Objective

2015

ANNUAL REPORT

6 VALUES
Define us. Drive us. Inspire us.

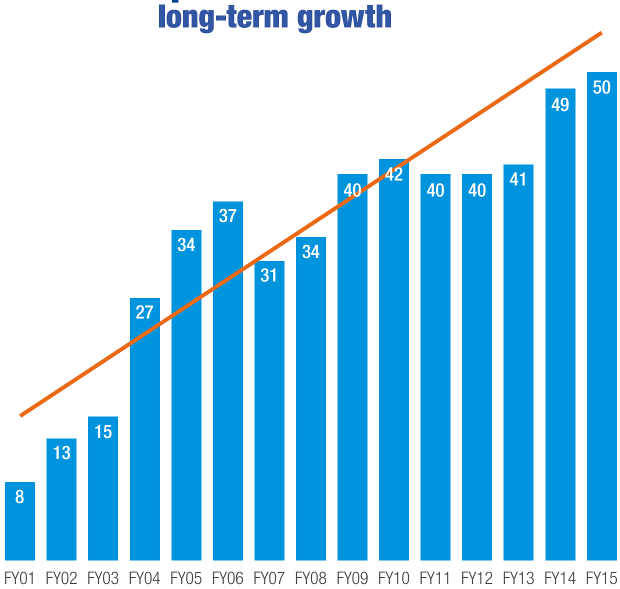
WE GROW AND WE SUCCEED BY…

Behaving with *integrity*
Demonstrating *expertise* in everything we do
Championing *great people* and *great teams*
Fostering *tenacity*
Applying *entrepreneurial* spirit
Knowing *results matter* most

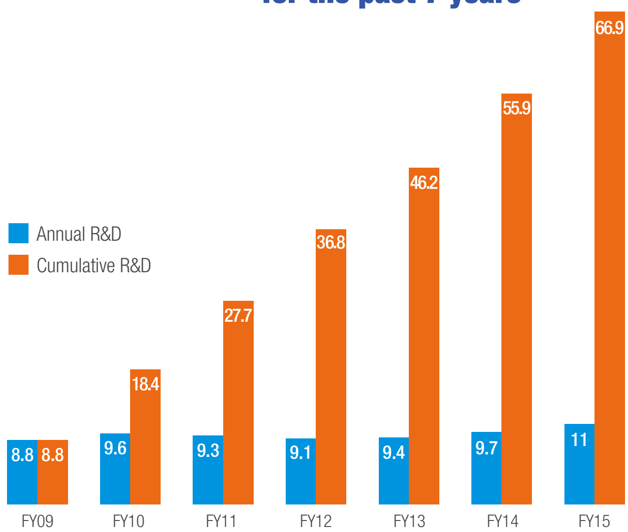
CONTENTS

ACHIEVEMENTS

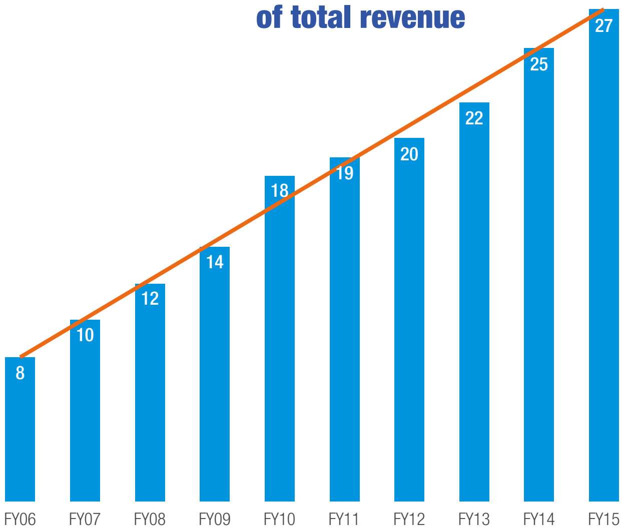
Revenue of $50M long-term growth



R&D investment is TWICE the industry average for the past 7 years



Recurrent revenue 54% of total revenue



Financial PERFORMANCE

RESULTS SUMMARY FOR YEAR ENDED 30 JUNE	FY2015 $m	FY2014 $m	CHANGE %
Revenue	50.0	48.6	^ 3
EBITDA	5.4	7.1	v 24
Net profit after tax	4.5	5.7	v 21
Cash flow from operations	8.5	6.1	^ 38
Cash at balance date	20.2	15.0	^ 35
Asia Pacific revenue	41.1	40.3	^ 2
European revenue	8.2	7.6	^ 8
R & D (fully expensed)	11.0	9.7	^ 13
Earnings per share	5.0 cps	6.0 cps	v 17
Final dividend (Fully Franked)	**3.75 cents**	**3.50 cents**	

OUR MISSION

IS TO DELIVER SOLUTIONS THAT EMPOWER EFFICIENCY AND EFFECTIVENESS FOR THE BENEFIT OF STAKEHOLDERS AND THE COMMUNITY.

DELIVERING EXCELLENT CUSTOMER OUTCOMES

"We've streamlined our committee management process, delivering a **67% saving in time and effort** while improving the quality."
Emma Ulbrick Senior Governance Officer Greater Dandenong City Council

"Subscribing to Objective Managed Services has freed up our staff allowing us to **leverage our investment in Objective**. We know that support is only a phone call or email away and while our issues are resolved, **our staff can focus on our business outcomes** – to deliver better sewerage and water services to our customers and keep our communities healthy."
Pauline Thomson Chief Financial Officer, Unitywater

"Objective helped us **increase customer responsiveness** and facilitate new ways of working in line with the Council's **Digital Transformation strategy**."
Barbara Brownlee Director of Housing, Thurrock Council, UK

"We're injecting a **new-found agility** into our operations. Ultimately it means we can **make decisions faster**, the key to responsiveness."
David Schneider CIO, Department of Premier & Cabinet

"We're seeing a **rapid rise in the use of Objective Connect** at ACT Health. It has quickly become the **secure platform for medical collaboration** amongst clinical teams, we're building better connections between health administration and hospitals and even **collaborating with other government agencies**. We're protecting medical data and we retain ownership and control."
Charles Palmer Director of Information Integrity, ACT Health

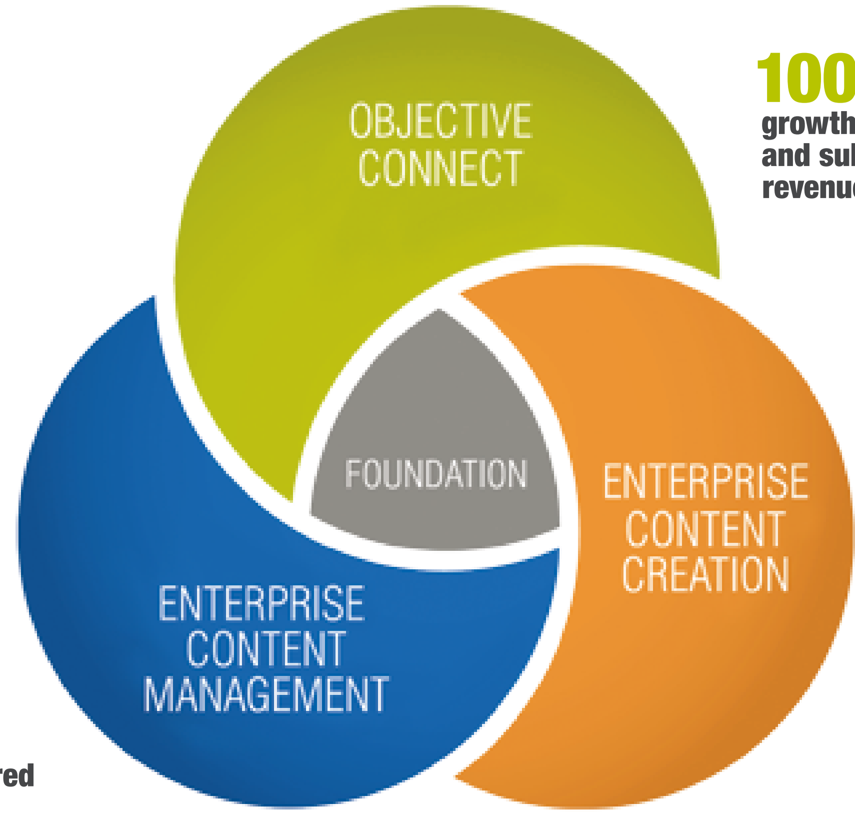
INVESTING
IN INNOVATION

As digital transformation and cloud computing influence strategies to drive innovation and agility throughout business, we too remain agile, investing in our solutions and aligning our business to meet this demand.

