
Total revenue	15,720	13,374
3. Expenses		
Loss from ordinary activities before income tax expense includes the following expenses:		
Cost of goods sold	4,638	4,943
Finance charges relating to finance leases	5	6
Depreciation of property, plant and equipment	2,146	2,202
Amortisation		
– Finance leases capitalised	27	28
– Development costs	94	91
Repairs and maintenance	702	684
Impairment of development costs	–	621
Net foreign currency loss	101	7
4. Income Tax		
(a) Income Tax Expense		
Current tax	(430)	(63)
Deferred tax	182	–
Under/(over) provided in prior years	31	106
	(217)	43
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from ordinary activities before income tax expense	(3,209)	(6,583)
Prima facie tax benefit at 30%	(963)	(1,975)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Non deductible entertainment expenses	2	2
Research and development tax concessions	70	33
Motor vehicle depreciation	–	(6)
Employee share issue	27	104
	(864)	(1,842)
Under/(over) provision in previous year	–	106
Deferred tax losses not brought to account	647	1,779
Income tax expense/(benefit) attributable to operating profit	(217)	43

Notes To And Forming Part Of The Financial Statements (Continued)

5. Current Assets – Cash and Cash Equivalents	2015	2014
	\$000	\$000
Cash at bank and on hand	129	2,415
6. Current Assets – Trade and Other Receivables		
Trade receivables	3,334	1,493
Less: Provision for doubtful debts	–	–
	3,334	1,493
Other receivables	9	79
Prepayments	432	344
	3,775	1,916
The average collection period for sales invoices is 30-60 days from invoice date and interest is not charged on past due balances. The Company does not have a history of collection delays or defaulted balances and accordingly does not consider a provision for doubtful debts is necessary.		
Age of receivables which are past due, but not impaired		
30-60 days	301	267
60-90 days	245	9-
	546	276
7. Current Asset - Current Tax Asset		
Income tax receivable	430	169
8. Current Assets - Inventories		
Raw materials - at cost	347	462
Work in progress - at cost	156	185
	503	647
The valuation policy adopted in respect of inventories is set out in Note 1.9.		

Notes To And Forming Part Of The Financial Statements (Continued)

9. Non Current Assets – Property, Plant and Equipment	2015 \$000	2014 \$000
Land and Buildings		
Freehold land (at fair value)	4,380	4,380
Buildings (at fair value)	4,920	4,920
Less: Accumulated depreciation	(36)	(124)
Total Land and Buildings	9,264	9,176
Plant and Equipment		
Plant and equipment – at cost	39,134	38,912
Less: Accumulated depreciation	(28,920)	(26,973)
Capital Work in Progress	383	-
	10,597	11,939
Plant and Equipment under Finance Lease		
Capitalised cost	106	130
Less: Accumulated amortisation	(44)	(35)
	62	95
Total Plant & Equipment	10,659	12,034
Total Property, Plant and Equipment	19,923	21,210

The Company's freehold land and buildings are stated at revalued amounts, being fair value at the date of revaluation, less subsequent accumulated depreciation. The fair value measurement was performed by independent valuers effective 15 April 2015. The valuations, conform to Australian Valuation Standards and were calculated based on the fair value of the land and depreciated replacement cost of the buildings.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

2015	Freehold Land \$000	Buildings \$000	Plant & Equipment \$000	Leased Plant & Equipment \$000	Total \$000
Carrying amount at start of year	4,380	4,796	11,939	95	21,210
Revaluation	-	207	-	-	207
Additions	-	6	676	-	682
Transfer between categories	-	-	7	(7)	-
Disposals	-	-	(2)	-	(2)
Depreciation expense	-	(125)	(2,023)	(26)	(2,174)
Carrying amount at end of year	4,380	4,884	10,597	62	19,923
2014	Freehold Land \$000	Buildings \$000	Plant & Equipment \$000	Leased Plant & Equipment \$000	Total \$000
Carrying amount at start of year	4,380	4,920	13,778	81	23,159
Revaluation	-	-	-	-	-
Additions	-	-	241	85	326
Disposals	-	-	(2)	(43)	(45)
Depreciation expense	-	(124)	(2,078)	(28)	(2,230)
Carrying amount at end of year	4,380	4,796	11,939	95	21,210

