dorsaVi™

ANNUAL REPORT
/ / 2015

dorsaVi has a powerful technology for use in occupational health and safety, clinical and elite sport applications that measures human movement like never before. Our products produce objective, easy to interpret data that can be turned into measurable results for patients, athletes and workers.

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CHAIRMAN'S REVIEW

Dear Shareholders,

On behalf of the Board and Management of dorsaVi, I'm pleased to present the Annual Report for the Financial Year 2014/2015. This is our second year as a publicly listed company and we have seen promising growth across our products and key markets.

dorsaVi's focus has been on the commercialisation and sales of our world-first technology. Today, dorsaVi has hundreds of active customers and products in the market globally. The number of active customers has increased substantially over the last half of the year, which is reflected in our revenue. Our global footprint has expanded with sales teams on the ground in the United Kingdom, United States and Australia and customers in each of these regions.

This pipeline is expected to continue to drive accelerated sales in the coming year with the company focused on the priority OHS market through dorsaVi Workplace Solutions and clinical product ViMove. ViPerform has served an important role in raising awareness and validating our technology, as well as informing our product development pipeline which has resulted in new applications such as running and knee control assessments.

The regulatory, economic and clinical environment continues to strengthen globally for our products. The cost of workplace accidents and injuries has become a global issue for employers and insurers and there is growing demand for informed and measurable solutions that will not only have a substantial and positive economic impact, but will ultimately improve workplace safety.

We are pleased to have received further clearance from the US FDA to expand the use of our ViMove product in the United States, which enables us to market ViMove in a broader way to clinicians, providing the ability to compare low back movement with the normal population. In regards to reimbursement, we have a clear strategic plan that targets existing reimbursement codes as well as developing a pathway to our own codes.

The validation of our products continues to expand. We now name some of the world's leading elite sports teams, multinational businesses, and most successful brands, who have undertaken their own due diligence in considering our products and pleasingly our retention and conversion of these organisations to larger projects and/or an annuity-based relationship is proving very successful.

We are an organisation where innovation is in our DNA and it is important for us to continue to foster this culture within dorsaVi in parallel with having a solid commercial plan that can drive the acceleration and acceptance of our products globally. Our R&D efforts are important to ensure we remain leaders in our field and capitalise on the opportunities in front of us. We are in a fortunate position that R&D is undertaken in-market as our customers seek further applications of our products.

I am particularly proud of the Company's achievements this year as we continue to develop as a global company in the medical grade, wearable technology space. We are evolving our innovative technology, listening to our customers, and adapting through market insights. The future holds many possibilities for dorsaVi and we will continue to remain focused on commercialising our technology globally.

The year presented the usual challenges to introducing new and innovative products into new markets which have regulatory and reimbursement thresholds. These challenges have been embraced and progressed by our dedicated staff and progress has been substantial but slower than anticipated.

On behalf of the board, I would like to thank CEO Andrew Ronchi, the senior leadership team, and the entire staff. Finally, to our shareholders, we thank you for choosing to be part of dorsaVi's future.

Yours sincerely,

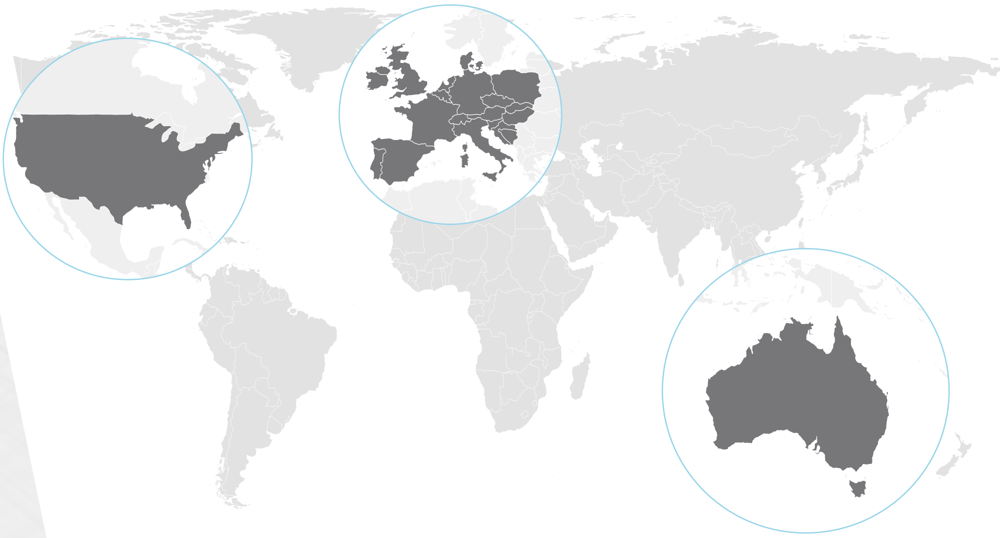
Herb Elliott
Chairman

CEO OPERATIONAL REPORT

The company has made substantial progress as we broaden the footprint of dorsaVi with our products approved for use in Australia, the United Kingdom and Europe, and the United States, and I'm pleased to share some of the highlights with you.

Dr Andrew Ronchi
Chief Executive Officer

dorsaVi has a dedicated team of sales, marketing and technology experts across Australia, United States and United Kingdom. We are expanding our global footprint with devices across these three key market.



ViSafe™ is a wireless sensor technology that tracks and measures how people move in real-time work situations, so companies can assess high risk movements with objective data, not just opinion, and then design fact-based solutions to create a safer work environment.

ViMove™ is a wireless sensor technology that objectively measures human movement and turns it into actionable data. Wearable motion and muscle activity sensors record data at 200 frames per second and provide new insights for clinicians and their patients.

ViPerform™ provides objective data to accurately assess and prevent risk of injury, guide training programs, and help determine when players are safe to return to play.

SOME OF OUR KEY ACHIEVEMENTS OVER THE PAST YEAR INCLUDE:

- dorsaVi was granted 510K clearance from the Food and Drug Administration (FDA) for the expanded use of ViMove in the United States, enabling the Company to increase its marketing efforts to physical therapists and healthcare professionals in the US;
- The Company made further positive progress towards securing reimbursement for its ViMove devices in the US, with independent analysis determining that existing CPT codes can be used with dorsaVi's wearable technology;
- New data from a randomised controlled clinical trial released by peer reviewed journal, BMC Musculoskeletal Disorders, demonstrated that patients monitored and treated using ViMove had a significant and sustained improvement in pain and functional ability over a 12 month period;
- The signing of our first OHS customers outside of Australia – Transport for London (London Underground) in the UK and Caterpillar in the US with both these geographies signing further customers since improving the market need and scalability of the OHS model;
- In the UK, YourPhysioPlan (YPP), a national network of more than 100 private member clinics was signed with the intention of establishing ViMove as the standard of care across its clinics. ViMove is currently available in five of the clinics, with plans to expand the program.
- Sporting clubs continue to adopt ViPeform technology with new signups across codes globally including recent NBA Champions, the Golden State Warriors and Super Bowl Champions (NFL), the New England Patriots;
- There are currently nearly 170 active customers globally with new or repeat customers.

Post reporting period

- dorsaVi signed follow-on annuity based contracts with Crown Resorts and Sodexo.
- The company has raised $4 million in a private placement with an additional $3 million underwritten in a 1 for 10 Rights Issue.
- The company has entered into a three year exclusive agreement with YPP.

ViSafe™

DORSAVI WORKPLACE SOLUTIONS

dorsaVi Workplace Solutions is the occupational health and safety division, which incorporates the ViSafe product and a compliance arm.

ViSafe enables employers to assess risk of injury to its workforce as well as test the effectiveness of proposed changes to workplace design, equipment or methods based on objective evidence. It is one of the only technologies in the world that can accurately measure movement and provide truly objective data to inform workplace decisions.

With the ageing population and increasing compensation claims for serious work-related injuries or illnesses, companies are looking for evidence based solutions. Recent figures have revealed that 132,570 workers compensation claims for serious injury were made in Australia in 2014.

With increasing pressures on workplaces and insurers to reduce the spiraling costs of workplace injury, dorsaVi Workplace Solutions is ideally placed with recent projects resulting in >80% reduction in injuries as well as showing an increase in productivity.

dorsaVi Workplace Solutions is currently the strongest performing division, with customers in each of our three priority geographies – UK, US and Australia. These companies represent both repeat and new businesses in industries as diverse as gaming, transport, construction, aged care, logistics and distribution.

These customers are making decisions based on evidence and facts, rather than opinion.

The UK has seen a rapid uptake of projects since launching in March and signing the first major OHS contract, Transport for London, which operates the London Underground. New contracts have also been signed with construction company Vinci, Skanska and Napp Pharmaceutical Group to address lower back injury and risk and to also improve productivity.

In the US market, dorsaVi signed construction and mining equipment manufacturer, Caterpillar Inc. Caterpillar's seal metal casting facility in Toccoa, Georgia, are using dorsaVi's OHS wearable sensor technology, ViSafe, to evaluate and define the best practice for workers using heavy material handling equipment. The first emergency service group Anaheim Police Department, (Los Angeles) was also signed to decide on whether to adopt vests or belts for officer equipment.

In the Australian market, the company has strengthened its relationship with the signing of a number of repeat and new customers including BP Australia, Allianz, Toll, Crown Casino, Monash Health, Coles and Sodexo.

Other new contracts include: Visy, Peninsula Health, Sano Health, Bonacci, Sydney Opera House, Kennard's Hire, Silverchain, and Martin Brower.

The business model for OHS has been validated with initial smaller projects providing the business case and evidence to inform a larger solution-based projects like Crown Resorts and Sodexo contracts.

dorsaVi continues to grow its customer base through direct customer interaction. In addition, the company is working closely with insurers and rehabilitation providers. dorsaVi's ability to assist large, manual handling workforces to reduce and prevent workplace injury through proactive workplace solutions is highly attractive to senior management focussing on decreasing the costs of workplace injury, decreasing premiums and improving productivity. Equally, the ability for dorsaVi's products to assist in returning injured workers to the workforce is clearly a benefit for both insurers and the rehabilitation providers they partner with, as well as the employee.

ViMove

CLINICAL SOLUTIONS

ViMove continues to represent the largest long-term opportunity for dorsaVi. There are a number of drivers to our success with ViMove:

1. **Regulatory:** ViMove is cleared for sale in Australia, Europe and the United States. The FDA cleared ViMove for the expanded use of ViMove, which allows the device to display lower back and pelvic range of motion from healthy patients. Clinicians and patients will now be able to compare how their movements are tracking against a "normal" population based on their age group and help guide therapy decisions and rehabilitation accordingly.
2. **Reimbursement:** dorsaVi has a program to achieve its own reimbursement code in the United States. As a precursor to this, the company's reimbursement consultants have identified existing codes, which are being used by clinicians.
3. **Large clinical networks:** dorsaVi signed its first major clinical network – YourPhysioPlan in the UK. The pilot program involves an initial five flagship clinics with the intention of introducing ViMove into more than 100 clinics nationally. YouPhysioPlan is in a growth phase with plans to establish more than 300 clinics. This model is one that is being pursued in other markets.
4. **Standard of care:** The demand for objective validation of clinical opinion is growing, particularly with the new generation of clinicians. dorsaVi is working with a number of Australian universities who are now combining ViMove as part of their training and university studies. Familiarity and experience using ViMove is expected to inform its use as the standard of care for the future generation of clinicians.
5. **Clinical validation:** The results of a clinical trial using dorsaVi's ViMove technology was published in the independent peer reviewed journal BMCMusculoskeletal and reported improvement rates at 12 months were above the clinical threshold of more than 30% with the sensors showing a 35%-47% improvement rate across all primary outcome measures. This was an important milestone for dorsaVi with the results being widely shared with clinicians, insurers and large employer's who, as part of their consideration of products, value high quality, independent clinical validation.