99%
business use

96%
of new customers subscribed to Workgroup or Enterprise

100%+
growth in users and subscription revenue



25
new customers

60%
growth in FSI revenue from FY2014

25 BPA
projects delivered in FY2015

UP 68%
Managed Services run rate from FY2014 to FY2015

ENTERPRISE CONTENT MANAGEMENT

Information Governance & Process Management

- 400,000+ users
- Average customer 1,200 users
- 85% on current version of software
- Largest system 70,000+ users, 250M+ objects managed

Highlights

Growth in Business Process Automation (BPA)
Customers continue to expand their Enterprise Content Management (ECM) solutions, buoyed by the results they achieve in using ECM to automate core business processes. In turn, the value of their Objective ECM solution grows.

Expanded packaged solutions
Designed to accelerate both adoption and value realisation, solutions that combine software, best-practice implementation services together with training were developed for key market segments, offering a lower cost of entry and carrying a lower cost of sale.

Governance across existing IT infrastructure
Growth also came from customers integrating ECM with their line-of-business systems. Customers increasingly recognise the business value derived from a single information source populating essential business systems. It creates efficiencies in operations, informs better decision-making and provides transparency across the business.

ECM in the Cloud
Objective's first full ECM Cloud customer went live in FY2015 and growing numbers of customers are subscribing to our Managed Services offering, where we manage the customers' environment on their behalf.

Technology maturity
Demand for ECM from the public sector and from regulated industries continues to grow. First generation ECM solutions are reaching the end of their lifecycle creating significant replacement opportunities for Objective.

OBJECTIVE CONNECT

Cloud-based information exchange for security conscious organisations.

- 21,000+ users
- 580,000+ connections
- 68 countries
- 99% business use

Highlights

Broad vertical market appeal
While public sector uptake remains strong, demand is growing beyond Objective's traditional target vertical, with significant adoption in the Healthcare and Financial Services sectors.

Trusted as an enterprise-grade solution
Objective Connect is squarely positioned in the valuable enterprise space, not the crowded consumer file-sync-and-share market. 96% of new customers in the FY2015 subscribed to the Workgroup or Enterprise editions and 99% of total use is by business.

Enhanced enterprise value
Applying governance to content shared in the cloud is a growing imperative in many industries – a trend evidenced by growth in sales of Objective ConnectLink through FY2015. ConnectLink extends governance attained by an ECM solution to information shared in the cloud through Objective Connect. Not only does this deliver enhanced value to Objective ECM customers, ConnectLink also works for businesses using HP TRIM or Microsoft SharePoint®.

Product development
In addition to improving scalability and stability in readiness for exponential growth, R&D investment in FY2015 delivered a new, sleek, responsive user interface and the solution was migrated to the Microsoft Azure cloud.

Go-to-market model maturity
Success of the network uptake effect by Workgroup and Enterprise customers is evident. This digital distribution model together with opportunities presented through the Microsoft relationship position Objective Connect well for further growth.

ENTERPRISE CONTENT CREATION

Streamlined authoring, review, approval and publishing for critical and legislated documents.

- 10,434 users globally
- 38,000+ documents
- 718,225 consultees
- Expanded footprint in new vertical markets

Highlights

Expansion into Financial Services & Insurance (FSI)
Regulatory changes in the FSI sector are triggering mandatory product document rolls, driving demand for solutions that improve transparency and mitigate the risk of exposure to fines and penalties. Broader acceptance of our value proposition to this sector was evident through contract extensions and contracts of higher value.

Public Sector maturity
The quest for smarter business practices together with policy-driven cloud technology decisions are driving demand for transparent publication of government documents, delivered digitally. Public Sector organisations are publishing e-Plannning documents, e-Budget Books and Committee Agendas and Minutes in increasing quantities at shorter intervals.

Product innovation
Following extensive customer testing and accelerated research and development, Version 5 was released in September 2015. The solution is built to meet the increasing demand for digital-first publication and omni-channel experiences on any device.

CEO'S REVIEW
POSITIONING FOR SUCCESS

Looking forward, we remain confident and committed to our strategy of growing all of our business lines. There are significant growth opportunities and we are confident in our competitive position in the marketplace.

Dear fellow shareholders,

We present Objective Corporation's annual report for the financial year ending 30 June 2015.

Revenue increased by 3% to $50.0 million (FY2014: $48.6 million) and net profit after tax (NPAT) decreased by 21% to $4.5 million (FY2014: $5.7 million) for the year ended 30 June 2015.

The company added 38 new subscription customers in FY2015, the timing of which has a latency effect on reportable revenue and profit. The Company's recurrent revenue increased to $27.1 million during the year, representing 54% of total revenues.

As a result, Objective's statement of financial position remains very healthy. For the year ended 30 June 2015, cash flow from operating activities, increased by 38% to $8.5 million and as at year end the company had cash and cash equivalents of $20.2 million with no external borrowings.

Overall, we were quite satisfied with the progress of the company during the 2015 financial year. We committed to an accelerated R&D investment program in our cloud-based Enterprise Content Creation solution to take advantage of further opportunities in the global Financial Services and Insurance sector. However, this investment, along with the accounting effect of subscription licencing had a short-term negative impact on profitability.

OPERATIONS BY SOLUTION LINE

ENTERPRISE CONTENT MANAGEMENT (ECM)

New business and new business models characterised our ECM solution line throughout FY2015.

New ECM customers included: Bundaberg Regional Council in Queensland, City of Boroondara in Victoria, Government House in Western Australia and Waitomo District Council in New Zealand.

The University of Sunshine Coast will be our first customer to run Objective ECM on the Microsoft Azure cloud.

As at June 30, 85% of our customers had migrated to the Objective 8 platform.

This high rate of software-edition currency in a portfolio that includes large, and very long-term customers is a result of our ongoing focus on customer retention and demonstrates our ability to deliver ongoing business value to customers. Throughout the year we also delivered a record number Business Process Automation projects to customers and assisted customers integrate Objective ECM into their line-of-business (LOB) systems.

We also witnessed concrete evidence of organisations transitioning to cloud computing models with our Managed Services run rate increasing by 68%. This is a subscription service where customers ask us to manage their environments for them as a precursor to ultimately moving to a full cloud service.

ENTERPRISE CONTENT CREATION (ECC)

During the year the primary focus of the Objective ECC team was to deliver the Version 5 cloud platform and to expand our footprint in the Financial Service and Insurance (FSI) sectors in our current geographic markets, whilst continuing to service our significant portfolio of over 200 customers in the Public Sector.

The accelerated investment in Research and Development (R&D) of this platform is complete, with Version 5 released in September 2015, after extensive customer testing over the past 6 months.

New ECC Customers in FSI included: AMP Financial Services, AMP Capital, Colonial First State and Clearview. We anticipate the announcement of several new FSI customers soon after the Version 5 launch.

During the year we also welcomed many new Public Sector customers including: Kirklees Council, the Association of Greater Manchester Authorities, Central Lincolnshire Joint Strategic Planning Committee, Buckinghamshire County Council, The Highland Council, Harrogate Borough Council, Stockton-on-Tees Borough Council, Gisborne District Council, Waikato Regional Council, Environment

"The building blocks are in place for a very successful FY2016."

Canterbury, Hawke's Bay Regional Council and Environment Southland.

OBJECTIVE CONNECT

The Objective Connect solution had an outstanding year, with both the number of users and subscription revenue growing by more than 100% over the course of the year.

Objective Connect is now used in 68 countries. We are witnessing increasing demand from the Public Sector, Healthcare and Financial Services sectors; therefore the research and development efforts in this cloud-based solution are being focused on the requirements of these vertical markets.

The Connect solution is now running on the Microsoft Azure cloud in Australia and Europe. The solution has become trusted as an Enterprise-grade solution and we are confident that its distribution through digital marketplace engagement will deliver triple-digit revenue growth again in FY2016.

OUTLOOK

As a company, we are pleased with the progress that we made during FY2015. The building blocks are in place for a very successful FY2016.

To execute our growth strategy, over the past year we have increased investments in all facets of our company well ahead of the expected revenue. These included investments in global executive and regional management appointments, research and development and geographic reach. Whilst we are confident of improving revenue in all business lines in FY2016, we will be diligently focused on managing our cost-base growth, without stifling our opportunity to continue to grow in future periods.

We are excited by our new relationship with Microsoft and the potential benefits it will bring both organisations. It is however a long-term commitment where we are allowing reasonable lead-time in terms of its translation into financial results.

Looking forward, we remain confident and committed to our strategy of growing all of our business lines. There are significant growth opportunities and we are confident in our competitive position in the marketplace.

The Board and management of Objective Corporation would like to thank our loyal customers, staff and shareholders, for their commitment and valuable contribution to the success of the company.

Tony Walls
Chief Executive Officer

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Objective Corporation Limited (ABN 16 050 539 350) and the entities it controlled at the end of, or during, the year ended 30 June 2015.