Notes To And Forming Part Of The Financial Statements (Continued)

10. Non Current Assets – Intangible Assets	2015	2014
	\$000	\$000
Intangible assets separately acquired	15,704	–
Development expenditure capitalised	3,636	2,744
Less: Accumulated amortisation development costs	(900)	(806)
	18,440	1,938
Reconciliation of Intangible Assets		
Carrying amount at start of year	1,938	2,359
Purchase of intangible assets	15,704	–
Development expenditure capitalised during the year	892	291
Amortisation of development costs during the year	(94)	(91)
Development costs impaired during the year	–	(621)
Carrying amount at end of year	18,440	1,938
In December 2014, the Company acquired 23 ANDA's, being the FDA's approval to manufacture and market these products in the US. Additional development expenditure has been incurred to register IDT as the owner of these products, to transfer the manufacture to our Boronia facility and on the development of other pipeline products.		
11. Current Liabilities – Trade and Other Payables		
Trade payables	847	574
Other payables	1,394	858
Total current liabilities	2,241	1,432
12. Current Liabilities – Borrowings		
Lease liabilities (note 21)	31	39
Commercial loan	405	–
Total current borrowings	436	39
13. Non Current Liabilities - Borrowings		
Lease liabilities (note 21)	18	49
Total non current borrowings	18	49

Notes To And Forming Part Of The Financial Statements (Continued)

14. Financing Arrangements	2015	2014
	\$000	\$000
Commercial loan	405	–
Lease liabilities	49	88
Total secured liabilities (current and non current)	454	88
Unrestricted access was available at balance date to the following credit facilities with the National Australia Bank Ltd:		
Total facilities		
– Bank Overdraft	1,000	1,000
– Lease Facility	450	450
– Flexible Rate Commercial Loan	2,750	2,750
– Credit Card Facility	100	100
Used at balance date		
– Bank Overdraft	–	–
– Lease Facility – Finance Leases	49	88
– Lease Facility – Operating Leases	68	–
– Flexible Rate Commercial Loan	405	–
– Credit Card Facility	74	38
Available at balance date		
– Bank Overdraft	1,000	1,000
– Lease Facility	333	362
– Flexible Rate Commercial Loan	2,345	2,750
– Credit Card Facility	26	62
Security for Borrowings		
The bank overdraft, lease and business loan facilities are secured by the following:		
– A Registered Mortgage over property situated at 39 Wadhurst Drive, Boronia		
– A Registered Mortgage over property situated at 41 Wadhurst Drive, Boronia		
– A Registered Mortgage over property situated at 43-49 Wadhurst Drive, Boronia		
– A Registered Mortgage over property situated at 51-57 Wadhurst Drive, Boronia		
– A Registered Mortgage over property situated at 68 Wadhurst Drive, Boronia		
Carrying value of assets pledged as Security		
– Freehold land and buildings	9,264	9,176
– Plant and equipment under finance lease	62	95
Total assets pledged as security	9,326	9,271

Subsequent to balance date the Flexible Rate Commercial Loan facility has been extended until 31 October 2016 and increased by \$500,000 to \$3,250,000. The Bank Overdraft facility is unchanged.