ViPerform

SPORTING SOLUTIONS

Some of the world's biggest and most influential sporting teams are using ViPerform from Manchester United (EPL) to Patriots (NFL), Golden State Warriors (NBA) to Collingwood Football Club (AFL).

We are continuing to expand our portfolio of professional sports clubs using ViPerform to inform injury recovery programs and develop changes to training regimes to avoid fatigue and assess injury. Sporting clubs are recognising the importance of incorporating advanced technology to measure and monitor player movement and assessing risk of injury is increasingly seen as key considerations by professional teams to optimise athletic performance. ViPerform is now being used across multiple codes overseas including NBA, NRL, NFL and EPL.

ViPerform and the use of our technology with elite sporting clubs has been an important part of our strategy in terms of raising awareness and public relations, as well as informing research and development.

In conclusion, the year ahead is focussed clearly on executing on our sales and marketing program and to support rapid product adoption across all our products and markets. We remain confident that our revenue will continue to show strong growth quarter on quarter as we expand our customer base and convert higher value contracts.

dorsaVi Ltd and Controlled Entities
ABN: 15 129 742 409

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

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CORPORATE GOVERNANCE STATEMENT

The Board of directors of the Company is responsible for the governance of the Company and its controlled entities (“the Group”). Good corporate governance is a fundamental part of the culture and business practices of the Company. The key aspects of the Company’s corporate governance framework and governance practices which have been in place over the 2015 financial year are outlined below.

The Board of directors confirms that the Company’s corporate governance framework complies in almost all respects with the ASX’s Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations (3rd Edition)’ (‘3rd Edition Recommendations’) and that where it does not comply, it is due to the current relative size of the Company and scale and nature of its operations. The ASX Corporate Governance Council has recognised that the range in size and diversity of companies listed on the ASX is significant and that smaller companies (such as dorsaVi) may face particular issues in attaining all its recommendations in their early stages of development and growth.

Copies of the Company’s charters, codes and policies may be downloaded from the corporate governance section of the Company’s website at www.dorsavi.com

The Company provides below a review of its corporate governance framework using the same numbering as adopted for the principles set out in the 3rd Edition Recommendations.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1:

Establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated

The Board’s responsibilities are defined in the Board Charter and there is a clear delineation between the functions reserved to the Board and those conferred upon the Chief Executive Officer and certain other officers of the Company for the day-to-day management of operations.

The responsibilities of the Board include:

- overseeing the company, including its control and accountability systems;
- appointing and removing the Chief Executive Officer;
- monitoring the performance of the Chief Executive Officer;
- where appropriate, ratifying senior executive appointments, organisational changes and senior management remuneration policies and practices;
- approving succession plans for management;
- monitoring senior executives’ performance and implementation of strategy, and ensuring appropriate resources are available;
- providing input into and approving management’s corporate strategy and performance objectives;
- determining and financing dividend payments;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- approving and monitoring financial and other reporting;
- reviewing and ratifying systems of risk management, internal compliance and control.

The functions reserved for the Board include:

- appointment of a Chair;
- appointment and removal of the Chief Executive Officer;
- appointment of directors to fill a vacancy or as additional directors;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- review of corporate codes of conduct;
- approval of budgets, major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders.

Responsibility for day-to-day management and administration of the Company is delegated by the board to the Chief Executive Officer and the executive team. The Chief Executive Officer manages the Company in accordance with the strategy, plans and policies approved by the board.

The responsibilities of the Chief Executive Officer include:

- developing and recommending to the board strategies, business plans and annual budgets of the Company;
- implementing the strategies, business plans and budgets adopted by the board;
- providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the board;
- ensuring compliance with applicable laws and regulations;
- ensuring the board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
- acting within authority delegated by the board.

A copy of the Company's Board Charter is available on the Company's website at www.dorsavi.com

Recommendation 1.2:

A listed entity should

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director

The Company will undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.

The Company will provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Recommendation 1.3:

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has formal letters of appointment for each of its directors and senior executives, setting out the key terms and conditions of the appointment.

Recommendation 1.4:

The Company Secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board

The Company Secretary is accountable to the Board, through the Chairman, on all matters relating to governance and the effective operation of the Board.

Recommendation 1.5:

The Company should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board in accordance with the Company's diversity policy and its progress towards achieving them, and either:

1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

2) as a "relevant employer" under the Workplace Gender Equality Act, the Company's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Company has adopted a Diversity Policy. The Diversity Policy confirms that the Board, after taking into account the Company's size, stage of development, the business operating environment and the industry in which it operates, has:

- established appropriate and measurable objectives for achieving gender diversity; and
- annually review, develop and assess both the measurable objectives for achieving gender diversity and the Group's progress in achieving them.

The basic measurable objectives for achieving gender diversity, which have been set by the Board in accordance with the Company Diversity Policy, are set out below:

- the Company will seek to have at least one female potential candidate for each vacant position; and
- as part of any future Board member selection process, the professional consultant or Board committee assisting the Board, will seek to provide at least one credible and suitably experienced female candidate.

There were no women on the Board during the 2015 financial year.

The proportion of women in the senior executive team of the Company as at 30 June 2015 was 27%.

The Company is not a "relevant employer" under the Workplace Gender Equality Act.

A copy of the Diversity Policy is available on the Company's website at www.dorsavi.com.

Recommendation 1.6:

Disclose in the Corporate Governance section of its annual report or on its website:

(a) its process for periodically evaluating the performance the board, its committees and individual directors; and

(b) in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

A process has been established to review the Board's performance, conduct at meetings and the quality of board papers at each meeting of the Board.

The Board during the 2015 financial year performed an assessment of its skills, experience and composition and considered is current composition to be appropriate given the strategic direction of the Company and its stage of development.

There was no formal performance review conducted of the Board, its committees and individual directors in the 2015 financial year as the Company only listed on the ASX in December 2013 and the Board only came together in its current form in late October 2013.

Recommendation 1.7:

Disclose in the Corporate Governance section of its annual report or on its website:

(a) its process for periodically evaluating the performance of its senior executives; and

(b) in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

In accordance with the Board Charter, the directors' responsibilities include monitoring the performance of senior executives (including the CEO) and ensuring succession plans are in place. The Board has established a Nomination and Remuneration Committee which is responsible for reviewing executive remuneration and incentive policies and practices, and ensuring that the policies and practices are performance based and aligned with the Company's vision, values and overall business objectives.

The Board and Nomination and Remuneration Committee ensure that an evaluation of the senior management team is undertaken at least annually.

The Nomination and Remuneration Committee annually reviews the performance of the CEO and recommends to the Board the key performance targets of the CEO.

In addition, the Board has established a process whereby it reviews senior executive performance at each meeting of the Board.

All senior executives of the company were subject to an annual performance review in the 2015 financial year. Their key performance targets are aligned to the performance targets set by the Board and are aligned to the overall business goals and the Company's requirements. In the case of the CEO, these targets are negotiated between the Nomination and Remuneration Committee and the CEO and signed off by the Board. Remuneration incentives are dependent on the outcome of these evaluations.

Further information regarding executive compensation can be found in the Remuneration Report in this Annual Report.

A copy of the Nomination and Remuneration Committee Charter is available on the Company's website at www.dorsavi.com

The Company did not comply with all aspects of Recommendations 1.5 and 1.6 but it did comply with Recommendations 1.1, 1.2, 1.3, 1.4 and 1.7 for the 30 June 2015 financial year.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1:

The Board should establish a nomination committee which:

(a) has at least three members, a majority of whom are independent directors; and

(b) is chaired by an independent director,

and should disclose the charter of the committee on its website.

The Company should disclose in the Corporate Governance section of its annual report or on its website:

(a) the members of the nomination committee; and

(b) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

The Board has established a Nomination and Remuneration Committee., which consists of three non-executive directors: Mr Herb Elliott, Dr Michael Panaccio and Mr Greg Tweedly. Mr Elliott is Chairman of the Committee and is an independent director. The Nomination and Remuneration Committee is comprised of a majority of independent directors.

The Nomination and Remuneration Committee's authority, responsibilities, composition and membership requirements are documented in the Nomination and Remuneration Committee charter approved by Board, which is available on the Company's website at www.dorsavi.com

Details of the relevant qualifications and experience of the members of the committee and their attendance at meetings during the reporting period are disclosed in the Annual Report.

Recommendation 2.2:

The Company should disclose in the Corporate Governance section of its annual report or on its website a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board during the 2015 financial year performed an assessment of its skills, experience and composition and considered its current composition to be appropriate given the strategic direction of the Company and its stage of development.

The Board approved during the year a Board Skills Matrix which reflects the company's key strategic goals and the mix of skills, experience and expertise that the Board currently has and is looking to achieve in its membership. The Board Skills Matrix reflects that the Board has and is looking to achieve a mix of skills, experience and expertise in a range of areas including: strategic planning, marketing and sales, medical technology, government regulation & policy, occupational health and safety, physiotherapy, reimbursement, health insurance and international business management.

Recommendation 2.3:

The Company should disclose in the Corporate Governance section of its annual report or on its website:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type listed below but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

The Company has assessed the independence of its directors against the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles and Recommendations.

A director is independent if he or she is a non-executive director, not a member of management and free of any business or other relationship that could materially interfere with (or be perceived to materially interfere with) the independence of his or her judgement. Mr Herb Elliott, Mr Ash Attia and Mr Greg Tweedly are independent directors of the Company. Accordingly, the majority of the Company's Board is comprised of independent directors.

Dr Andrew Ronchi and Dr Michael Panaccio are not independent directors. Dr Ronchi is the CEO and Dr Michael Panaccio is a director and founder of Starfish Ventures Pty Ltd, which is the manager of Starfish Technology Fund, which is a substantial shareholder in the Company.

The current composition of the Board of directors and length of tenure of each member is as follows:

Name	Position	Date appointed	Independent
Herbert Elliott	Chairman (non-executive)	Oct 2013	YES
Ashraf Attia	Director (non-executive)	July 2008	YES
Michael Panaccio	Director (non-executive)	May 2008	NO
Gregory Tweedly	Director (non-executive)	Oct 2013	YES
Andrew Ronchi	Executive Director	Feb 2008	NO

The Board, having regard to the Company's stage of development and the collective expertise of the directors, considers the current composition of the Board is appropriate.

Recommendation 2.4:

A majority of the board should be independent directors.

A majority of the Board were independent directors during the 2015 financial year.