DIRECTORS

The Directors in office at any time during the financial year up to the date of this report were as follows:

Mr Tony Walls	Mr Leigh Warren
Mr Gary Fisher	Mr Nick Kingsbury

INFORMATION ON DIRECTORS

MR TONY WALLS

Chairman and Chief Executive Officer

Tony founded the business in 1987 and has extensive experience in the IT industry. Tony has a B.Math (Computing Science), a Grad.Dip in Applied Finance (SIA) and is a Fellow of the Australian Institute of Company Directors.

MR GARY FISHER

Non-Executive Director

Gary was appointed a Director of Objective Corporation Limited in March 1991. In October 2007 Gary became a Non-Executive director. Gary has an extensive background in Finance, IT Management and global product software sales. Gary has a B.Economics and further tertiary education in Law and Business Administration.

MR LEIGH WARREN

Independent Non-Executive Director

Leigh was appointed as a Non-Executive Director in August 2007 and is Chairman of the Audit Committee. Leigh has over 20 years' experience in the IT Industry and has held Executive roles for several multinational companies, including SAP where he was Chief Operating Officer for North Asia, Oracle where he was the Managing Director for Australia and New Zealand, Ventyx where he was President for the EMEA region and Bluecoat Systems where he was Vice President Asia Pacific Field Operations. Leigh also serves on the Board of ASX/NZX listed Gentrack and Hong Kong based Solution Access.

MR NICK KINGSBURY

Independent Non-Executive Director

Nick was appointed as a Non-Executive Director in July 2008 and is a member of the Audit Committee. Nick is an experienced international software entrepreneur, strategist and venture capitalist. Nick founded, led and then sold a leading UK Business Process Management company. Nick then spent 7 years with the international venture capital company 3i, where he headed up the software sector. Until recently he chaired a UK listed cyber security company Accumuli, plc, which was sold to NCC Group in April 2015. As well as his role with Objective, he sits on the boards of the UK operation of Growthpoint Technology Partners, a US investment bank, and two early stage businesses YooDoo Media and PushFor Limited.

MR MARK KATZ

Company Secretary

Mark was appointed Company Secretary in August 2015. Mark has over 20 years' experience in financial roles within the Financial Services and Travel sectors in Australia & South Africa, most recently with American Express. Mark is a member of the Institute of Chartered Accountants, Australia & New Zealand.

MR ROB PATERSON

Company Secretary

Rob was appointed Company Secretary in May 2013. Rob has over 15 years' experience in financial roles within software, technology and consulting businesses both in Australia and the UK. Rob is a fellow member of the Association of Chartered Certified Accountants. Rob resigned as Company Secretary in August 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the supply of information technology software and services. There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

An ordinary final fully franked dividend of $3,089,000 was paid on 15 September 2014.

Since the end of the financial year, the Directors have declared a final fully franked dividend of 3.75 cents per ordinary share (2014: fully franked dividend of 3.5 cent per ordinary share). The aggregate amount of the dividends expected to be paid by 9 September 2015 is $3,405,000 (2014: $3,089,000). There is no conduit foreign income attributed to the final dividend declared.

REVIEW OF OPERATIONS

Operating result

The consolidated operating profit attributable to members decreased by 21 per cent to $4,470,000 (2014: $5,685,000).

The Group continued to invest significantly in Research and Development ("R&D") with expenditure of $10,959,000 (2014: $9,699,000). This investment in R&D was fully expensed during the year.

Revenue

Consolidated revenue from sales and services increased by 3 per cent from the prior financial year to $49,435,000 (2014: $47,936,000). Total consolidated revenue has also increased by 3 per cent from the last financial year to $50,007,000 (2014: $48,581,000). Asia Pacific revenues increased by 2 per cent to $41,140,000 (2014: $40,333,000). European revenues increased by 8 per cent to $8,232,000 (2014: $7,579,000).

See Note 24 for more details of the financial performance of the group's key geographic segments. The group is a key participant in its market, with a diverse customer base; the group does not have any dependencies on key customers.

Financial position

Objective's statement of financial position remains strong. At 30 June 2015, cash and cash equivalents is $20.2 million and there continues to be no external borrowings.

The Group's receivables and cash flow management also continue to support overall strength in working capital. With a diverse customer base, the group continues to focus on receivables management.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

SHARE CAPITAL

As at 30 June 2015 the Company had 90,797,277 (2014: 88,253,277) fully paid ordinary shares on issue.

Voting rights are detailed in Note 13 to the financial statements.

SHARE OPTIONS

The number of options over the unissued ordinary shares of Objective Corporation Limited at the date of this report were:

	2015		2014	
Options on Issue at Balance Date	Number	Expiry Date	Number	Expiry Date
Employee options exercisable at $1.00	–	30/06/2014	590,000	30/06/2014
Employee options exercisable at $0.50	–	31/12/2014	500,000	31/12/2014
Employee options exercisable at $0.50	–	30/06/2015	300,000	30/06/2015
Employee options exercisable at $0.50	–	15/07/2016	550,000	15/07/2016
Employee options exercisable at $0.50	324,000	01/09/2016	618,000	01/09/2016
Employee options exercisable at $0.50	–	25/10/2016	200,000	25/10/2016
Employee options exercisable at $0.50	–	12/07/2017	250,000	12/07/2017
Employee options exercisable at $0.50	300,000	05/02/2024	400,000	05/02/2024
Employee options exercisable at $0.50	200,000	07/10/2024	–	–
Employee options exercisable at $0.75	500,000	24/03/2024	–	–
Employee options exercisable at $1.00	240,000	07/10/2024	–	–
Employee options exercisable at $1.17	150,000	24/02/2025	–	–
Employee options exercisable at $1.20	1,000,000	05/03/2025	–	–
Total options on issue	2,714,000		3,408,000	

Details of the options on issue are contained in Note 13 to the financial statements. There were 1,850,000 new options issued, 590,000 expired and were re-issued and 2,544,000 were exercised during the financial year ended 30 June 2015. The new options were issued to Jeremy Goddard, Scott McIntyre, Stephen Bool, Adrian Rudman and other employees. No options have been issued subsequent to the year end.

DIRECTORS' REPORT CONTINUED

LIKELY DEVELOPMENTS

The company was pleased with its progress during the 2015 financial year. There have been increased investments in all facets of the company. These included global executive and regional management appointments, research and development and geographic reach.

The Directors remain confident of improving revenue in all business lines in FY2016, and will be diligently focused on managing the cost-base growth, without stifling an opportunity to continue to grow in future periods.

The company is committed to a strategy of growing all business lines. There are significant growth opportunities and the company is confident in their competitive position in the marketplace.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors have not become aware of any matter or circumstance not otherwise dealt with in the report or in the financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year the Company has paid an insurance premium for a Directors' and Officers' insurance policy. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors or Company Secretary as a result of the work performed in their capacity as officers of entities in the Group to the extent permitted by law. The Directors have not disclosed the amount of the premium as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred.

CORPORATE GOVERNANCE STATEMENT

The Company's directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (3rd Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations. The Company's Corporate Governance Statement and policies will be approved at the same time as the Annual Report and will be found on its website: www.objective.com/about-objective/investor-information/corporate-governance

DIRECTORS' INTEREST

Directors' beneficial interest in shares and options at the date of this report were:

	Ordinary Shares	Options
Tony Walls	62,000,000	–
Gary Fisher	11,000,000	–
Nick Kingsbury	120,000	200,000
Leigh Warren	235,443	100,000
	73,355,443	300,000

DIRECTORS' MEETINGS

The number of Director's and Audit Committee meetings held during the financial year and the number of meetings attended by each of the Directors are as follows:

	Directors' Meetings		Audit Committee Meetings	
Meeting Director	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Tony Walls	7	7	1	1
Gary Fisher	7	5	–	–
Nick Kingsbury	7	7	1	1
Leigh Warren	7	7	1	1

AUDIT

The financial statements and notes thereto have been audited and the auditor's report is attached.

The remainder of the information requiring disclosure to comply with listing rule 4.3A is contained in the attached financial statements and notes thereto.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration in relation to the financial year is included on page 38.

AUDITOR'S NON AUDIT SERVICES

The Company has not engaged the auditor, Pitcher Partners to provide non audit services during the financial year.

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC class order 98/100 applies and accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless specifically stated to be otherwise.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

REMUNERATION REPORT

The Board from time to time reviews the remuneration packages of all Directors and Executive Officers with due regard to performance and other relevant factors. The remuneration policy generally is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive to attract, retain and motivate employees of the highest calibre.

The remuneration of Directors and other key management personnel is not directly linked to the company's performance.

The remuneration of Directors and the other key management personnel is fixed annually with some of the specified Executives being entitled to a performance bonus based on achievement of targets based on individual Key Performance Indicators ("KPIs"). The KPIs generally include measures relating to the relevant segment, covering financial, sales, and development measures. Ultimately, bonuses and discretionary payments to key management personnel are at the discretion of the Board.