Notes To And Forming Part Of The Financial Statements (Continued)

15. Non Current - Deferred Tax Asset / (Liabilities)	2015 \$000	2014 \$000
Deferred Liability	2,895	2,772
The balance comprises temporary differences attributable to:		
Depreciation	2,359	1,658
Asset revaluation	(62)	532
Prepayments	12	-
Development costs	586	582
	2,895	2,772
Movements		
Opening balance at 1 July	2,772	2,924
Increase/(reduction) current tax asset	261	(275)
Current year increase/(decrease) not recognised	(138)	123
Closing balance at 30 June	2,895	2,772
Deferred tax assets	2,895	2,772
The balance comprises temporary differences attributable to:		
Employee entitlements	390	367
Tax losses	2,505	2,405
	2,895	2,772
Opening balance at 1 July	2,772	2,924
Increase/(reduction) current tax asset	261	(275)
Charged/(credited) to equity	(138)	123
Closing balance at 30 June	2,895	2,772
Net deferred tax assets/(liability)	-	-
Deferred tax liability expected to settle within 12 months	-	-
Deferred tax liability expected to settle more than 12 months	2,895	2,772
	2,895	2,772
Deferred tax asset expected to be recovered within 12 months	-	-
Deferred tax asset expected to be recovered after more than 12 months	2,895	2,772
	2,895	2,772
16. Provisions		
Current		
Employee entitlements	1,164	1,110
Non Current		
Employee entitlements	136	114

The provision for employee entitlements represents annual leave, vested long service leave and an estimate of long service leave payable to employees which has not yet vested.

Notes To And Forming Part Of The Financial Statements (Continued)

17. Contributed Equity		2015 Shares	2014 Shares	2015 \$000	2014 \$000
(a) Paid up capital - Ordinary shares, fully paid		191,281,032	77,374,248	39,287	22,877
(b) Movements in ordinary share capital of the company during the past two years were as follows:					
Date	Details	Notes	No. of Shares	\$000	
1 July 2013	Opening balance		53,192,059	17,030	
16 August 2013	Employee share plan issue	(a)	206,235	46	
26 September 2013	1:5 non-renounceable rights issue		10,679,659	2,884	
	Costs associated with rights issue		–	(249)	
22 October 2013	Sophisticated placement		11,481,482	3,100	
	Costs associated with sophisticated placement		–	(164)	
15 May 2014	Employee share plan issue	(a)	1,814,813	–	
	Deferred tax impact on share issues		–	230	
30 June 2014			77,374,248	22,877	
24 October 2014	Employee share plan issue	(a)	360,000	–	
18 December 2014	Share placement to sophisticated investors		100,000,000	15,000	
30 December 2014	Share purchase plan		13,440,096	2,016	
	Costs associated with share issues		–	(606)	
23 February 2015	Forfeited employee shares	(a)	(74,074)	–	
27 April 2015	Employee share plan issue	(a)	180,762	–	
30 June 2015			191,281,032	39,287	

(a) IDT Employee Share Plan

During the year the Company issued 540,762 (2014: 2,021,048) ordinary shares under the rules of the IDT Australia Limited Employee Share Plan. Additionally, 74,074 shares were forfeited during 2015 with a former employee electing not to repay the interest free limited recourse loan following cessation of employment thereby forfeiting ownership within the terms of the Plan.

Ordinary Shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Notes To And Forming Part Of The Financial Statements (Continued)

18. Reserves	2015 \$000	2014 \$000
Share-based payments reserve	2,104	2,013
Asset revaluation reserve	1,697	1,552
	3,801	3,565
Movements in share-based payment reserve		
Balance 1 July	2,013	1,711
Vesting of arrangements involving limited recourse loans	91	302
	2,104	2,013
The share-based payments reserve is used to recognise the fair value of options issued but not exercised and the fair value of shares issued under the IDT Australia Limited Employee Share Plan. Refer note 24.		
Movements in share-based payment reserve		
Balance 1 July	1,552	1,552
Vesting of arrangements involving limited recourse loans	145	–
	1,697	1,552
The asset revaluation reserve is used to recognise the value of land and buildings owned by IDT Australia Limited and valued by an independent third party valuer.		
19. Retained Profits		
Retained profits/(accumulated losses) at the beginning of the financial year	(891)	5,735
Net loss attributable to members of IDT Australia Limited	(2,992)	(6,626)
Dividends provided for or paid	–	–
Accumulated losses at the end of the financial year	(3,883)	(891)
20. Financial Reporting By Segments		
The Company operates in the pharmaceutical industry and the principal activities are the provision of products, research, development and other technical services.		
The company operates predominantly in one geographic area, being Australia.		
Sales Revenue consists of:		
– Fee for Service	3,013	3,347
– Manufacturing	3,309	1,483
– Clinical Trials	9,381	8,341
Total Sales Revenue	15,703	13,171
Included in the above revenues are revenues of \$5.13 million arising from sales to the Company's three largest customers. Each of which individually contributed 10% or more to the Company's revenue.		