Recommendation 2.5:

The chair should be an independent director and, in particular, should not be the same person as the CEO.

Mr Herb Elliott is an independent director.

Dr Andrew Ronchi is the CEO.

The roles of Chairman and CEO are exercised by two separate individuals and the Company's Chairman is an independent director.

Recommendation 2.6:

The Company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Company has an induction program for new directors which provides a summary of the company and its products and activities to assist each new director to become effective in their role. The program includes one-on-one meetings with the CEO and senior members of management. In addition the Board receives ongoing briefings and development sessions from senior management to continuously build non-executive directors' knowledge and to ensure that the Board remains up to date with key internal and external developments.

The Company did not comply with all aspects of Recommendation 2.2 but did comply with Recommendations 2.1, 2.3, 2.4, 2.5 and 2.6 for the 2015 financial year.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1:

The Company should disclose in the Corporate Governance section of its annual report or on its website its codes of conduct for its directors, senior executives and employees.

The Company has adopted a Code of Conduct which applies to all directors and employees of the Company, as well as a Share Trading Policy.

Copies of the Code of Conduct and the Share Trading Policy are available on the Company's website at www.dorsavi.com

The Company complied with Recommendation 3.1 during the 2015 financial year.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1:

The board should establish an audit committee which:

(a) has at least three members, all of whom are non-executive independent directors; and

(b) is chaired by an independent director who is not the chair of the board,

and should disclose the charter of the committee on its website.

The Company should disclose in the Corporate Governance section of its annual report or on its website:

(a) the relevant qualifications and experience of the members of the committee; and

(b) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

The Company has established an Audit and Risk Committee. The Audit and Risk Committee consists of three non-executive directors: Mr Greg Tweedly, Mr Ash Attia and Dr Michael Panaccio. The Audit and Risk Committee is comprised of a majority of independent directors. The Chairman of the Audit and Risk Committee, Mr Greg Tweedly, is an independent director.

The Audit and Risk Committee's authority, responsibilities, composition and membership requirements are documented in the Audit and Risk Committee charter approved by Board, which is available on the Company's website at www.dorsavi.com.

Details of the relevant qualifications and experience of the members of the committee and their attendance at meetings during the reporting period are disclosed in the Annual Report.

Recommendation 4.2:

The board should, before it approves the financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Chief Executive Officer and the Chief Financial Officer have, in accordance with section 295A of the Corporations Act, declared in writing to the Board that the financial reporting, risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively during the year. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations of the Company.

The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. The Company places considerable reliance on the skill, experience and judgement of its employees to make decisions within the policy framework and to communicate openly on all risk related matters.

Recommendation 4.3:

The Company should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The external auditor attends the Company's Annual General Meeting and is available to answer shareholder questions regarding aspects of the external and their report.

The Company complied with Recommendations 4.1 to 4.3 during the 2015 financial year.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1:

The Company should include a copy of its continuous disclosure policy, or a summary of it, on its website.

The Company has adopted a Continuous Disclosure Policy. This Policy sets out the standards, protocols and the detailed requirements expected of all directors, officers, senior management and employees of the Company for complying with the Listing Rules and Corporations Act relating to continuous disclosure.

The Continuous Disclosure Policy is designed to provide equal access to information and to promote quality communications between the Company and third parties such as shareholders, the investment community, the media and ASX.

In addition, the Board assesses its continuous disclosure obligations at each Board meeting.

A copy of the Company's Continuous Disclosure Policy is available on the Company's website at www.dorsavi.com

The Company complied with Recommendation 5.1 during the 2015 financial year.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1:

The Company should provide information about itself and its governance to investors via its website.

The Board is responsible for the governance of the Company. Key aspects of the Company's corporate governance framework and practices are disclosed on the Company's website www.dorsavi.com.

Recommendation 6.2:

The Company should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company engages an external investor relations consultant, to facilitate engagement with shareholders and queries which arise from time to time from shareholders. The Company at the AGM responds to all enquiries received from shareholders. The Company through its investor relations consultant, Continuous Disclosure Policy, market updates, financial reporting and website, provides investors with the opportunity to have an understanding of the Company's business, governance and financial performance.

Recommendation 6.3:

The Company should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company has adopted a Shareholder Communications Policy for shareholders wishing to communicate with the Board. All shareholders are invited to attend dorsaVi's annual general meeting, either in person or by representative, being the forum in which to discuss issues relevant to the Company. The Board accordingly encourages full participation by shareholders. Shareholders will have an opportunity to submit questions to the Board and auditors at the November 2015 meeting of shareholders.

A copy of the Company's Shareholder Communications Policy is available on the Company's website at www.dorsavi.com

Recommendation 6.4:

The Company should give shareholders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Shareholders are able to contact the Company or its share registrar, Computershare, by mail, telephone, email or online via the Computershare Investor Centre portal. Shareholders may choose to receive communication from, and send communications to, the Company and Computershare electronically.

The Company complied with Recommendations 6.1 to 6.4 for the 30 June 2015 financial year.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1:

The Company should have a risk committee which:

(a) has at least three members, a majority of whom are independent directors; and

(b) is chaired by an independent director,

and should disclose the charter of the committee on its website.

The Company should disclose in the Corporate Governance section of its annual report or on its website:

(a) the members of the committee;

(b) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

dorsaVi has established an Audit and Risk Committee. The Committee has three members, the majority of whom are independent directors. The Chairman of the Committee, Mr Greg Tweedly is an independent director. The Audit and Risk Committee's authority, responsibilities, composition and membership requirements are documented in the Audit and Risk Committee charter approved by Board, which is available on the Company's website at www.dorsavi.com

Details of the relevant qualifications and experience of the members of the committee and their attendance at meetings during the reporting period are disclosed in the Annual Report.

Recommendation 7.2:

The Company should disclose in the Corporate Governance section of its annual report or on its website whether it has reviewed its risk management framework in the last 12 months to satisfy itself that it continues to be sound.

The Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by management.

The Board has confirmed that management is responsible for designing and implementing risk management and internal compliance and control systems which identify material risks for the Company. The Board has overseen the development by management of a process to identify and manage the Company's material business risks.

Management, with the oversight of the Audit and Risk Committee, has established and implemented the risk management system for assessing, monitoring and managing the Company's material risks. The board monitored the Company's risk management framework and risk profile during the year.

Recommendation 7.3:

The Company should disclose in the Corporate Governance section of its annual report or on its website:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have an internal audit function.

In conjunction with the Company's other corporate governance policies, the Company has adopted policies and processes to assist the Company to identify, evaluate and mitigate technological, economic, operational and other risks. The Audit and Risk Committee with oversight from the Board reviews and assesses the Company's processes for evaluating and continually improving the effectiveness of its risk management and internal control processes. dorsaVi has established a Risk Management Policy. A copy of the Risk Management Policy is available on the Company's website at www.dorsavi.com

Recommendation 7.4:

The Company should disclose in the Corporate Governance section of its annual report or on its website whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Board has overseen the development by management of a comprehensive process to identify and manage key business risks, including economic risk. The Company has adopted policies and processes to assist the Company to identify, evaluate and mitigate technological, economic, operational and other risks.

The Company is not subject to material environmental and social sustainability risks.

The Company complied with Recommendations 7.1 to 7.4 for the 2015 financial year.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1:

The Company needs to have a remuneration committee which:

(a) has at least three members, a majority of whom are independent directors; and

(b) is chaired by an independent director,

and should disclose the charter of the committee on its website.

The Company should disclose in the Corporate Governance section of its annual report or on its website:

(a) the members of the committee; and

(b) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

The Nomination and Remuneration Committee consists of three non-executive directors: Mr Herb Elliott, Dr Michael Panaccio and Mr Greg Tweedly. Mr Herb Elliott is Chairman of the Committee and is an independent director. The Nomination and Remuneration Committee is comprised of a majority of independent directors.

The Nomination and Remuneration Committee's authority, responsibilities, composition and membership requirements are documented in the Nomination and Remuneration Committee charter approved by the Board, which is available on the Company's website at www.dorsavi.com

Details of the relevant qualifications and experience of the members of the committee and their attendance at meetings during the reporting period are disclosed in the Annual Report.

Recommendation 8.2:

The Company should disclose in the Corporate Governance section of its annual report or on its website its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company has a clear distinction between the structure of non-executive directors' remuneration and that of executive directors and senior executives.

Disclosure of the directors' and executives' remuneration can be found in the Remuneration Report in this Annual Report.

Recommendation 8.3:

The Company has an equity-based remuneration scheme and should disclose in the Corporate Governance section of its annual report or on its website its policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

The Company's Share Trading Policy prohibits participants in the Company's share or option plans from using derivatives or engaging in any conduct that seeks to have the effect of providing greater benefit than would otherwise have been realised by the participant in respect of unvested Company securities.

Please refer to the Policy for further details. A copy of the Policy is available on the Company's website at www.dorsavi.com

The Company complied with Recommendations 8.1, 8.2 and 8.3 for the 2015 financial year.

DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity consisting of dorsaVi Ltd ("the Company" or dorsaVi") and the entities it controlled, for the financial year ended 30 June 2015 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Herbert James Elliott – Non-executive Chairman:

Chairman of dorsaVi Ltd and chairs the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Ashraf Attia – Non-executive Director:

Mr Attia serves on the Audit & Risk Committee. He was appointed to the Board on 14 July 2008.

Michael Panaccio – Non-executive Director:

Mr Panaccio serves on the Audit & Risk Committee and the Nomination and Remuneration Committee. He was appointed to the Board on 16 May 2008.

Gregory John Tweedly – Non-executive Director:

Mr Tweedly chairs the Audit & Risk Committee and serves on the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Andrew Ronchi – Chief Executive Officer, Director:

Mr Ronchi was appointed to the Board on 18 February 2008.

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of dorsaVi Ltd and its controlled entities during the financial year was distribution of innovative motion analysis technologies. These technologies are commercialised via license, sale or fixed fee consultancy methods. There has been no significant change in the nature of these activities during the financial year.

RESULTS

The consolidated loss after income tax attributable to the members of dorsaVi Ltd was $8,036,161 (2014: $3,562,023).

REVIEW OF OPERATIONS

Initially incorporated as a proprietary company in February 2008, dorsaVi, was converted to a public company on 17 October 2013. dorsaVi Ltd was listed on the ASX in December 2013.

The Group consists of four entities:

- dorsaVi Ltd, the listed Parent company
- dorsaVi Europe Ltd, a wholly owned subsidiary incorporated on 3 February 2014 and domiciled in the UK
- dorsaVi USA, Inc, a wholly owned subsidiary incorporated on 19 May 2014 and domiciled in the USA
- Australian Workplace Compliance Pty Ltd, a wholly owned subsidiary purchased on 3 July 2014 and domiciled in Australia

Revenue for the 2015 financial year was $1,850,416 (2014: $767,418) predominantly driven by 157% growth in sales revenue to $1,358,218 (2014: $529,381).