Non-Executive Directors' retirement payments are limited to compulsory employer superannuation. There are no retirement and termination benefits for Executive Directors or Executives apart from those that accrue from the relevant laws such as unpaid annual leave, superannuation, long service leave and notice of termination. The Group may consider payments on termination even though legally not required, to protect its rights if it is commercially beneficial to its interests.

The key management personnel of the Group for the year ended 30 June 2015 were:

Directors	
Tony Walls	Chairman and Chief Executive Officer
Gary Fisher	Non-Executive Director
Nick Kingsbury	Independent Non-Executive Director
Leigh Warren	Independent Non-Executive Director

Executives	
Stephen Bool	Chief Operating Officer
Jeremy Goddard	Global Vice President, Enterprise Solutions
Adrian Rudman	Global Vice President, Industry Solutions
Scott McIntyre	Managing Director EMEA

Remuneration and other terms of employment of the Executive Director and the other key management personnel are formalised in employment agreements. These agreements may be terminated by either party with between one and three months' notice. In the event of termination of Mr Walls' services, Mr Walls is entitled to be paid six months' salary.

DIRECTORS' REPORT CONTINUED

The individual details of remuneration of the key management personnel, for the year ended 30 June 2015 are listed in the table following:

	Short-Term				Share-Based Payment	Post Employment			
	Salary and Fees $	Motor Vehicle $	Bonus $	Other $	Options $	Super-annuation $	Total $	Portion of Remuneration Performance Related %	Value of Options as Proportion of Remuneration %
2015									
G Fisher	–	–	–	6,448	–	–	6,448	–	–
N Kingsbury	47,862	–	–	–	12,629	–	60,491	–	20.9
T Walls	280,000	–	–	–	–	18,783	298,783	–	–
S McIntyre	301,065	–	73,222	812	57,368	16,726	449,193	16.3	12.8
L Warren	32,877	–	–	–	12,629	3,123	48,629	–	26.0
S Bool	291,217	–	150,000	–	–	18,783	460,000	32.6	–
J Goddard	231,217	–	175,120	–	32,082	18,783	457,202	38.3	7.0
A Rudman	213,417	–	–	–	–	18,783	232,200	–	–
2014									
G Fisher	–	–	–	4,946	–	–	4,946	–	–
N Kingsbury	36,205	–	–	–	26,434	–	62,639	–	42.2
T Walls	280,000	–	–	–	–	17,775	297,775	–	–
S McIntyre	269,827	–	58,000	1,342	1,765	15,203	346,137	16.8	0.5
L Warren	30,435	–	–	–	26,434	2,815	59,684	–	44.3
S Bool	257,225	–	160,000	–	648	17,775	435,648	36.7	0.1
J Goddard[1]	131,296	–	143,000	–	–	15,570	289,866	49.3	–
A Rudman	214,425	–	51,613	–	1,471	17,775	285,284	18.1	0.5

1 J Goddard commenced on 9 December 2013.

The bonuses in the above tables are short-term incentives fully vested to the Executive for that year.

The fair value of options have been determined using the Black-Scholes method, taking into account the exercise price, the term of the option, the vesting criteria, the impact of dilution, the non-tradeable nature of the option, the price at grant date of the underlying share and the expected price volatility of that share, the expected dividend yield and the risk free interest rate for the term of the option. The value of the option at grant date is then amortised over the relevant vesting period. The value included in remuneration of key management personnel above relates to the amortised value of options granted that have either vested in the current year or are yet to vest.

ANALYSIS OF MOVEMENT IN OPTIONS HELD BY KEY MANAGEMENT PERSONNEL

	Number of Options at 30 June 2014	Number Granted	Number Exercised	Number Lapsed	Number of Options at 30 June 2015
N Kingsbury	200,000	–	–	–	200,000
L Warren	200,000	–	(100,000)	–	100,000
S Bool	800,000	100,000	(800,000)	(100,000)	–
S McIntyre	300,000	200,000	(300,000)	–	200,000
A Rudman	500,000	100,000	(500,000)	(100,000)	–
J Goddard	–	500,000	–	–	500,000

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

	Number of Shares at 30 June 2014	Share Options Exercised	Purchase of Shares	Shares sold	Number of Shares at 30 June 2015
T Walls	62,000,000	–	–	–	62,000,000
G Fisher	12,500,000	–	–	(1,500,000)	11,000,000
N Kingsbury	120,000	–	–	–	120,000
L Warren	100,000	100,000	35,443	–	235,443
S Bool	–	800,000	–	(302,709)	497,291
S McIntyre	–	300,000	–	(300,000)	–
A Rudman	62,000	500,000	–	(62,000)	500,000
J Goddard	113,357	–	–	–	113,357

Signed in accordance with a resolution of the Board of Directors.

Tony Walls
Director
Date: 24 August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED 2015 $'000	2014 $'000
Revenue	2	50,007	48,581
Cost of sales		(1,350)	(1,124)
Gross profit		48,657	47,457
Distribution expenses		(26,289)	(25,179)
Research and development expenses		(10,959)	(9,699)
Administration expenses		(6,022)	(5,433)
Foreign exchange loss		(112)	(37)
Profit from continuing operations before income tax		5,275	7,109
Income tax expense	4	(805)	(1,424)
Profit after tax attributable to members of the Company		4,470	5,685
		CENTS	CENTS
Basic earnings per share	22	5.0	6.0
Diluted earnings per share	22	4.9	6.0

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED	
	2015 $'000	2014 $'000
Profit for the year	4,470	5,685
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation differences for foreign operations	690	528
Total comprehensive income for the year	5,160	6,213
Attributable to members of the Company	5,160	6,213

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

		CONSOLIDATED	
	Note	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	5	20,245	14,969
Receivables	6	8,923	7,719
Other	7	2,553	2,193
Total current assets		31,721	24,881
Non current assets			
Property, plant and equipment	8	883	911
Receivables	6	935	–
Deferred tax assets	4	329	309
Intangible assets	9	7,604	6,923
Total non current assets		9,751	8,143
Total assets		41,472	33,024
Current liabilities			
Payables	10	6,883	7,635
Tax liabilities		881	1,029
Provisions	11	1,049	832
Other	12	13,541	9,950
Total current liabilities		22,354	19,446
Non current liabilities			
Provisions	11	453	629
Other	12	3,043	967
Total non current liabilities		3,496	1,596
Total liabilities		25,850	21,042
Net assets		15,622	11,982
Equity			
Contributed equity	13	3,048	1,601
Retained profits and reserves	14	12,574	10,381
Total equity		15,622	11,982

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED	
	Note	2015 $'000	2014 $'000
Total equity at the beginning of the year		11,982	14,377
Profit for the year	14	4,470	5,685
Exchange differences on translation of foreign operations	14	690	528
Total comprehensive income for the year		5,160	6,213
Transactions with owners in their capacity as owners:			
Recognition of share-based payments		122	77
Proceeds from the exercise of employee share options		1,447	–
Share buyback, including of transaction costs	13/14	–	(5,662)
Dividends provided for or paid	19	(3,089)	(3,023)
Total equity at the end of the year		15,622	11,982

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED	
	Note	2015 $'000	2014 $'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		59,290	50,521
Payments to suppliers and employees (inclusive of GST)		(49,902)	(44,634)
Interest received		572	574
Income tax paid		(1,509)	(333)
Net cash generated from operating activities	15	8,451	6,128
Cash flow from investing activities			
Payments for property, plant and equipment		(442)	(432)
Net cash used in investing activities		(442)	(432)
Cash flow from financing activities			
Payment for share buy-back costs (including transaction costs)		–	(5,662)
Proceeds from the exercise of employee share options		512	–
Dividends paid		(3,089)	(3,023)
Net cash used in financing activities		(2,577)	(8,685)
Net (decrease) /increase in cash and cash equivalents		5,432	(2,989)
Cash and cash equivalents at the beginning of the financial year		14,969	18,000
Effects of exchange rate changes on the balance of cash held in foreign currencies		(156)	(42)
Cash and cash equivalents at the end of the financial year	5	20,245	14,969

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1. BASIS OF PREPARATION

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Objective Corporation Limited and controlled entities as a consolidated entity. Objective Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. It is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by resolution of the Directors on 24 August 2015.

The following is a summary of material accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Summary of significant accounting policies

A. Basis of preparation of the financial report

Compliance with IFRS

The financial statements comply with International Financial Reporting Standards (IFRS's).

Basis of measurement

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities at fair value through profit or loss.

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Objective Corporation Limited's functional and presentation currency.

B. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company at the end of the financial year and the results of all controlled entities for the year then ended. Objective Corporation Limited and its controlled entities together are referred to in this financial report as the Group. The effects of all transactions between entities in the Group are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of profit or loss from the date on which control commences. Where control ceases during a financial year its results are included for that part of the year during which control existed.