Notes To And Forming Part Of The Financial Statements (Continued)

21. Commitments for Expenditure	2015	2014
	\$000	\$000
(a) Finance lease commitments		
– Within one year	34	45
– Later than one year but not later than 5 years	18	52
Minimum lease payments	52	97
Less: future finance charges	(3)	(9)
Total finance lease liability	49	88
(b) Non cancellable operating lease commitments		
– Within one year	546	323
– Later than one year but not later than 5 years	2,289	348
– Later than 5 years	–	–
	2,835	671
(c) Capital Commitments		
The Company has no commitments for future capital expenditure outstanding as at 30 June 2015 (2014 : nil).		

22. Auditor's Remuneration	2015	2014
	\$	\$
Total amounts receivable by Deloitte Touche Tohmatsu for:		
(a) Audit and review of the company's financial statements	81,500	80,850
(b) Other services	–	6,100
Total Audit Services	81,500	86,950

23. Financial Risk Management

Financial risks impacting the Company's activities fall into three categories:

- a) market risk – foreign exchange and interest rate
- b) credit risk
- c) liquidity risk

a) Market risk

Whilst it is Company policy to contract in Australian dollars where possible, the Company also undertakes transactions in foreign currencies, particularly Euro and US dollars, which give rise to foreign exchange risk as exchange rates fluctuate.

The Company has identified future material foreign exchange transactions associated with product development pipeline and existing accounts receivable balances, and managed exchange rate exposure through the use of forward exchange contracts on such material transactions. Such contracts are designated as cash flow hedges.

The Company does not enter into or trade financial instruments for speculative purposes.

Notes To And Forming Part Of The Financial Statements (Continued)

21. Commitments for Expenditure (Continued)

The Company's exposure to foreign currency risk at 30 June 2015 is detailed below.

	Foreign Currency Value 2015 FC '000	AUD Equivalent 2015 AUS '000	Foreign Currency Value 2014 FC '000	AUD Equivalent 2014 AUS '000
Cash at Bank (USD)	USD 6	8	USD39	42
Receivables – Current (EUR)	EUR 493	717	EUR255	369
Receivables – Current (USD)	–	–	USD1	1
Payables – Current (USD)	–	–	USD25	27

The Company has limited exposure to interest rate risk as it holds no significant interest bearing assets or borrowings.

The Company currently has limited exposure to interest rate risk because at balance date the Company has total borrowings of \$405,000 (2014: nil), on which interest is payable on a variable rate.

As current forecasts support increasing reliance on this facility during the coming financial year to support product development, commercialisation of the new ANDAs and the fit out of CMAX's new clinical facility, the Company's sensitivity to interest rates has increased. If the existing Variable Rate Commercial Loan was fully drawn and interest rates increased by 50 basis points the annualised interest rate sensitivity would be \$16,250.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. Credit risk is closely managed and the Company has procedures to deal with credit worthy counterparties, review customer credit worthiness on an ongoing basis and to monitor exposure to any one customer.