The loss from continuing operations after income tax for the 2015 financial year was $8,036,161 (2014: $3,562,023). dorsaVi Ltd has invested heavily in both its people and its infrastructure assets in moving its operations from an Australian centric Research and Development environment to a global Sales and Marketing one. While sales revenue grew by 157% year on year, the employee benefits expense grew by 115%. This was mainly due to the investment in key staff in sales across Australia, Europe and the US. These foundation hires were made ahead of the revenue curve. Furthermore, dorsaVi Ltd's product development and marketing teams were also strengthened by a number of significant hires in both departments.

During the 2015 financial year dorsaVi Ltd continued to transition its sales method from outright sale, where the goods are transferred to the customer, to a license agreement where the customer leases the goods. These licenses will automatically renew for a 12-month period upon expiry of the initial term. From March 2014 most commercial contracts were made under a license agreement. Previously, 100% of the revenue could be realised in the month in which the goods were sold via an outright sale. Under the license agreement, however, the revenue can only be realised via the straight-line method over the term of the license. This produced a like for like decrease in revenue over the first 12 months of conversion to the license revenue period from March 2014. The significant long-term benefit is that it produces an ongoing annuity revenue stream. Under certain circumstances dorsaVi Ltd continued to make outright sales to universities and hospitals where there was a greater need for the customer to use funding for the once off purchase.

By 30 June 2015 the Group had 170 devices in the market globally. Of these, 55 were in the market under outright sale and 115 were in the market via license. This 170 represented a 68% increase over the 101 in the market at 30 June 2014.

Employee benefits expense for the 2015 financial year was $5,029,132 (2014: $2,334,386), which represented a 115% increase year on year. The employee headcount at 30 June 2015 was 33 (2014: 23), which represented a 44% increase year on year. Employee benefits expense represented 48% of the total expenses for the Group for the 2015 financial year (2014: 48%).

Advertising & Conference expenses for the 2015 financial year were $1,013,938 (2014: $343,508), which represented a 195% increase year on year. Breaking these out, Advertising expenses for the 2015 financial year were $682,492 (2014: $208,254), which represented a 228% increase year on year. Significant expenses in the 2nd half of the year were fees incurred to corporately rebrand and product line rebrand at the same time as building and launching a new website. Conference expenses for the 2015 financial year were $331,446 (2014: $135,254), which represented a 145% increase year on year. Significant expenses were incurred in attending new conferences in the United States to promote and sell the ViPerform Product in the first half of the year and launch ViSafe in Europe and the United States in the second half.

Regulatory expenses for the 2015 financial year were $506,052 (2014: $71,360). Significant expenses incurred during the year include FDA clearance for increase use of the ViMove and ViPerform products in the US market.

Travel expenses for the 2015 financial year were $932,546 (2014: $284,449). Significant expenses were incurred during the year to attend the previously mentioned conferences and grow and convert the new business pipeline globally.

The parent, dorsaVi Ltd, and its wholly owned subsidiaries, dorsaVi Europe Ltd, dorsaVi USA, Inc and Australian Workplace Compliance Pty Ltd, are the entities that generate revenue for the Group. The four companies have two primary sources of revenue: they enter into agreements to place the ViMove, ViPerform and ViSafe devices with customers; and they provide OH&S Consultancy Services that utilise the ViSafe technology.

Under the licensing agreements for the devices, dorsaVi retains the title to the device and carries it in property, plant and equipment, depreciating it over five years. As the US, European and Australian markets scale up, investment in the devices is expected to have some impact on the capital expenditure needs of the Group, which are expected to be offset by future sales.

Additional revenue is generated when customers purchase adhesives that hold the devices' sensors when performing readings. This additional revenue from consumables is not material in the 2015 financial year but as new license sales increase and their resultant agreements renew this additional revenue stream will become a material factor in both sales volume and profitability.

Australian revenue from the licensing and sale of devices was up 38% in the 2015 financial year over the 2014 financial year. In Europe over the same period revenue from devices was up $114,821 to $117,576 (2014: $2,755). In the United States revenue from licensing and sale of devices was up $46,148 (2014: $NIL).

A major milestone for the Group's US operations was achieved in July 2014 when the ViMove received 510(k) clearance by the US Food and Drug Administration (FDA) for measuring, recording and reporting on movement and muscle activity on the lower back/lumbar spine. In May 2015, dorsaVi received expanded labelling for its 510(k) cleared ViMove product that is used to accurately assess movement and muscle activity in the low back and pelvis, manage treatment options, and guide recovery. In June 2015, dorsaVi announced that an independent clinical research and reimbursement institute has determined that existing Current Procedural Terminology (CPT) codes can be used with dorsaVi's industry leading wearable sensor technology, ViMove and ViPerform in the US. These CPT codes are numeric codes that enable healthcare providers to describe or report work performed under private and public insurance programs. The Regulatory & Clinical Research Institute (RCRI) in Minneapolis, Minnesota reviewed applicability of CPT code sets to dorsaVi's ViMove and ViPerform products. Based on RCRI research, CPT code 97750, which is used to report a physical performance test or measurement, aligns with the activities performed when dorsaVi sensors and software are used to measure movement. The US Medicare national average clinician payment is US$33.42 for each fifteen-minute block of services and a corresponding written report. Multiple units of the code can be billed in a single patient encounter provided documentation supports time spent directly with the patient.

Australian revenue for OH&S Consultancy utilising ViSafe technology was up 171% in the 2015 financial year over the 2014 financial year. The growth in this market was due to dorsaVi acquisition of the OH&S consultancy firm Australian Workplace Compliance Pty Ltd which increased the Company's service offering and client base in the OH&S market. During the 2015 financial year, dorsaVi introduced OH&S Consultancy Services into the US and European markets. The revenue generated in these two markets was $55,373 in 2015 (2014:NIL).

The directors expect revenue in Australia, Europe and the US to continue to grow year on year. Factors impacting and driving this growth include; the effectiveness of the global marketing plan; further sales generation in the OH&S market in the Europe and US markets; increased FDA clearances in the US market leading to further product use; shortening of the sales lead times; and the adoption of new software development.

The material business risks that are likely to have an effect on the financial prospects of the Group include:

- Over time, dorsaVi may be subjected to increased competition if potential competitors develop new technologies or make scientific or systems advances that compare with or compete with dorsaVi's products
- In the medical sector (but not the Elite Sports or OH&S sectors), sales and adoption rates of dorsaVi's system are, in part, likely to be influenced by the availability and level of reimbursement from government and/or insurance payers. Whilst the dorsaVi's products already benefit from reimbursement in some circumstances, there is no guarantee that the use of dorsaVi's products will receive further reimbursement
- General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the dorsaVi's activities, as well as on its ability to fund those activities. In particular, much of its future income is expected to come from the US and European markets and therefore dorsaVi's activities will be affected by currency exchange fluctuations.
- dorsaVi is not currently profitable. Proceeds from the float were and are primarily being used to fund the commercial rollout of the dorsaVi's products. There is no guarantee that the commercial rollout will result in profitability for the Company. If the commercial roll out is lower, slower or less successful than planned, dorsaVi may need to raise capital in the future. In August 2015, dorsaVi Ltd raised additional capital. Please refer to after balance date events.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 3 July 2014, dorsaVi Ltd entered into a contract to acquire 100% of the issued capital of Australian Workplace Compliance Pty Ltd. This increased the Group's service offering and client base in the occupational health and safety (OH&S) market.

Issued capital increased to $23,855,099 at 30 June 2015 (2014: $23,835,099). Total equity decreased to $6,616,716 at 30 June 2015 (2014: $14,619,662). Total liabilities increased to $1,400,614 at 30 June 2015 (2014: $718,957).

AFTER BALANCE DATE EVENTS

On 9 July 2015, dorsaVi announced the signing of two leading National Football League (NFL) teams for the use of its ViPerform technology, the New Orleans Saints and Cleveland Browns. These two NFL teams have been incorporating the technology in team training protocols during the off-season, and all will now utilise the sensor technology during the 2015-16 season to assess and monitor players and guide recovery of their athletes.

On 15 July 2015, dorsaVi Ltd announced Mr Jerome Whelan, Chief Financial Officer, tendered his resignation from the Company. The Company has commenced an executive search for a suitable replacement.

On 17 August 2015, dorsaVi announced the signing of its fourth contract with Crown Resorts. The contract represents dorsaVi's largest commercial project to date and will be implemented over 18 months with an additional annual annuity in the form of a license fee for ViSafe.

On 18 August 2015, dorsaVi announced the issue of 500,000 shares at $0.26 cents.

On 18 August 2015, dorsaVi announced that reigning US football Super Bowl Champions the New England Patriots and two elite college athletic programs have all signed to use ViPerform wearable sensors. The Ohio State University Buckeyes are the first NCAA Division I team to adopt ViPerform. dorsaVi technology is primarily being used by the Buckeyes with their women's soccer team. Marquette University in Milwaukee, Wisconsin is the first NCAA Division I men's basketball team to adopt the technology. They follow in the footsteps of three NBA teams who are integrating ViPerform into training plans: the Houston Rockets, the New York Knicks, and the 2015 NBA champions the Golden State Warriors.

On 20 August 2015, dorsaVi announced the signing of its third contract with Sodexo, one of the world's largest services and labour hire companies. The company has entered a 12 month contract to undertake assessments of their employees working in remote areas of Australia. Sodexo will lease dorsaVi's ViSafe technology to undertake its own testing and assessments of workers involved in manual handling activities and tasks in remote sites in Australia. dorsaVi will be responsible for the analysis of data, producing insights and action points to allow Sodexo to make informed decisions.

On 21 August 2015, dorsaVi Ltd announced the signing of its second contract with international architecture firm, DesignInc, to assess and maintain its integrated management system. The three year deal will see dorsaVi work across the review and maintenance of the Integrated Management System.

On 26 August 2015, dorsaVi Ltd announced that it has raised a total of $4,000,000 by way of a placement of approximately 15,400,000 ordinary shares at $0.26 per share with various institutional and sophisticated investors. In addition on 17 September 2015, the Company successfully completed a fully underwritten 1 for 10 non-renounceable pro rata rights offer of ordinary shares raising approximately $3,200,000 from its Australian and New Zealand shareholders. The price of the Shares under the Offer was $0.26 each (i.e. the same price per share as offered under the Placement).

On 29 September 2015, dorsaVi Ltd announced the signing of a three year agreement with YourPhysioPlan to sell ViMove in the UK and Ireland. The agreement provides exclusive marketing rights for ViMove for private physiotherapy, osteopathy and chiropractic markets in the UK and Ireland. dorsaVi will maintain full direct sales rights in the UK and Ireland for ViPerform and ViSafe to elite sports and OH&S customers respectively.

LIKELY DEVELOPMENTS

The following likely developments in the business of the Group are expected to influence its financial results in the near term:

As new license agreements for ViMove and ViPerform are signed it is expected that the resulting revenue from adhesives associated with use of the devices will also increase. The Group expects an increase in revenue growth, year on year, in all markets for ViMove and ViPerform products.

The Group expects an increase in revenue growth, year on year, in the Australian, Europe and US markets from its OH&S consultancy revenue stream.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

DIVIDEND PAID, RECOMMENDED AND DECLARED

No dividends were paid, declared or recommended since the start of the financial year.