C. Financial instruments

Classification

The consolidated entity classifies its financial instruments based on the purpose for which the financial instruments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are measured at fair value at inception. Outstanding balances are tested for impairment when overdue.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading or those designated as such upon initial recognition. Gains or losses are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position. Financial assets at fair value through profit and loss are classified as cash in the financial statements as they meet the definition under Note 1G.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans payable to third parties. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Investments in controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and net realisable value. The carrying amount of investments is assessed annually to ensure that they are not in excess of the recoverable amount.

D. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, any accumulated depreciation. Property, plant and equipment is measured on a cost basis. The carrying value of property, plant and equipment is reviewed annually to ensure that they are not in excess of the net recoverable amount.

Property, plant and equipment are depreciated over their estimated useful life to the Group (2 to 6 years) on a straight line basis.

E. Leased assets

Leases of property, plant and equipment of the Group, which assume substantially all the risks and benefits of ownership, are classified as finance leases. Other leases are classified as operating leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

F. Receivables, payables and provisions

Trade debtors

Trade debtors are carried at amounts due less any allowance for impairment.

An impairment allowance is raised for any doubtful debts based on a review of all outstanding amounts at the reporting date. Bad debts are written off during the period in which they are identified.

Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. Trade payables are unsecured and are generally settled within the time agreed with suppliers.

Employee entitlements

Liabilities for wages and salaries, and annual leave expected to be settled within twelve months of the reporting date are recognised, and are measured as the amount unpaid at the reporting date at the remuneration rate expected to apply at the time of settlement, including allowances for on costs if applicable, in respect of employees' services up to that date. Benefits expected to be settled after twelve months from the reporting date are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred. The Group does not operate any defined benefit superannuation plan.

The Company operates an Employee Incentive Plan details of which are disclosed in Note 18. The Company does not record profits or losses incurred by employees, being the difference between market value and the par value of the shares acquired, as remuneration paid to employees. The Company charges as an expense the notional value of the options at the time they are granted and or vest to employees.

Dividends

A provision is recognised for dividends at the date they are declared.

G. Cash

For the purposes of the statement of cash flows, cash includes:

- Cash on hand and cash on deposit with banks or financial institutions, net of bank overdrafts; and
- Investments in money market instruments or investments in floating rate interest bearing securities listed on the ASX.

H. Revenue

Sales represent revenue from the sale of the Group's products, net of returns and duties paid and consulting and support service fees. Other revenue includes interest income on short-term deposits.

Revenues are recognised at the fair value of the consideration received or receivable net of goods and services tax. The following specific revenue recognition criteria have been applied in the preparation of financial statements:

Product sales

Revenue from the sale of product or licence fees is recognised at the earliest of when the Group has passed control of the relevant product or granted a right or licence for the use of the product to a buyer.

Rendering of services

Revenue from services is recognised on a time or percentage complete basis for the period during which the relevant services are performed.

Online Subscription Revenue

Income in respect of hosting and support services is deferred and released over the period of the contract with the customer.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 1. BASIS OF PREPARATION

H. Revenue (continued)

Upgrade and Support Program (USP)/ Maintenance Support

Revenue from USP and maintenance support is recognised over the period during which the relevant service is provided.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

I. Foreign currency transactions and balances

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

J. Capital Raising Costs

Capital raising costs is deducted from contributed equity.

K. Research and development expenditure

Research and development expenditure ("R&D") is expensed to the statement of profit or loss as and when incurred.

L. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

M. Goods and service tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred is not recoverable from the relevant taxation authority
- For receivables and payables which are recognised inclusive of GST.

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

N. Earnings per share

Basic earnings per share is determined by dividing the profit after income tax attributable to members of Objective Corporation Limited by the weighted average number of ordinary shares on issue during the financial year.

Diluted earnings per share is determined by dividing the profit after income tax attributable to members of Objective Corporation Limited by the weighted average number of ordinary shares and dilutive potential ordinary shares.

O. Intangible assets

Goodwill

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

Goodwill and intangible assets arising on the acquisition of a foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, is allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated includes the cash generating units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Intangibles

Intangible assets acquired are capitalised at cost, unless acquired as part of a business combination in which case they are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less provision for impairment. Useful lives are established for all non-goodwill intangible assets. Amortisation charges are expensed in the income statement on a straight line basis over those useful lives. Estimated useful lives are reviewed annually.

Intellectual Property is amortised over a period of 10 years.

P. Adoption of new and amended accounting standards that are first operative at 30 June 2015

There are no new and amended accounting standards effective for the financial year beginning 1 July 2014 which affect any amounts recorded in the current or prior year.

Q. Accounting standards and Interpretations Issued but not Operative at 30 June 2015

The following standards and interpretations have been issued at the reporting date but are not yet effective. The directors' assessment of the impact of these standards and interpretations is set out below;

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).
AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

AASB 9 Financial Instruments

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, and upfront accounting for expected credit loss.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

1. identify the contract(s) with a customer;
2. identify the performance obligations in the contract(s);
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract(s); and
5. recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

R. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

S. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000.

NOTE 2. REVENUE

	CONSOLIDATED	
	2015 $'000	2014 $'000
Sales and service revenue	49,435	47,936
Other revenue		
Interest receivable/received	572	574
Sundry revenue	–	71
Total revenue	50,007	48,581

NOTE 3. PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX

Profit from continuing operations before income tax has been determined after including the following items:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Auditors remuneration:		
Group auditor – audit and review fees	68	65
Other auditors – audit fees	25	26
Other auditors – other	4	3
Auditors remuneration – total	97	94
Depreciation of furniture, fittings and office equipment	72	76
Depreciation of computer equipment	309	244
Depreciation of leasehold improvements	110	57
Amortisation of intangible assets	232	218
Rental expense on operating leases	2,034	2,030
Employee benefits expense	34,797	31,736
Employee share-based payment expense	122	77
Research and development expenditure	10,959	9,699

Depreciation and amortisation expense is included in distribution expenses as per the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 4. INCOME TAX

	CONSOLIDATED	
	2015 $'000	2014 $'000
a) Components of tax expense:		
Current tax paid/payable	1,365	1,482
Current tax benefit received/ receivable[1]	(466)	(103)
Deferred tax asset	(23)	74
(Over) / under provision in prior years	(71)	(29)
Total income tax expense	805	1,424

1 Current tax receivable of $466,499 (2014: $103,000) is included in Other Receivables per Note 6 to the financial statements.

	2015 $'000	2014 $'000
b) Prima facie tax on profit before income tax is reconciled to income tax as follows:		
Prima facie tax on profit before income tax at 30%	1,583	2,133
Tax effect of amounts which are not assessable/deductible in calculating taxable income:		
Research and development deductions	(861)	(940)
Amortisation of intangibles	70	65
Non allowable deductions	101	42
Sundry items/difference in tax rates	55	55
Deferred tax asset not recognised	(72)	98
	876	1,453
(Over) /under provision in prior years	(71)	(29)
Income tax expense	805	1,424
c) Deferred tax asset relates to the following:		
Unrealised foreign exchange losses	(413)	(481)
Employee benefits	642	634
Other provisions	29	12
Accrued interest receivable	(31)	(27)
Accrued expenses	21	33
Tax Depreciation	(40)	(37)
Rent incentive	121	175
Total deferred tax asset	329	309
d) Deferred tax assets not recognised in the statement of financial position:		
Unused tax losses (tax effected)	893	921

The benefit for tax losses will only be obtained if the Group:

(i) Derives future assessable income of a nature and amount sufficient to enable the benefit from the deductions for the losses to be realised; or

(ii) Continues to comply with the conditions of deductibility imposed by tax legislation and no change in tax legislation adversely affects the Group in realising the benefit from the deductions for the losses.

NOTE 5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Cash at bank	6,083	6,408
Cash on deposit	13,621	8,109
Cash on deposit[1]	541	452
Total cash and cash equivalents	20,245	14,969

1 The Group's cash on deposit is held as security for rental guarantees.

NOTE 6. RECEIVABLES

	CONSOLIDATED	
	2015 $'000	2014 $'000
Current		
Trade receivables	6,791	6,841
Other receivables	2,132	878
Total current receivables	8,923	7,719
Non current		
Loans to employees for shareholdings	935	–
Total non current receivables	935	–

Trade and other receivables generally have 30 day terms. The carrying values of these receivables are assumed to approximate their fair value.