The Company does not have a history of defaulted balances.

c) Liquidity risk

Liquidity risk is the risk that the company is not able to pay its debts as and when they fall due and the ultimate responsibility for liquidity risk management rests with the Board of Directors which has established a framework for management of the Company's requirements over time through continuous monitoring of historical and anticipated cash flows, scenario analysis and maintaining adequate reserves. The Company currently has significant undrawn banking facilities

	2015 \$000	2014 \$000
The Company holds the following financial instruments:		
Financial Assets		
Cash and cash equivalents	129	2,415
Trade and other receivables	3,775	1,916
Total Financial Assets	3,904	4,331
Financial Liabilities		
Trade and other payables	2,241	1,432
Borrowings, current and non current	454	88
Total Financial Liabilities	2,695	1,520
Net Financial Position	1,209	2,811

Notes To And Forming Part Of The Financial Statements (Continued)**24. Share Based Payments**

The Employee Share Plan (ESP) was approved at the Annual General Meeting held on 20 November 2013.

During the year ended 30 June 2015, the Company issued 540,762 ordinary shares under the rules of the IDT Australia Limited ESP (2014: 2,021,048).

Under the scheme, eligible employees may be offered up to \$1,000 worth of fully-paid ordinary shares in IDT Australia Limited annually for no cash consideration. The value of shares issued under the scheme, measured as the market price on the day of issue of the shares, is recognised in the income statement as part of employee benefit costs in the period the shares are granted.

Additionally within the ESP, from time to time executive managers and Directors may be offered shares in the Company issued at the current market value at the date of issue and funded by an interest free limited recourse loan from the Company. Grants within the framework of the ESP were determined by the MD together with the Remuneration and Nomination Committee, and subject to approval by the Board, and to the extent offered to the MD, approved as a resolution at a General Meeting of shareholders.

Shares issued within the terms of ESP may not be sold until the earlier of three years after issue or cessation of employment with the company. In all other respects the shares rank equally with other fully-paid ordinary shares on issue.

Amounts disclosed for emoluments relating to these shares are the assessed fair values at issue date determined using a Black-Scholes pricing model taking into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the arrangement.

Expenses arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:

	2015 \$000	2014 \$000
Options issued under executive option plan	–	–
Shares issued under employee share plan	91	302
	91	302

25. Key Management Personnel Disclosures

The following persons were Directors of IDT Australia Limited during the financial year:

Executive Director

P MacLeman, Managing Director

Non Executive Directors

G Kaufman, Chair AD Fisher (appointed 10 June 2015)

G Lord, Deputy Chair R Shigeno

GL Blackman D Williams (resigned 19 May 2015)

Key Management Personnel

The following persons also have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Name	Position
J Johnson	Chief Financial Officer, Joint Company Secretary
D Sparling	Vice President, Legal & Corporate Development, Joint Company Secretary

Notes To And Forming Part Of The Financial Statements (Continued)

25. Key Management Personnel Disclosures (Continued)	2015	2014
	\$	\$
Directors and Key Management Personnel Compensation		
Short term employee benefits	1,013,141	968,107
Post employment benefits	105,577	139,057
Long term benefits	3,409	18,835
Share based payments	43,804	73,992
	1,165,931	1,199,991

26. Related Party Transactions**Transactions of Directors and Key Management Personnel Concerning Shares or Share Options****Directors**

The names of persons who were Directors of the company at any time during the financial year are G Blackman, A Fisher, G Kaufman, G Lord, P MacLeman, R Shigeno and D Williams.

Key Management Personnel

The following persons also have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year

Name	Position
J Johnson	Chief Financial Officer, Joint Company Secretary
D Sparling	Vice President, Legal & Corporate Development, Joint Company

Aggregate numbers of shares acquired and disposed of by Directors or Key Management Personnel were as follows:

	2015	2014
	Shares	Shares
Ordinary shares acquired	600,001	2,638,353
Ordinary shares disposed	-	-

The terms and conditions of transactions relating to shares were on the same basis as similar transactions with other shareholders.