SHARE OPTIONS

Options over unissued ordinary shares granted by dorsaVi Ltd during or since the financial year end to executives were as follows:

Executive	Options granted during the year
Dave Wildermuth	900,000

There were no options over unissued ordinary shares granted to directors during or since the financial year end. Further details regarding options granted as remuneration are provided in the Remuneration Report below.

SHARES UNDER OPTION

Unissued ordinary shares of dorsaVi Ltd under option at the date of this report are as follows:

Date options granted	Number of unissued ordinary shares under option	Issue price of shares	Expiry date of the options
8 April 2014	1,000,000	$0.51	7 April 2019
2 September 2014	100,000	$0.40	1 September 2019
31 October 2014	900,000	$0.40	30 October 2019

No option holder has any right under the options to participate in any other share issue of the company.

SHARES ISSUED ON EXERCISE OF OPTIONS

To the date of this report, there have been no shares issued during or since the end of the year as a result of the exercise of an option over unissued shares.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Herbert James Elliott, AC MBE, MA (Cantab) – Non-executive Chairman

Herb Elliott is the Chairman of dorsaVi Ltd and chairs the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Herb has been a chairman of Telstra Foundation Limited (March 2002 to December 2010). Herb is a former director of Ansell Limited (February 2001 to October 2006). Herb is a former director of Fortescue Metals Group Limited (ASX: FMG). He was a director of Fortescue from October 2003 to November 2014 and served as company chairman from 2007 to 2011. He was the inaugural chairman of the National Australia Day Committee, a Commissioner of the Australian Broadcasting Commission and deputy chairman of the Australian Sports Commission.

Herb was also a director of the World Olympians Association and was a gold medallist (1500 metres athletics) at the Rome 1960 Olympics. Previous executive roles include president of PUMA North America. Herb is an honorary Doctor of the Queensland University of Technology.

Ashraf Attia, BSc (Eng)(Hons), MSc (Biomed. Eng), Dip (Mktg), FAICD – Non-executive Director

Ash Attia serves on the Audit & Risk Committee. He was appointed to the Board on 14 July 2008.

Ash has had senior management experience in multinational operations for over 20 years within the medical devices, biotechnology and diagnostics industries. He is the Managing Director, Asia Pacific of Thoratec Corporation, a company with global revenues of over US$500 million, which manufactures and sells heart assist devices for use by patients with heart failure. Ash has consulted to several organisations in the areas of business development, strategic marketing, sales and marketing management, and distribution strategies.

No other directorships of listed companies were held during the three years to 30 June 2015.

Michael Panaccio, BSc (Hons), MBA, PhD, FAICD – Non-executive Director

Michael Panaccio serves on the Audit & Risk Committee and the Nomination and Remuneration Committee. He was appointed to the Board on 16 May 2008.

Michael is one of the founders of Starfish Ventures Pty Ltd, an Australian based venture capital manager. He was formerly an Investment Manager with JAFCO Investment (Asia Pacific). Prior to joining JAFCO, Michael was Head of the Department of Molecular Biology at the Victorian Institute of Animal Sciences. Michael has been a director of numerous technology businesses in Australia and the USA including SIRTeX Medical Ltd and Energy Response Pty Ltd.

He is currently a director of ImpediMed Ltd (ASX:IPD) since January 2007. No other Directorships of listed companies were held during the three years to 30 June 2015. Michael is also a director of Protagonist Inc, MuriGen Pty Ltd, NeuProtect Pty Ltd and Ofidium Pty Ltd.

Gregory John Tweedly, B.Com, CPA, GAICD – Non-executive Chairman

Greg Tweedly chairs the Audit & Risk Committee and serves on the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Greg is a Director of the Emergency Services and Telecommunications Authority and was a Director and CEO of the Victorian WorkCover Authority (WorkSafe) from 2003 to 2012. Prior to joining WorkSafe Greg was an executive with the Transport Accident Commission from 1996 to 2002 in various senior roles including Chief Operating Officer. He was formerly a Director of the Institute of Safety Compensation and Recovery Research, a Director of the Personal Injury Education Foundation, a Director and Chair of the Victorian Trauma Foundation, Chair of the Heads of Workers' Compensation Authorities of Australia and New Zealand and Member of SafeWork Australia and its predecessor organisation.

No other directorships of listed companies were held during the three years to 30 June 2015.

Andrew Ronchi, B.App.Sci (Physio), PhD (RMIT Eng), GAICD – Chief Executive Officer, Director

Andrew Ronchi was appointed to the Board on 18 February 2008.

Before co-founding dorsaVi, Andrew was a practising physiotherapist both at an AFL club and in private practice. He is a founding partner in two physiotherapy centres, the largest of these employing 28 staff (including 13 physiotherapists). Prior to the formation of dorsaVi, Andrew undertook a PhD in Computer and Systems Engineering, investigating the reliability and validity of transducers for measuring lumbar spine movement. As CEO of dorsaVi Ltd, Andrew is responsible for all aspects of the Group's operations.

No other directorships of listed companies were held during the three years to 30 June 2015.

Brendan Case, MComLaw (Melb), BEc, CPA, Grad Dip App Fin, Dip FP, FCIS

Brendan Case has served as dorsaVi Ltd's secretary since October 2013 and has more than 20 years of company secretarial, corporate governance and finance experience. He is a former Associate Company Secretary of National Australia Bank Limited (NAB), former secretary of NAB's Audit and Risk Committees and has held senior management roles in risk management and regulatory affairs.

DIRECTORS' MEETINGS

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

	Board of Directors		Audit & Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Mr Herb Elliott	12	11	–	–
Mr Ashraf Attia	12	12	3	3
Dr Michael Panaccio	12	12	3	3
Mr Greg Tweedly	12	12	3	3
Dr Andrew Ronchi	12	12	–	–

	Nomination & Remuneration Committee	
	Eligible to attend	Attended
Mr Herb Elliott	2	2
Dr Michael Panaccio	2	2
Mr Greg Tweedly	2	2

DIRECTORS' INTEREST IN SHARES OR OPTIONS AS AT 30 JUNE 2015

Names of Holders	Ordinary Shares of dorsaVi Ltd
Michael Panaccio	80,543,119
Andrew James Ronchi	8,246,482
Ashraf Attia	189,491
Herbert James Elliott	75,000
Gregory John Tweedly	62,500

The directors have no interests in options over shares in dorsaVi Ltd as at the date of this report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has insured its Directors, Secretary and executive officers for the financial year ended 30 June 2015. Under the Group's Directors and Officers Liability Insurance Policy, the Group cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium.

The Group also indemnifies every person who is or has been an officer of the Group against any liability (other than for legal costs) incurred by that person as an officer of the Group where the Group requested the officer to accept appointment as Director.

To the extent permitted by law and subject to the restrictions in section 199A and 199B of the *Corporations Act 2001*, the Group indemnifies every person who is or has been an officer of the group against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Group.

INDEMNIFICATION AND INSURANCE OF AUDITORS

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any auditors of the consolidated entity.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

NON-AUDIT SERVICES

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the board of directors. Non-audit services were provided by the auditors of entities in the consolidated group during the year, namely Pitcher Partners Melbourne, network firms of Pitcher Partners, and other non-related audit firms, as detailed below. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

	2015 $	2014 $
(a) Amounts paid and payable to Pitcher Partners Melbourne for non-audit services:		
Investigating Accountants Report	–	38,500
Taxation & Other Compliance Services	36,306	36,453
Total remuneration for non-audit services	**36,306**	**74,953**

REMUNERATION REPORT (AUDITED)

The Directors present the consolidated entity's 2015 Remuneration Report, which details the remuneration information for dorsaVi Ltd's Non-Executive Directors, Executive Directors, and other Key Management Personnel.

A. Details of the Key Management Personnel

Non-Executive Directors	Period of Responsibility	Position
Herb Elliott	Full Year	Chairman, Non-Executive Director
Ashraf Attia	Full Year	Independent, Non-Executive Director
Michael Panaccio	Full Year	Non-Executive Director
Greg Tweedly	Full Year	Independent, Non-Executive Director
Executive Director		
Andrew Ronchi	Full Year	Chief Executive Officer/Director
Executives		
Daniel Ronchi*	1 July 2014 to 10 March 2015	Chief Technical Officer
Jerome Whelan	Full Year	Chief Financial Officer
Jarrod Sculli	Resigned 3 July 2014	National Sales Manager, Australia
Sarah Riseley*	1 July 2014 to 10 March 2015	Marketing Director
Zoë Whyatt	Full Year	Chief Operating Officer, Europe
Meagan Blackburn*	1 July 2014 to 10 March 2015	Global Clinical & Sports Innovation
John Kowalczyk	Full Year	President of dorsaVi USA
Mark Heaysman	Appointed 1 July 2014	Head of Occupational Health & Safety
David Wildermuth	Appointed 3 November 2014	Chief Marketing Officer
Matthew May	Appointed 10 November 2014	Sales Manager, Australia

* *Effective 10 March 2015, the following changes were made to the dorsaVi executive structure:*

- *Dan Ronchi (CTO) reports directly to Dave Wildermuth (CMO)*
- *Meagan Blackburn (CIO) reports directly to Dave Wildermuth (CMO)*
- *Sarah Riseley (Business Development) reports directly to Matthew May (Sales Manager, AU)*

As such the pro rata compensation costs of the period from 10 March 2015 to 30 June 2015 have been removed from the annual costs.

The following changes occurred after 30 June 2015 to the date the financial report was authorised for issue: Jerome Whelan resigned on 14 July 2015 effective 12 October 2015.

B. Remuneration Policies

Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors is responsible for making recommendations to the Board on the remuneration arrangements for each Non-Executive Director (NED), Executive Director/Chief Executive Officer (CEO) and each Executive reporting to the CEO. The current members of the Nomination & Remuneration Committee are Herb Elliott, Michael Panaccio, Ashraf Attia and Greg Tweedly.

The Nomination & Remuneration Committee assess the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality, high performing directors and executive team. In determining the level and composition of executive remuneration, the Nomination & Remuneration Committee may also engage external consultants to provide independent advice.

The primary responsibility of the Nomination & Remuneration Committee is to review and recommend to the Board:

- Executive remuneration and incentive policies and practices;
- The Executive Director's total remuneration having regard to remuneration and incentive policies;
- The design and total proposed payments from any executive incentive plan and reviewing the performance hurdles for any equity based plan;
- The remuneration and related policies of Non-Executive Directors for serving on the board and any committee (both individually and in total); and
- Any other responsibilities as determined by the Nomination & Remuneration Committee or the Board from time to time.

Remuneration Strategy

The remuneration strategy of dorsaVi Ltd is designed to attract, motivate and retain Employees, Executives and Non-Executive Directors in Australia, the United States and Europe by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Company.

To this end, the key objectives of the Company's reward framework are to:

- Align remuneration with the Company's business strategy;
- Offer an attractive mix of remuneration benchmarked against the applicable market's region and country practices;
- Provide strong linkage between individual and Company performance and rewards;
- Offer remuneration based on internal equity with other employees and individual skill matching the role requirements with their experience and responsibilities;
- Align the interests of executives and shareholders and share the success of the Company with the employees; and
- Support the corporate mission statement, values and policies through the approach to recruiting, organizing and managing people.