NOTE 7. OTHER ASSETS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Current		
Work in Progress	1,172	1,166
Prepayments	915	924
Current Tax Receivable	466	103
Total other assets	2,553	2,193

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2015 $'000	2014 $'000
Furniture, fittings and office equipment	2,107	1,875
Less accumulated depreciation	(1,953)	(1,702)
Computer equipment	2,828	2,618
Less accumulated depreciation	(2,351)	(2,039)
Leasehold improvements	1,287	1,085
Less accumulated depreciation	(1,035)	(926)
Total property, plant and equipment	883	911
Reconciliation of carrying amounts		
Furniture, fittings and office equipment at cost		
Opening balance	173	175
Additions	51	73
Disposals	–	(13)
Depreciation	(72)	(76)
Depreciation on disposal	–	13
Exchange difference	2	1
Balance at year end	154	173
Computer equipment at cost		
Opening balance	579	474
Additions	195	346
Disposals	(7)	(11)
Depreciation	(316)	(244)
Depreciation on disposal	7	11
Exchange difference	19	3
Balance at year end	477	579
Leasehold Improvements at cost		
Opening balance	159	202
Additions	203	13
Depreciation	(110)	(57)
Exchange difference	–	1
Balance at year end	252	159

NOTE 9. INTANGIBLE ASSETS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Goodwill on acquisition of subsidiaries		
Opening balance	5,865	5,399
Exchange difference	789	466
Balance at year end	6,654	5,865
Intellectual property at cost		
Opening balance	2,204	2,029
Exchange difference	296	175
Balance at year end	2,500	2,204
Accumulated amortisation		
Opening balance	(1,146)	(852)
Exchange difference	(172)	(76)
Amortisation	(232)	(218)
Balance at year end	(1,550)	(1,146)
Total intangible assets, at cost	8,069	8,069
Total intangible assets, net	7,604	6,923

Impairment Testing Of Goodwill

Goodwill and intellectual property acquired through business combinations have been allocated to the Limehouse Software cash-generating unit. The recoverable amount of the Limehouse Software unit has been determined based on a value-in-use calculation using cash flow projections based on financial forecasts approved by senior management.

The key assumptions used in value-in-use calculations for 30 June 2015 are:

- The discount rate applied to cash flow projections is 15.5% (pre-tax).
- Forecast margins are based on past performance and managements expectation for the future.
- The forecast cash flows are based on a forecast for financial year 2016. For subsequent periods assumptions vary by market. In the established UK market which represents the majority of current net cash inflows, revenue growth has been forecast at 10% per annum with expenses remaining constant. In the US market revenue growth has been forecast at -15% per annum with expenses remaining constant. For new markets representing the balance of current cash inflows, higher growth rates in net income have been applied as the anticipated growth is from a lower base. The revenue in new markets reflects an identified anticipated pipeline of customers.
- Terminal value at end of year 5 of 5 times EBITDA.

There are no impairment losses in the current year. No reasonable change in the key assumptions of the value in use calculations would result in impairment.

Intellectual Property (IP)

The IP was acquired as part of the Limehouse acquisition in April 2009 and amortised over 10 years.

NOTE 10. PAYABLES

	CONSOLIDATED	
	2015 $'000	2014 $'000
Trade and sundry creditors	3,495	3,825
Goods and services taxes	2,004	2,154
Employee entitlements	1,319	1,399
Dividends payable	65	257
Total payables	6,883	7,635

Trade and sundry creditors are unsecured and generally have 30 day terms. The carrying values of these payables are assumed to approximate their fair value.

NOTE 11. PROVISIONS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Current		
Employee entitlements	697	483
Rent incentive[1]	352	349
Total current provisions	1,049	832
Non current		
Employee entitlements	245	340
Rent incentive[1]	111	249
Other provisions	97	40
Total non current provisions	453	629

1 The rent incentive will reverse over the remaining period of the leases.

Movements in each class of provision during the current financial year are set out below:

	Employee Entitlements $'000	Rent incentive $'000	Other provisions $'000
Opening balance	823	598	40
Provision for the current year	187	1,338	62
Payment during the year	(68)	(1,473)	(5)
Balance at year end	942	463	97

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 12. OTHER LIABILITIES

	CONSOLIDATED	
	2015 $'000	2014 $'000
Current		
Unearned income	13,541	9,950
Total current unearned income	13,541	9,950
Non current		
Unearned income	3,043	967
Total non current unearned income	3,043	967

NOTE 13. CONTRIBUTED EQUITY

	2015 Number of shares	2014 Number of shares	2015 $'000	2014 $'000
Ordinary shares fully paid	90,797,277	88,253,277	3,048	1,601
Total contributed equity	90,797,277	88,253,277	3,048	1,601
Movements in ordinary share capital				
Opening balance	88,253,277	100,753,277	1,601	1,826
Issue of shares/(Share buy-back)[1]	2,544,000	(12,500,000)	1,447	(225)
Closing balance	90,797,277	88,253,277	3,048	1,601

1 During the current financial year, the Company issued 2,544,000 shares.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present (whether in person or by proxy) at a meeting of shareholders is entitled to one vote, and upon a poll each share is entitled to one vote. The ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Options issued during the year under the Employee Incentive Plan

The Company issues employee share options pursuant to the Employee Incentive Plan. Each option entitles the holder to the right to acquire one share at the nominated exercise price during the period commencing on the vesting date of the options. At 30 June 2015 there are 2,714,000 (2014: 3,408,000) employee options outstanding. During the year 2,544,000 options were exercised into ordinary shares (2014: Nil). 590,000 options expired and were re-issued and 1,850,000 new options were issued during the year.

	2015		2014	
Options on Issue at Balance Date	Number	Expiry Date	Number	Expiry Date
Employee options exercisable at $1.00	–	30/06/2014	590,000	30/06/2014
Employee options exercisable at $0.50	–	31/12/2014	500,000	31/12/2014
Employee options exercisable at $0.50	–	30/06/2015	300,000	30/06/2015
Employee options exercisable at $0.50	–	15/07/2016	550,000	15/07/2016
Employee options exercisable at $0.50	324,000	01/09/2016	618,000	01/09/2016
Employee options exercisable at $0.50	–	25/10/2016	200,000	25/10/2016
Employee options exercisable at $0.50	–	12/07/2017	250,000	12/07/2017
Employee options exercisable at $0.50	300,000	05/02/2024	400,000	05/02/2024
Employee options exercisable at $0.50	200,000	07/10/2024	–	–
Employee options exercisable at $0.75	500,000	24/03/2024	–	–
Employee options exercisable at $1.00	240,000	07/10/2024	–	–
Employee options exercisable at $1.17	150,000	24/02/2025	–	–
Employee options exercisable at $1.20	1,000,000	05/03/2025		
Total options on issue	2,714,000		3,408,000	

NOTE 14. RETAINED PROFITS AND RESERVES

	CONSOLIDATED 2015 $'000	CONSOLIDATED 2014 $'000
Retained profits	22,098	20,717
Share buy-back reserve	(9,300)	(9,300)
Share-based payments reserve	242	120
Foreign currency translation reserve	(466)	(1,156)
Retained profits and reserves at year end	12,574	10,381
Movements in retained profits and reserves		
a) Retained profits		
Opening balance	20,717	18,055
Net profit for the year	4,470	5,685
Total available for appropriation	25,187	23,740
Dividends paid	(3,089)	(3,023)
Balance at year end	22,098	20,717
b) Share buy-back reserve		
Opening balance	(9,300)	(3,863)
Movement during the year	–	(5,437)
Balance at year end	(9,300)	(9,300)
This reserve represents the premium received on share buy-backs.		
c) Share-based payments reserve		
Opening balance	120	43
Movement during the year	122	77
Balance at year end	242	120
This reserve is used to record the value of equity benefits provided to employees as part of their remuneration.		
d) Foreign currency translation reserve		
Opening balance	(1,156)	(1,684)
Movement during the year	690	528
Balance at year end	(466)	(1,156)
This reserve records exchange differences arising on translation of foreign controlled entities.		
Total retained profits and reserves	12,574	10,381

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 15. CASH FLOW INFORMATION

Reconciliation of profit after tax to net cash flow from operating activities:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Profit from operating activities after tax	4,470	5,685
Add/(Less): Non cash items		
Depreciation/amortisation	723	595
Non cash employee benefits expense share-based payments	122	77
Increase in receivables	(1,117)	(1,805)
Increase in other assets	(466)	(152)
(Increase)/decrease in deferred tax assets	(20)	88
Increase/(decrease) in income tax payable	(217)	1,003
(Decrease)/increase in payables	(752)	1,018
Increase/(decrease) in provisions	41	(259)
Increase/(decrease) in unearned income	5,667	(122)
Net cash generated from operating activities	8,451	6,128

NOTE 16. RELATED PARTIES

a) Directors

The Directors in office at any time during the financial year up to the date of this report were as follows:

Tony Walls

Gary Fisher

Nick Kingsbury

Leigh Warren

b) The consolidated entity

The consolidated entity comprises the parent entity, being Objective Corporation Limited, and the following controlled entities:

Direct Interest	Country of Incorporation	Ownership	
		2015	2014
Objective Corporation Solutions NZ Limited	New Zealand	100%	100%
Objective Corporation Singapore Pte Limited	Singapore	100%	100%
Objective Corporation North America Inc	United States of America	100%	100%
Objective Corporation USA Inc	United States of America	100%	100%
Objective Corporation UK Limited	United Kingdom	100%	100%
Limehouse Software Limited	United Kingdom	100%	100%

c) Transactions with other related parties

(i) During the year the Group was provided management consulting services and was charged $38,942 (2014: $79,207) by Kingsbury Ventures Limited, a company associated with Nick Kingsbury, a Non-Executive Director of the Company. These transactions were conducted on normal commercial terms and conditions.
At 30th June 2015 there were no amounts owing to Kingsbury Ventures Limited (2014: $3,349).

d) Directors' and executives compensations

	CONSOLIDATED	
	2015 $'000	2014 $'000
Short-term employment benefits	1,803	1,638
Post employment benefits	95	87
Share-based payments	115	57
Total	2,013	1,782

NOTE 17. EMPLOYEE ENTITLEMENTS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Amounts payable as in Note 10	1,319	1,399
Provisions – current as in Note 11	697	483
Provisions – non current as in Note 11	245	340
Total employee entitlements	2,261	2,222

NOTE 18. EMPLOYEE INCENTIVE PLAN

Objective Corporation Limited has an Employee Incentive Plan which was approved at the 2003 Annual General Meeting of the Company. The Plan is described as follows:

Offers

Under the Plan the Board may offer to any employee either options to acquire shares or loans to acquire shares in the Company. Tony Walls, Chief Executive Officer and Gary Fisher, Non-Executive Director will not be participating in the Plan.

Price

The Board has discretion to grant options for a fee and set the exercise price and term of the options.

Quotation

Options issued under the Plan will not be quoted on the ASX. Where the Company issues options and the options are exercised, the Company will apply to have the issued shares quoted on the ASX.

Maximum number of shares or options

The Company must not issue shares or options to any employee if to do so would contravene applicable laws or result in any employee holding an interest in more than 5% of the shares in the Company.

Sales restrictions

Options issued under the Plan are not transferable. Shares acquired under the Plan are not transferable unless any loan to acquire the shares has been repaid in full.

New shares

All shares issued on the exercise of options will rank equally with all existing shares from the date of issue.

Dividends

All shares acquired pursuant to the Plan rank equal in all respects and will be entitled to any dividends declared by the Company. Any dividends paid on shares acquired under the Plan will be offset against the loan balance outstanding to acquire shares under the Plan. Options issued under the Plan are not entitled to dividends.

Restrictions

The Board may impose vesting and performance conditions before which options cannot be exercised or the shares sold. The options issued pursuant to the Plan will usually lapse and the loans to acquire shares will usually become repayable if the holder ceases to be an employee.

Participation in future issues

Under the Employee Option Plan's rules, the number of shares over which an option is granted and or the exercise price of the options may be altered in the event of a reconstruction of the Company's share capital or a bonus or rights issue of shares to shareholders. Shares acquired under the Plan will rank equal in all respects with existing shares.

Loans

The Board has discretion to provide a loan for the acquisition of shares in the Company with a term of up to five years, together with further terms and conditions attaching to the loan. There is currently $935,000 of employee loans outstanding at the balance sheet date.

NOTE 19. DIVIDENDS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Dividends paid during the year:		
The Company/Group paid the 2014 final fully franked dividend of 3.5 cents per share on 15 September 2014. There was no special dividend. (2014: Payment of 2013 final unfranked dividend of 2.0 cent per share.)	3,089	3,023
Dividends proposed and not recognised as a liability at year end:		
Since the end of the financial year, the Directors have declared the following dividend:		
Final fully franked dividend of 3.75 cents per ordinary share (2014: fully franked dividend 3.5 cents per ordinary share)	3,405	3,089
Total Dividend	3,405	3,089
As the dividends were declared after year end, the financial effect has not been brought to account in the financial statements for the year ended 30 June 2015. There is no Conduit Foreign Income (CFI) attributed to the final dividend.		
The balance of franking credit account at balance date adjusted for the payment of the provision for income tax.	1,317	1,215

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 20. FINANCIAL COMMITMENTS

The Group has the following financial commitments which are not recognised as liabilities at the end of the financial year as these expenses related to future periods:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Operating leases		
Payable less than one year	2,048	2,086
Payable later than one year but less than five years	2,235	3,045
Total	4,283	5,131

The Group pays rental on property as occupancy costs under operating leases. Leases generally provide the Group with rights of renewals at which time all terms will be renegotiated. The above excludes outgoing recoveries relating to the property leases.

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the Group's operations. The Group has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk. The Group uses different methods to manage the different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, price and foreign exchange risk and assessments of market forecasts. Ageing analysis is undertaken to manage credit risk while liquidity risk is monitored through business performance and cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of these risks as summarised below.

Interest rate risk

The Group's exposure to market interest rates relates to the Group's cash and cash equivalents. The Group regularly monitors its interest rate exposure and the mix between fixed and floating interest rates on cash held.

At balance date, the Group had the following exposure to interest rate risk:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Cash at bank	6,155	6,407
Cash on deposit – Within one year	14,090	8,562
	20,245	14,969

At 30 June, if interest rates had moved, with all other variables held constant, post tax profit and equity would have been affected as follows:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Post Tax Profit		
+1% (100 basis points) in interest rates	142	105
-1% (100 basis points) in interest rates	(142)	(105)
Equity		
+1% (100 basis points) in interest rates	142	105
-1% (100 basis points) in interest rates	(142)	(105)

Foreign currency risk

As a result of operations in the Asia Pacific region, the United Kingdom and the United States of America, the Group's statement of financial position can be affected by exchange rate movements. The Group also has transactional currency exposures which arise from sales or purchases by an operating entity in currencies other than the functional currency.

Foreign currency risk is defined as the fair value of future cash flows of a financial instrument fluctuating because of changes in foreign exchange rates. The sensitivity analysis provided does not include the currency risk of financial assets and liabilities of the controlled entities denominated in the controlled entity's functional currency or their conversion into the functional currency of Objective Corporation Limited on consolidation as outside the scope of the definition. The conversion of these financial assets and liabilities on consolidation may result in a gain or loss to the consolidated entity.

The Group's main exposure is to the British Pound and New Zealand Dollar which is partly mitigated by a natural hedge arising from operations in these countries. The Group regularly monitors its foreign currency exposure which includes considering the level of cash in foreign currency.

At 30 June, the Group had the following exposure to foreign currency risk:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Cash and cash equivalents	1,343	1,573
Trade and other receivables	1,733	2,724
Trade and other payables	(2,388)	(2,690)
Net foreign currency exposure	688	1,607

At 30 June, if the Australian Dollar ("AUD") had moved, with all other variables held constant, post tax profit and equity for material foreign exchange exposures would have been affected as follows:

	CONSOLIDATED	
	2015 $'000	2014 $'000
NEW ZEALAND DOLLAR EXPOSURE		
Post Tax Profit		
+10% favourable movement in AUD	32	9
-10% adverse movement in AUD	(32)	(9)
Equity		
+10% favourable movement in AUD	65	41
-10% adverse movement in AUD	(65)	(41)
BRITISH POUND EXPOSURE		
Post Tax Profit		
+10% favourable movement in AUD	–	–
-10% adverse movement in AUD	–	–
Equity		
+10% favourable movement in AUD	24	90
-10% adverse movement in AUD	(24)	(90)

Fair Values

The fair values of financial assets and financial liabilities including cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Cash and cash equivalents are spread amongst a number of financial institutions to minimise the risk of default. The Group trades only with recognised, creditworthy third parties with no significant concentrations of credit risk. As the majority of the Group's customers are government organisations, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At 30 June, the Group had the following exposure to credit risk:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Cash and cash equivalents	20,245	14,969
Trade and other receivables (before provision for doubtful debt)	8,923	7,719
At 30 June, the analysis of trade and other receivables is as follows:		
Fully performing debts	6,856	7,143
Past due more than 30 days	1,809	310
Past due more than 60 days	234	21
Past due more than 90 days	24	245
Total	8,923	7,719

Liquidity risk

Liquidity risk is monitored through business performance and cash flow forecasts. The Group continues to assess its liquidity risk as low. Assuming that all financial assets and liabilities of the Group fall due within 12 months, the net exposure of the Group to liquidity risk is as follows:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Cash and cash equivalents	20,245	14,969
Receivables	8,923	7,719
Payables	(6,883)	(7,635)
Tax assets/(liabilities)	(881)	(1,029)
Net financial assets	21,404	14,024

As the Group is in a net financial assets position, the Directors are of the opinion that the Group is in low risk and will be able to pay off its debts as and when they are due and payable.