Aggregate numbers of shares of IDT Australia Limited held directly, indirectly or beneficially by Directors or Key Management Personnel at balance date were as follows:

Ordinary shares	15,566,365	14,606,364
Options	500,000	500,000

There were no other transactions between the Company and Directors and Key Management Personnel in 2015 (nil : 2014).

Notes To And Forming Part Of The Financial Statements (Continued)

27. Reconciliation Of Net Cash Inflow From Operating Activities To Operating Loss After Income Tax	2015	2014
	\$000	\$000
Net cash outflow from operating activities	(1,786)	(1,576)
Depreciation and amortisation	(2,267)	(2,321)
Fair value adjustment	62	–
Impairment of development costs	–	(621)
Non-cash share based payment	(91)	(302)
Change in operating assets and liabilities:		
Increase/(decrease) in receivables	1,858	(1,748)
Decrease in inventories	(144)	(28)
Increase/(decrease) in current tax asset	261	(102)
(Increase)/Decrease in payables	(809)	230
Decrease in provision for deferred income tax	–	–
Increase in other provisions	(76)	(158)
Operating loss after income tax	(2,992)	(6,626)
28. Earnings Per Share	2015	2014
Basic earnings per share	(2.2¢)	(9.5¢)
Diluted earnings per share	(2.2¢)	(9.5¢)
Weighted average number of ordinary shares on issue during the year used in calculation of basic earnings per share	137,699,014	69,600,776
Weighted average number of ordinary shares on issue during the year used in the calculation of diluted earnings per share	137,699,014	69,600,776
	2015	2014
	'000	'000
Basic Earnings per share	(2,992)	(6,626)
Loss attributable to ordinary equity holders used in calculating basic earnings per share		
Diluted earnings per share	(2,992)	(6,626)
Loss attributable to ordinary equity holders used in calculating diluted earnings per share		
Options granted under the IDT Australia Limited Executive Share Option Plan could be considered dilutive to ordinary shares if the exercise price was less than the share price as at 30 June 2015. Accordingly no options have been included in the determination of basic earnings per share.		

Notes To And Forming Part Of The Financial Statements (Continued)

29. Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The following critical judgements have been made in application of the entity's accounting policies.

Future economic benefit of capitalised development costs.

The Company applies AASB 136 Impairment of Intangible Assets to test the carrying value of the acquired intangibles and capitalised development costs. Judgement is applied to periodically assess the appropriateness of the carrying value.

In making this judgement, the Company makes reasonable and supportable assumptions to represent management's estimate of the conditions that will exist over the useful life of the asset. Amongst other factors the Company evaluates technical feasibility to complete the project, existence of a commercial market and sales expectations to conclude on the probability that expected future economic benefits will flow to the entity.

Where the value of future economic benefits relative to the asset's carrying value is considered insufficient, the Company recognises impairment in accordance with AASB 136 Impairment of Assets.

30. Events After The Reporting Period

On 12 August 2015 the Company executed a partnership agreement with ANI Pharmaceuticals Inc, appointing them as our distributors for the US market for eighteen of the twenty three products acquired from Sandoz in December 2014. A signing milestone of US\$1m has been received and further milestones become receivable as the products are reapproved by the FDA.

On 8 July 2015, the commercial loan facility with National Australia Bank Limited was increased by \$0.5m to \$3.25m and the term extended through to 31 October 2016. The \$1.0m overdraft facility remains unchanged.

31. Contingent Assets And Contingent Liabilities

The Company has a contractual obligation to pay Sandoz the following milestones in association with the purchase of ANDAs effective December 2014:

- On receipt of FDA marketing re-approval for the first product, payable USD1,500,000;
- Achievement of cumulative in market product revenues exceeding USD20,000,000, payable USD1,000,000;
- Achievement of cumulative in market product revenues exceeding USD40,000,000, payable USD1,000,000; and
- Achievement of cumulative in market product revenues exceeding USD60,000,000, payable USD1,000,000.

Marketing approval and accordingly first sales are expected in 2016 with the first sales milestone expected to be achieved in 2017.