Remuneration Structure

In accordance with best practice corporate governance, the structure of the non-executive directors and executive remuneration is separate and distinct.

Non-Executive Director Remuneration Structure

The ASX Listing Rules specify that an entity must not increase the total aggregate amount of remuneration of Non-Executive Directors without the approval of holders of its ordinary securities.

The Board, and since its inception the Nomination & Remuneration Committee, considers the level of remuneration required to attract and retain Directors with the necessary skills and experience for the Company's Board. This remuneration is reviewed with regard to market practice and Directors' duties and accountability.

The constitution provides that the Non-Executive Directors are entitled to remuneration for their services as determined by the Board up to an aggregate limit of $500,000 (which may be increased with Shareholder approval). The Company has obtained advice about remuneration levels for Directors of listed companies and, based on that advice, set the following annual non-executive Directors' fees:

- Chairman: $75,092 plus superannuation;
- Other Directors: $50,000 plus superannuation; and
- Further fees for acting as chairman of a committee: $5,000 plus superannuation per committee.

The Company determines the maximum amount for remuneration, including thresholds for share-based remuneration for Executives, by resolution. The remuneration received by the Non-Executive Directors for the year ended 30 June 2015 is detailed in Table 1 of this section of the report.

Non-executive directors receive fees and do not receive options or bonus payments.

Executive Remuneration Structure

The Company provides a remuneration package that incorporates both cash based remuneration and share-based remuneration. The contracts for service between the Company and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment thereby aligning director and shareholder interests.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary and superannuation); and
- Variable remuneration – short term incentives (STI) in the form of an annual incentive plan and long term equity incentive (LTI)

Fixed Remuneration

Objective

Fixed remuneration is reviewed annually by the Board/Nomination & Remuneration Committee. The process consists of a review of the Company and individual performance, relevant comparative remuneration from external and internal sources and where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and allowances such as motor vehicle allowance. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration – short-term incentive (STI)

Objective

The key objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets.

Structure

Any STI payments granted depends on the extent to which specific targets set at the beginning of the financial year or on appointment are met. The Key Milestones or Key Performance Indicators (KPIs) cover individual, team and organisational financial measures of performance. Typically included are measures such as: achieving sales/revenue targets and/or growth, and meeting Company compliance requirements. These measures were chosen as they represent the key drivers for the short-term success of dorsaVi as it continues to look for growth in its niche market space.

The Company has predetermined benchmarks that must be met in order to trigger payments under the STI scheme. Either on an annual or financial year basis, after consideration of performance against the Key Milestones or KPIs, the Nomination & Remuneration Committee, in line with their responsibilities determine the amount, if any, of the STI to be paid to each Executive. This process usually occurs within one month after the trigger date.

The annual STI payments available for executives across the Company are subject to the approval of the Nomination & Remuneration Committee.

Variable Remuneration – long-term incentive (LTI)

Objective

The objectives of providing long term incentives are: to motivate and retain key dorsaVi's employees; to attract quality employees; to create commonality of purpose between dorsaVi and its employees; to add wealth for all shareholders of the Company through the motivation of dorsaVi's employees; and by allowing dorsaVi's employees to share the rewards of the success of dorsaVi through the acquisition of, or entitlements to, shares and options.

Structure

The Board offers LTIs to reward the performance of employees, which is in alignment with shareholders interests and the long term benefit of the Company. LTI awards are made under the Employee Share Option Plan (ESOP) and are delivered in the form of share options. Each option entitles the holder to one fully paid ordinary share of dorsaVi Ltd at an exercise price to be determined in an employee's employment agreement or by determination by the Nomination & Remuneration Committee.

Where an LTI participant ceases employment prior to vesting in their award, the options are forfeited unless the Nomination & Remuneration Committee applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

Options were granted under the ESOP plan during the 2015 Financial Year to David Wildermuth. See Table 6 on page 33.

Shares in accordance with the ESOP plan during the 2015 Financial Year were also issued to Mark Heaysman (250,000 at an average market price of 46 cents), Matthew May (20,000 at an average market price of 40 cents) and Dan Ronchi (50,000 at an average market price of 37.22 cents). See Table 7 on page 34.

Employment Agreements

The Company has entered into Employment Agreements with all executives, including the CEO. The Company may terminate the Executive's Employment Agreements by providing at least one month's written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). The Company may terminate the contract at any time without notice if serious misconduct has occurred.

The following key management personnel have notice periods other than one month:

Name	Notice Period
John Kowalczyk	12 months
Andrew Ronchi	6 months
Jerome Whelan	3 months
Matthew May	3 months
Meagan Blackburn	8 weeks notice until 3 years of continuous employment 1 additional week for each completed year of continuous employment up to a maximum of 12 weeks notice
Zoë Whyatt	8 weeks notice until 3 years of continuous employment After 3 completed years the Executive must give not less than 12 weeks notice
David Wildermuth	4 weeks

CEO Remuneration

Under Andrew Ronchi's employment agreement his fixed remuneration is $250,000 per annum excluding superannuation. In addition, Andrew Ronchi is also eligible to receive a bonus of up to $100,000 per annum where key performance indicators and targets (as agreed with the Company) are achieved. Andrew may also be granted options over Ordinary Shares, such Shares not to exceed 1.5% of the issued share capital of the Company, under the Company's Employee Share Ownership Plan and subject to achieving the following targets:

- one third of the options (i.e. up to 0.5%) was to be granted to Andrew Ronchi if the Company's revenue (excluding any acquired revenue) equals or exceeds $5 million in the 2014 calendar year. No options were granted;
- the remaining two thirds (or 1% of the 1.5% during the current year) will be granted to Andrew Ronchi if the Company's revenue equals (excluding any acquired revenue) or exceeds $15 million in the 2015 calendar year. No options were granted during the current year; and
- provided Andrew Ronchi remains CEO for the relevant year in which those revenue targets are met.

Any options granted to Andrew Ronchi will be subject to shareholder approval under the ASX Listing Rules at a $0.40 exercise price per share.

Upon termination of Andrew Ronchi's employment contract, he will be subject to a restraint of trade for a maximum of 12 months.

President dorsaVi USA

Under John Kowalczyk's Employment Agreement his fixed remuneration is USD200,000 per annum.

He is eligible to receive an annual bonus of up to USD100,000, the amount of such bonus to be determined by the Company's CEO, in his sole discretion, based on John Kowalczyk's achievement of milestones to be established by the Company's CEO. The Company agreed that his bonus for his first year of employment would not be less than USD50,000. This initial bonus of USD50,000 was paid to John Kowalczyk before the end of the 2015 Financial Year.

Options were granted under the ESOP plan during the 2014 Financial Year to John Kowalczyk an option under the Company's Employee Share Ownership Plan 2013 to purchase 1,000,000 ordinary shares of the Company. The option grant vests over a three-year period, with one-third of the shares subject to such option vesting as of the first anniversary of effective date (being 8 April 2014) and the remaining shares vesting monthly over the following two years, contingent upon his continued employment with the Company.

The exercise price of the options is $0.51, which is equal to the average per share list price of the Company's ordinary shares on the 20 trading days prior to the date of grant. As a condition of the option grant, John Kowalczyk executed an individual stock option agreement.

C. Details of key management personnel remuneration

(a) Non-Executive Directors' remuneration: Table 1

2015	Short-Term Salary fees $	Short-Term Cash bonus $	Short-Term Non-monetary $	Short-Term Other $	Post employment Super-annuation $	Post employment Retire-ment benefits $	Post employment Termin-ation benefits $	Long-term Incentive plans $	Share-based payments Options $	TOTAL $	Total perform-ance related %	Options as % of total %
Non-Executive Directors												
Herb Elliott	75,092	–	–	–	5,945	–	–	–	–	81,037	–	–
Ashraf Attia	49,992	–	–	–	–	–	–	–	–	49,992	–	–
Michael Panaccio (i)	54,625	–	–	–	–	–	–	–	–	54,625	–	–
Greg Tweedly (ii)	60,087	–	–	–	–	–	–	–	–	60,087	–	–
	239,796	**–**	**–**	**–**	**5,945**	**–**	**–**	**–**	**–**	**245,741**	**–**	**–**

(i) Michael Panaccio provides his services via Starfish Technology Fund II, LP.

(ii) Greg Tweedly provided his services via Silverlake Pty Ltd.

2014	Short-Term Salary fees $	Short-Term Cash bonus $	Short-Term Non-monetary $	Short-Term Other $	Post employment Super-annuation $	Post employment Retire-ment benefits $	Post employment Termin-ation benefits $	Long-term Incentive plans $	Share-based payments Options $	TOTAL $	Total perform-ance related %	Options as % of total %
Non-Executive Directors												
Herb Elliott (i)	58,662	–	–	–	–	–	–	–	–	58,662	–	–
Ashraf Attia (ii)	44,247	–	–	–	–	–	–	–	–	44,247	–	–
Michael Panaccio (iii)	30,249	–	–	–	–	–	–	–	–	30,249	–	–
Greg Tweedly (iv)	42,966	–	–	–	–	–	–	–	–	42,966	–	–
	176,124	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**176,124**	**–**	**–**

(i) Appointed 13 October 2013

(ii) Full year appointment. The Director's fee increased from $2,200 per month to $4,553 per month inclusive of superannuation effective 13 October 2013.

(iii) Full year appointment. No Director's fees charged prior to 11 December 2014. Michael Panaccio provides his services via Starfish Technology Fund II, LP.

(iv) Appointed 13 October 2013. Greg Tweedly provided his services via Silverlake Pty Ltd.