	CONSOLIDATED	
	2015 $'000	2014 $'000
Net financial assets	21,404	14,024
Cash not available for use	(541)	(452)
	20,863	13,572

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The Board monitors the return on capital and the level of dividends to ordinary shareholders. There were no significant changes in the Group's approach to capital management during the year.

NOTE 22. EARNINGS PER SHARE

	CONSOLIDATED	
	2015	2014
Basic earnings per share – cents	5.0	6.0
Net profit used in calculating basic earnings per share – $'000	4,470	5,685
Weighted average number of shares used as the denominator in calculating basic earnings per share	89,803,891	94,109,441
Diluted earnings per share – cents	4.9	6.0
Net profit used in calculating diluted earnings per share – $'000	4,470	5,685
Weighted average number of shares used as the denominator in calculating diluted earnings per share	90,894,681	94,475,277

NOTE 23. 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 Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill and intangibles

The Group tests annually whether goodwill and other intangibles have suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash generating units have been determined based on discounted cash flow calculations. These calculations require the use of assumptions.

Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 24. SEGMENT INFORMATION

The consolidated entity's chief executive officer has identified the reportable segments based on geographical areas. All these operating segments have been identified based on internal reports reviewed by the consolidated entity's chief executive officer in order to allocate resources to the segment and assess its performance. The consolidated entity's chief executive officer uses segment revenue, segment result, segment assets and segment liabilities to assess each operating segment's financial performance and position. Amounts reported for each operating segment are the same amount recorded in the internal reports to the chief executive officer. Amounts of segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on its operations.

a) Geographic segments

	Asia Pacific $'000	Europe $'000	Unallocated $'000	Consolidated $'000
2015				
Segment Revenue				
Sales to external customers	41,140	8,232	63	49,435
Interest revenue	–	–	572	572
Total revenue	41,140	8,232	635	50,007
Expenses (not including R&D)	24,343	7,776	1,654	33,773
Profit/(Loss) before R&D	16,797	456	(1,019)	16,234
R&D expenses	–	–	10,959	10,959
Income tax expense	–	–	805	805
Net profit/(loss)	16,797	456	(12,783)	4,470
Assets	31,128	2,977	7,367	41,472
Liabilities	19,921	1,862	4,067	25,850
Capital expenditure	400	42	–	442
Depreciation and amortisation	435	56	232	723
2014				
Segment Revenue				
Sales to external customers	40,262	7,579	95	47,936
Interest revenue	–	–	574	574
Other revenue	71	–	–	71
Total revenue	40,333	7,579	669	48,581
Expenses (not including R&D)	23,266	6,671	1,836	31,773
Profit/(Loss) before R&D	17,067	908	(1,167)	16,808
R&D expenses	–	–	9,699	9,699
Income tax expense	–	–	1,424	1,424
Net profit/(loss)	17,067	908	(12,290)	5,685
Assets	22,523	3,840	6,661	33,024
Liabilities	15,202	2,327	3,513	21,042
Capital expenditure	349	83	–	432
Depreciation and amortisation	339	38	218	595

b) Industry segments

The Group operates in the information technology software and services industry.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 25. CONTINGENT LIABILITIES

There are no material contingent liabilities other than as disclosed elsewhere in the financial statements.

NOTE 26. SUBSEQUENT EVENTS

There are no material subsequent events other than as disclosed elsewhere in the financial statements.

NOTE 27. PARENT ENTITY DETAILS

As at, and throughout, the financial year ending 30 June 2015 the parent company of the Group was Objective Corporation Limited. A summary of the financial performance and financial position of the parent entity is detailed below:

	THE COMPANY	
	2015 $'000	2014 $'000
a) Summarised statement of comprehensive income		
Profit for the year after tax	5,201	5,564
Total comprehensive income for the year	5,201	5,564
b) Summarised statement of financial position		
Assets		
Current assets	30,664	19,818
Non current assets	5,783	4,862
Total assets	36,447	24,680
Liabilities		
Current liabilities	18,726	12,553
Non current liabilities	3,502	1,597
Total liabilities	22,228	14,150
Net assets	14,219	10,530
Equity		
Contributed equity	3,048	1,601
Retained profits and reserves	11,171	8,929
Total equity	14,219	10,530

c) Guarantees entered into by the parent entity

The parent entity Objective Corporation Limited continues to support its subsidiaries in their operations, by way of financial support.

NOTE 28. COMPANY DETAILS

The registered office and principal place of business of the company is:

Level 37, 100 Miller Street, North Sydney NSW 2060, Australia

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The attached financial statements and notes set out on pages 14 to 34 are in accordance with the *Corporations Act 2001*; and
   a) Comply with Accounting Standards in Australian and the Corporations Regulations 2001;
   b) As stated in note 1, the consolidated financial statements also comply with International Reporting Standards; and
   c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and its performance for the year ended on that date.
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
   a) The financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b) The financial statements and notes for the financial year comply with the Accounting Standards; and
   c) The financial statements and notes for the financial year give a true and fair view.
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

Tony Walls
Director
Date: 24 August 2015

INDEPENDENT AUDITOR'S REPORT

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OBJECTIVE CORPORATION LIMITED

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in 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.

PITCHER PARTNERS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OBJECTIVE CORPORATION LIMITED

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

Independence

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

Opinion

In our opinion:

(a) the financial report of Objective Corporation Limited is in accordance with the *Corporations Act 2001*, including:

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

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 13 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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

Mark Godlewski

M A GODLEWSKI

Partner

Pitcher Partners

PITCHER PARTNERS

Sydney

24 August 2015

AUDITOR'S INDEPENDENCE DECLARATION

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF OBJECTIVE CORPORATION LIMITED

In relation to the independent audit for the year ended 30 June 2015, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of any applicable code of professional conduct.

M A GODLEWSKI
Partner

24 August 2015

PITCHER PARTNERS
Sydney

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable on the 9th September 2015.

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below:

A) DISTRIBUTION OF EQUITY SECURITIES

SECURITY CLASSES

FULLY PAID ORDINARY SHARES

SIZE OF HOLDINGS	ORDINARY SHARES
1-1,000	60
1,001-5,000	215
5,001-10,000	81
10,001-100,000	132
100,001 and over	32
	520

There were 20 holders of less than a marketable parcel of ordinary shares.

B) VOTING RIGHTS

The voting rights attaching to ordinary shares are that every member in person or by proxy, attorney or representative shall have one vote on a show of hangs and one vote for each share held on a poll. There are no voting rights attaching to options over un-issued shares.

C) TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

ORDINARY SHARES

NAME	NUMBER OF ORDINARY SHARES HELD	% OF LISTED SHARES
TBW TRUSTEES LIMITED	62,000,000	68.201
HSBC CUSTODY NOMINEES	11,043,992	12.149
CLAPSY PTY LTD	1,285,954	1.415
CITICORP NOMINEES PTY LIMITED	1,109,575	1.221
MIRRABOOKA INVESTMENTS LIMITED	1,005,203	1.106
RBC INVESTOR SERVICES	875,556	0.963
SANDHURST TRUSTEES LTD	741,167	0.815
AUST EXECUTOR TRUSTEES LTD	719,358	0.791
ARRAS PTY LTD	700,000	0.770
AMCIL LIMITED	620,143	0.682
MRS ELAINE WALLS & MS MICHELLE ROBYN WALLS	535,000	0.589
MR ADRIAN RUDMAN	500,000	0.550
MR STEPHEN NEIL BOOL	497,291	0.547
MYALL RESOURCES PTY LTD	380,721	0.419
NATIONAL NOMINEES LIMITED	370,760	0.408
ONMELL PTY LTD	315,000	0.347
MR DAVID GORDON	300,000	0.330
J P MORGAN NOMINEES AUSTRALIA	278,078	0.306
JORDAN REIZES	250,000	0.275
MR MITCHELL JAMES HARRISON & DR ROSALIND FRANCES MENZIES	237,609	0.261
	83,765,407	92.144

D) SUBSTANTIAL HOLDERS IN THE COMPANY

ORDINARY SHARES

NAME	NUMBER OF ORDINARY SHARES HELD	% OF LISTED SHARES
TBW TRUSTEES LIMITED	62,000,000	68.201
HSBC CUSTODY NOMINEES	11,043,992	12.149

CORPORATE DIRECTORY

REGISTERED OFFICE
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Australia
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Fax: +61 2 9955 5011

ASX CODE
OCL

ABN
16 050 539 350

DIRECTORS
Tony Walls
Gary Fisher
Nick Kingsbury
Leigh Warren

COMPANY SECRETARY
Mark Katz

STOCK EXCHANGE LISTING
The Company's shares are listed on the ASX.

ELECTRONIC ANNOUNCEMENTS
Shareholders who wish to receive a copy of announcements made to the ASX are invited to provide their email address to the Company. This can be done by emailing us at enquiries@objective.com or writing to us at our registered office.

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