Other than above the Company has no contingent assets or liabilities to disclose at the date of this report.

For the year ended 30 June 2015

Directors' Declaration

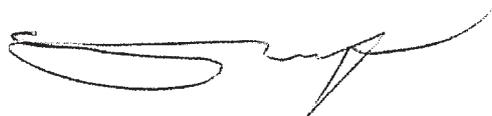
In the Directors' opinion:

- (a) the financial statements and notes set out on pages 21 to 47 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance, as represented by the result of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the financial statements and notes thereto also comply with International Financial Reporting Standards as disclosed in Note 1.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors made pursuant to s295(5) of the *Corporations Act 2001*.

On behalf of the directors



Graeme Kaufman
Chairman



Dr Paul MacLeman
Director

Melbourne
18 August 2015

Independent Auditor's Report to the Members of IDT Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of IDT Australia Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 21 to 48.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of IDT Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of IDT Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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



DELOITTE TOUCHE TOHMATSU



Chris Biermann

Partner

Chartered Accountants

Melbourne, 19 August 2014

For the year ended 30 June 2015

Shareholder Information

The shareholder information set out below was applicable as at 5 August 2014.

A. Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

No. of Fully Paid Ordinary Shares Held	Holders 2015	Holders 2014
1 – 1000	439	460
1,001 – 5,000	627	658
5,001 – 10,000	237	251
10,001 – 100,000	604	433
100,001 – over	190	83
	2,097	1,885

B. Twenty Largest Shareholders

The names of the twenty largest holders of ordinary shares are listed below:

	Number Held	Percentage of Issued Shares
1 National Nominees Limited	20,961,419	10.96%
2 IROM Group., Limited	15,793,001	8.26%
3 Citicorp Nominees Pty Limited	14,125,000	7.38%
4 UBS Nominees Pty Ltd	8,757,036	4.58%
5 Brispot Nominees Pty Ltd (House Head Nominee No 1 A/C)	8,292,574	4.34%
6 Graeme Leslie Blackman	7,029,710	3.68%
7 Mutual Trust Pty Ltd	6,825,000	3.57%
8 J P Morgan Nominees Australia Limited	6,284,103	3.29%
9 Paulene Blackman	4,457,737	2.33%
10 RACT Super Pty Ltd (Rand Super Fund A/C)	3,250,000	1.70%
11 CS Fourth Nominees Pty Ltd	2,810,000	1.47%
12 Belgravia Strategic Equities Pty Ltd	2,796,419	1.46%
13 HSBC Custody Nominees (Australia) Limited - A/C 3	2,500,000	1.31%
14 Keygrowth Pty Ltd	2,332,116	1.22%
15 HSBC Custody Nominees (Australia) Limited-Gsco Eca	2,079,556	1.09%
16 Fifty Second Celebration Pty Ltd (Mcbain Family A/C)	2,064,551	1.08%
17 Mr David Terrence Hamilton Clarke & Mrs Judith Margaret Clarke	1,951,510	1.02%
18 Mr Anthony Huntley	1,880,512	0.98%
19 Mr Anthony John Huntley	1,501,582	0.79%
20 Poltick Pty Ltd	1,350,000	0.71%
	117,041,826	61.19%

For the year ended 30 June 2015

Shareholder Information (Continued)

C. Substantial Holders

Substantial holders in the company are set out below:

	Number Held	Percentage of Issued Shares
National Nominees Ltd as custodian for Australian Ethical Smaller Companies Trust	22,766,419	11.90%
I'ROM Group., Limited	15,793,001	8.26%
UBS Group AG and its related bodies corporate	11,799,262	6.17%
Bank of America Corporation and its related bodies corporate	11,125,000	5.82%

D. VOTING RIGHTS

A registered holder of shares in the company may attend general meetings of the company in person or by proxy and on a poll may exercise one vote for each share held. Option holders have no voting rights.



IDT Australia Limited
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