(b) Executives' remuneration: Table 2

2015	Short-Term				Post employment			Long-term	Share-based payments	TOTAL	Total performance related	Share based payment as % of total
	Salary fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Retirement benefits $	Termination benefits $	Incentive plans $	Options $	$	%	%
Executive Director												
Andrew Ronchi	250,000	30,000	–	–	26,600	–	–	–	–	306,600	9.8	–
Executives												
Daniel Ronchi (vi) (ix)	101,344	–	–	–	9,628	–	–	–	1,988	112,960	–	1.8
Jerome Whelan (vi)	180,000	40,000	–	–	20,900	–	–	–	3,548	244,448	16.4	1.5
Jarrod Sculli (vi)	4,655	161	–	–	145	–	–	–	–	4,961	3.2	–
Sarah Riseley (iv) (ix)	75,242	9,999	–	–	7,148	–	–	–	–	92,389	10.8	–
Meagan Blackburn (iv) (vii) (ix)	114,750	–	–	–	–	–	–	–	–	114,750	–	–
Zoë Whyatt (vii)	188,870	–	–	–	–	–	–	–	–	188,870	–	–
John Kowalczyk (v) (viii)	240,540	60,135	–	5,011	27,703	–	–	–	176,402	509,791	11.8	34.6
Mark Heaysman (i)	152,812	–	–	–	14,517	–	–	–	50,451	217,780	–	23.2
David Wildermuth (ii) (v) (viii)	152,339	–	–	3,776	18,401	–	–	–	87,729	262,245	–	33.5
Matthew May (iii) (vi)	126,900	–	–	–	12,056	–	–	–	2,645	141,601	–	1.9
	1,587,452	**140,295**	**-**	**8,787**	**137,098**	**-**	**-**	**-**	**322,763**	**2,196,395**	**6.4**	**14.7**

(i) *Appointed 1 July 2014.*

(ii) *Appointed 3 November 2014.*

(iii) *Appointed 17 November 2014.*

(iv) *Employed 4 days per week.*

(v) *Other benefits for US based employees include the payment of certain health and disability related insurance premiums as is customary in the US market. This arrangement started in Q1 2014/2015.*

(vi) *Share based payments comprise loan shares granted under the dorsaVi Ltd's ESOP and are backed by an interest free, no-recourse loan. For accounting purposes these are valued the same as options.*

(vii) *Converted into AUD from GBP at the exchange rate at the average rate throughout 2014/2015. (1 GBP = 1.8887 AUD)*

(viii) *Converted into AUD from USD at the exchange rate at the average rate throughout 2014/2015. (1 USD = 1.2027 AUD)*

(ix) *Part Year KMP to 10 March 2015 due to change in KMP structure and reporting lines.*

	Short-Term				Post employment			Long-term	Share-based payments	TOTAL	Total performance related	Share based payment as % of total
2014	Salary fees $	Cash bonus $	Non-monetary $	Other $	Superannuation $	Retirement benefits $	Termination benefits $	Incentive plans $	Options $	$	%	%
Executive Director												
Andrew Ronchi	219,580	50,000	-	-	25,556	-	-	-	-	295,136	16.9	-
Executives												
Daniel Ronchi	147,729	20,000	-	-	16,037	-	-	-	-	183,766	10.9	-
Jerome Whelan (i) (ix)	27,461	-	-	-	2,540	-	-	-	18,407	48,408	-	38.0
Jarrod Sculli (ii) (ix)	92,497	2,012	-	14,743	8,742	-	-	-	18,407	136,401	1.7	13.5
Sarah Riseley (iii)	103,321	7,500	-	10,448	10,573	-	-	-	-	131,842	5.7	-
Meagan Blackburn (iv) (v)	118,283	-	-	-	-	-	-	-	-	118,283	-	-
Zoë Whyatt (iv) (vi)	39,166	-	-	-	-	-	-	-	-	39,166	-	-
John Kowalczyk (vii) (viii)	37,759	-	-	-	-	-	-	-	47,075	84,834	-	55.5
	785,796	**79,512**	**-**	**25,191**	**63,448**	**-**	**-**	**-**	**83,889**	**1,037,836**	**7.7**	**8.1**

(i) Appointed 7 May 2014.

(ii) Appointed 16 September 2013.

(iii) Employed 3 days per week up to 26 August 2013. Since that date has been employed 4 days per week.

(iv) Converted into AUD from GBP at the exchange rate at 30 June 2014. (1 GBP = 1.8077 AUD).

(v) Employed 4 days per week.

(vi) Appointed 17 March 2014.

(vii) Other benefits for US based employees include the payment of certain health and disability related insurance premiums as is customary in the US market. This arrangement begins in Q1 2014/2015.

(viii) Appointed 8 April 2014 in US.

(ix) Share based payments granted to Jerome Whelan & Jarrod Sculli comprise shares granted under the dorsaVi Ltd's ESOP and are backed by an interest free, no-recourse loan. For accounting purposes these are valued the same as options.

D. Relationship between remuneration and Company performance

(a) Remuneration not dependent on satisfaction of performance condition

The non-executives remuneration policy is not directly related to Company performance. The Board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the Company for shareholders.

(b) Remuneration dependent on satisfaction of performance condition

A portion of the Executive Remuneration is based on attainment of performance conditions. Performance-based remuneration includes short-term cash bonus and long-term incentive plan. Performance-based remuneration granted to key management personnel has regard to Company performance over a twelve month to 2-year period.

The following table summarises the performance conditions for KMP with a performance-linked bonus: Table 3.

KMP	Performance conditions
Andrew Ronchi	Key Milestones as determined by and at the discretion of the Board
John Kowalczyk	Key Milestones as determined by and at the discretion of the Board
Jerome Whelan	Key Milestones as determined by and at the discretion of the Board
David Wildermuth	Key Milestones as determined by and at the discretion of the Board
Mark Heaysman	Key Milestones as determined by and at the discretion of the Board
Matthew May	Key Milestones as determined by and at the discretion of the Board

These performance conditions were selected to promote the creation of shareholder wealth during the period.

The following table sets out the terms and conditions of each grant of the performance-linked bonus affecting compensation in current and future years: Table 4.

2016	Total Potential Performance Linked Bonus $	Awarded/ Available %	Forfeited %	Estimated Maximum total value of Bonus
Andrew Ronchi	100,000	0%	0%	100,000
John Kowalczyk	120,270 (i)	0%	0%	120,270
David Wildermuth	90,202 (ii)	0%	0%	90,202
Mark Heaysman	25,000	0%	0%	25,000
Matthew May	20,000	0%	0%	20,000

2015	Total Potential Performance Linked Bonus $	Awarded/ Available %	Forfeited %	Estimated Maximum total value of Bonus
Andrew Ronchi	100,000	42%	58%	42,083
John Kowalczyk	120,270 (i)	50%	50%	60,135
David Wildermuth	90,202 (ii)	0%	0%	90,202
Jerome Whelan	40,000	100%	0%	40,000
Mark Heaysman	20,000	75%	25%	15,000
Matthew May	20,000	0%	0%	20,000

(i) USD 100,000 converted at US/AUD rate 1.2027. Performance linked bonuses not yet awarded/guaranteed and not yet forfeited are still eligible to be awarded and are subject to the discretion of the board as directed above.

(ii) USD 75,000 converted at US/AUD rate 1.2027.

(c) Consequences of Company's performance on shareholder wealth

The following table summarises Company performance and key performance indicators: Table 5

Company Performance	2015	2014
Revenue	1,850,416	767,418
% increase in revenue	141%	42%
Profit before tax	(8,684,709)	(4,121,606)
% increase in loss before tax	(111%)	(90%)
Change in share price	(41%)	10%
Dividend paid to shareholders	–	–
Return of capital	–	–
Total remuneration of KMP	2,442,136	1,213,960
Total performance based remuneration	140,295	79,512

E. Key management personnel's share-based compensation

(a) Details of compensation Options

In 2015 the Company agreed to grant David Wildermuth an Option under the Company's Employee Share Ownership Plan 2013 to purchase 900,000 ordinary shares of the Company. The option grant shall vest over a four year-period. With one quarter of the shares subject to such option vesting as of the first anniversary of the effective date (being 3 November 2014) and the remaining shares vesting monthly over the following three years, contingent upon his continued employment with the Company.

The exercise price of the options is $0.40 which is equal to the per share list price of the Company's ordinary shares on the date of grant. The option grant will be exercisable during the five-year period following the date of grant. As a condition of the option grant, David Wildermuth will be required to execute an individual stock option agreement in the form to be provided to him by the Company at the time such option is authorized by the Company's Board of Directors.

Table 6

									Terms and conditions for each grant				
2015	Grant Date	Granted Number	Value per option at grant date $	Vest Number During the Year	Year in which option may be vested	Vest %	Value Exercised During the year	Value Lapsed during the year	Forfeited %	Exercise Price $	Expiry Date	First Exercise Date	Last Exercise Date
Executives													
John Kowalczyk (i)													
	8 April 2014	1,000,000	0.3000	388,888	2015 (i)	38.9%	–	–	–	0.51	7 April 2019	–	–
David Wildermuth (ii)													
	3 November 2014	900,000	0.2568	–	2015 (ii)	–	–	–	–	0.40	30 October 2019	–	–
	–	**1,900,000**	**–**	**388,888**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

(i) *The option grant shall vest over a three-year period, with one-third of the shares subject to such option vesting as of the first anniversary of effective date (being 8 April 2014) and the remaining shares vesting monthly over the following two years, contingent upon continued employment with the Company.*

(ii) *The option grant shall vest over a four-year period, with one-quarter of the shares subject to such option vesting as of the first anniversary of effective date (being 3 November 2014) and the remaining shares vesting monthly over the following three years, contingent upon his continued employment with the Company.*

As at 30 June 2015, no options have been exercised, and accordingly no shares have been issued as a result of options previously issued.

F. Key management personnel's equity holdings

(a) Number of options held by key management personnel

As at June 2015 John Kowalczyk holds an option under the Company's Employee Share Ownership Plan 2013 to purchase 1,000,000 ordinary shares of the Company and David Wildermuth holds an option under the Company's Employee Share Ownership Plan 2013 to purchase 900,000 ordinary shares of the Company.

(b) Number of shares held by key management personnel (consolidated)

The relevant interest of each key management personnel in the share capital of the Company as notified the ASX as at 30 June 2015 is as follows:

Table 7

2015	Balance 1/07/14	Received as Remu-neration	Net change Other	Balance 30/06/15
Non-Executive Directors				
Herb Elliott	75,000	–	–	75,000
Ashraf Attia	189,491	–	–	189,491
Michael Panaccio	60,969,845	–	–	60,969,845
Michael Panaccio (relevant interest)	19,573,274	–	–	19,573,274
Greg Tweedly	62,500	–	–	62,500
Executive Director				
Andrew Ronchi	8,246,482	–	–	8,246,482
Executives				
Daniel Ronchi	8,246,482	50,000(i)	(8,296,482)(iii)	–
Jerome Whelan	100,000(i)	–	–	100,000
Jarrod Sculli	100,000(i)	–	(100,000)	–
Sarah Riseley	634,956	–	(634,956)(iii)	–
Zoë Whyatt	63,496	–	–	63,496
Meagan Blackburn	253,982	–	(253,982)(iii)	–
John Kowalczyk	–	–	–	–
David Wildermuth	–	–	–	–
Mark Heaysman	–	250,000(i)	117,289(ii)	367,289
Matthew May	–	20,000(i)	–	20,000
	98,515,508	**320,000**	**(9,168,131)**	**89,667,377**

(i) Employee Loan Shares

(ii) Includes 67,289 bought on market and balance bought off market.

(iii) Part year KMP to 10 March 2015.

G. Loans to key management personnel

The Board established an employee share ownership plan (ESOP). This plan was established by the Company to facilitate the acquisition of Shares and Options by those employed, or otherwise engaged by, or holding a position of office in, dorsaVi. The plan allows for dorsaVi to offer employees non-recourse and interest free loans to acquire fully paid shares.

(a) Aggregate of loans made

The following table sets out the details of the aggregate of loans made, guaranteed or secured, directly or indirectly, by the group and any of its subsidiaries, in the financial year to all key management personnel, their close family members and entities related to them:

Table 8

	Balance 1/7/2014	Interest paid and payable	Interest not charged	Balance 30/6/2015	Number in group 30/6/2015
2015	$638,000	–	Not Applicable	$730,610	9

(b) Aggregate of loans made is greater than $100,000

The following table sets out the details of the aggregate of loans made, guaranteed or secured, directly or indirectly, by the group and any of its subsidiaries, in the financial year to a particular key management person, close members of the family of the key management person and an entity entities related to them is greater than $100,000:

Table 9

2015	Balance 1/7/2014 $	Interest paid and payable	Interest not charged	Balance 30/6/2015 $	Highest indebtedness during the year $
Ashraf Attia(ii)	20,000	–	Not Applicable	20,000	20,000
Andrew Ronchi(ii)	185,000	–	Not Applicable	185,000	185,000
Daniel Ronchi(ii)	185,000	–	Not Applicable	203,610	203,610
Jerome Whelan(ii)	49,000	–	Not Applicable	49,000	49,000
Jarrod Sculli(i)	49,000	–	Not Applicable	–	49,000
Sarah Riseley(ii)	100,000	–	Not Applicable	100,000	100,000
Meagan Blackburn(ii)	40,000	–	Not Applicable	40,000	40,000
Zoë Whyatt(ii)	10,000	–	Not Applicable	10,000	10,000
Mark Heaysman(ii) (iii)	–	–	Not Applicable	115,000	115,000
Matthew May(ii) (iii)	–	–	Not Applicable	8,000	8,000
	638,000	**-**		**730,610**	**779,610**

(i) Jarrod Sculli resigned, his loan was discharged and his shares returned. 50,000 of these shares were sold to Mark Heaysman off market.

(ii) The Company has provided each KMP named above with an interest free loan via an Employee Share Ownership Loan Agreement to assist the KMP to subscribe for the shares offered to the KMP by the Company. The Offer Price is the amount equal to the opening price for the Company's fully paid ordinary shares quoted on the stock market of ASX as at the date of each agreement.

(iii) Commenced during the 2015 FY

The KMP may pay to the Company all or any of the Principal Outstanding at any time before the date on which the KMP ceases to be employed by the Company. If the KMP ceases to be employed by the Company before the 5th anniversary of the date of their agreement, then upon that employment ceasing the KMP must pay to the Company all of the Principal Outstanding.

If the Principal Outstanding has not been paid to the Company in full by the due date for repayment the KMP irrevocably authorises the Company to sell and transfer the Shares and apply the proceeds of sale in repayment of the Principal Outstanding. The KMP agrees that upon the sale of the Shares by the Company, the Company will apply the net sale proceeds in repayment of the Principal Outstanding, and if there is any excess the Company must pay it to the KMP.

H. Other transactions with key management personnel

(a) Transactions with key management personnel of the entity or its parent and their personally related entities

Pro-Active Industries Pty Ltd is a related party of dorsaVi Ltd, as a director of dorsaVi Ltd controls it. During the year, Pro-Active Industries Pty Ltd paid and was reimbursed for expenses incurred on behalf of dorsaVi Ltd. Total value of these goods and services was $18,509 (2014: $78,035). The goods and services supplied were in the normal course of business and on normal terms and conditions. The balance outstanding at balance date was $11 (2014: $14,472) included in Trade Payables at Note 14.

During the year ended 30 June 2015, dorsaVi Ltd paid $19,946 (2014: $NIL) to Simon Heaysman and paid $12,337 (2014: $NIL) to Dane Heaysman (both inclusive of expense claim reimbursements). These amounts were paid to them in their capacity as data analysts on various ViSafe projects throughout the financial year. These individuals are related to dorsaVi through their relationship to their father, Mr Mark Heaysman.

(b) Transactions with other related parties

Starfish Ventures Pty Ltd is a related party as it is connected with a director of dorsaVi Ltd. During the year ended 30 June 2015, Starfish Ventures Pty Ltd charged rent to dorsaVi Ltd. Total value of these rental charges was $69,102 (2014: $59,735). The rent was charged to dorsaVi on normal terms and conditions. The balance outstanding at balance date was $10,174 (2014: $51,145) included in Trade Payables at Note 14.

I. Use of remuneration consultants

No remuneration consultants were engaged during the course of the 2015 or 2014 financial years.

J. Voting and comments made at the Company's 2014 Annual General Meeting (AGM)

At the company's most recent AGM, resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

— *End of the remuneration report* —

Signed in accordance with a resolution of the directors

Herb Elliott
Director & Chairman

Melbourne
Date: 29 September 2015

Andrew Ronchi
Director & CEO

Melbourne
Date: 29 September 2015

PITCHER PARTNERS

dorsaVi Ltd and controlled entities
ABN: 15 129 742 409

AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of dorsaVi Ltd

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.

This declaration is in respect of dorsaVi Ltd and the entities it controlled during the year.

F V RUSSO
Partner
29 September 2015

Pitcher Partners

PITCHER PARTNERS
Melbourne

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2015

	Notes	2015 $	2014 $
Revenue and other income			
Sales revenue	4	1,358,218	529,381
Other income	4	492,198	238,037
		1,850,416	767,418
Less: Expenses			
Changes in inventories		4,212	3,969
Cost of sales	5	(114,177)	(42,004)
Advertising expenses		(682,492)	(208,254)
Conference expenses		(331,446)	(135,254)
Consultancy expenses		(781,798)	(591,757)
Deprecation and amortisation expenses	5	(87,588)	(41,838)
Device development expenditure		(78,727)	(227,442)
Directors fees		(231,632)	(178,658)
Employee benefits expenses	5	(5,029,132)	(2,334,386)
Finance costs	5	(1,199)	(1,341)
Occupancy expenses	5	(166,303)	(63,982)
Pilot study expenses		(7,441)	(43,455)
Professional fees		(459,635)	(359,814)
Regulatory expenses		(506,052)	(71,360)
Software expenses		(248,036)	(23,629)
Travel expenses		(932,546)	(284,449)
Other expenses		(881,133)	(285,370)
		(10,535,125)	(4,889,024)
Loss before income tax benefit		(8,684,709)	(4,121,606)
Income tax benefit	6	648,548	559,583
Loss from continuing operations		**(8,036,161)**	**(3,562,023)**
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign subsidiaries net of tax		(326,570)	–
Other comprehensive income for the year		(326,570)	–
Total comprehensive loss		(8,362,731)	(3,562,023)
Loss per share for loss from continuing operations attributable to equity holders of the parent entity:			
Basic loss per share	21	(6.60 cents)	(3.64 cents)
Diluted loss per share	21	(6.60 cents)	(3.64 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2015

	Notes	2015 $	2014 $
Current assets			
Cash and cash equivalents	*8*	5,743,513	13,938,445
Receivables	*9*	1,058,975	712,698
Inventories	*10*	137,956	189,783
Other current assets	*11*	227,522	41,812
Total current assets		7,167,966	14,882,738
Non-current assets			
Intangible assets	*12*	524,664	257,644
Plant and equipment	*13*	324,700	198,237
Total non-current assets		849,364	455,881
Total assets		8,017,330	15,338,619
Current liabilities			
Payables	*14*	1,066,532	494,251
Borrowings	*15*	38,252	–
Provisions	*16*	255,111	211,040
Total current liabilities		1,359,895	705,291
Non-current liabilities			
Provisions	*16*	40,719	13,666
Total non-current liabilities		40,719	13,666
Total liabilities		1,400,614	718,957
Net assets		**6,616,716**	**14,619,662**
Equity			
Share capital	*17*	23,855,099	23,835,099
Reserves	*18*	78,697	83,889
Accumulated losses	*18*	(17,317,080)	(9,299,326)
Total equity		**6,616,716**	**14,619,662**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

Consolidated Entity	Share capital $	Reserves $	Accumulated losses $	Total Equity $
Balance as at 1 July 2013	5,751,516	–	(5,737,303)	14,213
Loss for the year	–	–	(3,562,023)	(3,562,023)
Total comprehensive income for the year	**–**	**–**	**(3,562,023)**	**(3,562,023)**
Transactions with owners in their capacity as owners:				
Conversion of convertible notes	3,000,000	–	–	3,000,000
Issue of shares	16,500,000	–	–	16,500,000
Cost of raising capital	(1,416,417)	–	–	(1,416,417)
Employee share ownership plan	–	83,889	–	83,889
	18,083,583	**83,889**	**–**	**18,167,472**
Balance as at 30 June 2014	**23,835,099**	**83,889**	**(9,299,326)**	**14,619,662**
Balance as at 1 July 2014	23,835,099	83,889	(9,299,326)	14,619,662
Loss for the year	–	–	(8,036,161)	(8,036,161)
Exchange differences on translation of foreign operations, net of tax	–	(326,570)	–	(326,570)
Total comprehensive income for the year	**–**	**(326,570)**	**(8,036,161)**	**(8,362,731)**
Transactions with owners in their capacity as owners:				
Issue of shares	20,000	–	–	20,000
Employee share ownership plan	–	339,785	–	339,785
Options lapsed	–	(18,407)	18,407	–
	20,000	**321,378**	**18,407**	**359,785**
Balance as at 30 June 2015	**23,855,099**	**78,697**	**(17,317,080)**	**6,616,716**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2015

	Notes	2015 $	2014 $
Cash flow from operating activities			
Receipts from customers		1,146,188	695,690
Payments to suppliers and employees		(9,967,539)	(4,619,695)
Grants received		118,755	10,879
Interest received		254,224	220,245
Finance costs		(1,199)	–
Income tax refunded		559,583	514,332
Net cash used in operating activities	*19 (b)*	(7,889,988)	(3,178,549)
Cash flow from investing activities			
Payment for plant and equipment		(70,641)	(108,262)
Payment for business acquisition		(120,000)	–
Payment for intangibles		(172,555)	(126,514)
Net cash used in investing activities		(363,196)	(234,776)
Cash flow from financing activities			
Proceeds from share issue		20,000	16,500,000
Proceeds from convertible note issue		–	2,000,000
Cost of raising capital		–	(1,416,417)
Net loans to related parties		–	(5,604)
Proceeds from finance		63,813	–
Repayments of finance		(25,561)	–
Net cash provided by financing activities		58,252	17,077,979
Reconciliation of cash			
Cash at beginning of the financial year		13,938,445	273,791
Net (decrease)/increase in cash held		(8,194,932)	13,664,654
Cash at end of the year	*19 (a)*	**5,743,513**	**13,938,445**

dorsaVi Ltd and Controlled Entities
ABN: 15 129 742 409

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation of the financial report

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

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

The financial report was authorised for issue by the directors on the date of the director's report.

Compliance with IFRS

The consolidated financial statements of dorsaVi Ltd also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Significant accounting estimates

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

(b) Going concern

On 26 August 2015, dorsaVi Ltd announced that it has raised a total of $4,000,000 by way of a placement of approximately 15,400,000 ordinary shares at $0.26 per share with various institutional and sophisticated investors. In addition on 17 September 2015, the Company successfully completed a fully underwritten 1 for 10 non-renounceable pro rata rights offer of ordinary shares raising $3,200,000 from its Australian and New Zealand shareholders. The price of the Shares under the Offer was $0.26 each (i.e. the same price per share as offered under the Placement). On the basis of the above fund raising, the financial report has been prepared on a going concern basis.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which the parent entity controls. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered to have passed to the buyer at the time of delivery of the goods to the customer.

Revenue from rendering of services to customers is recognised upon delivery of the service to the customer.

Revenue from grants is recognised in accordance with the recognition and measurement requirements of AASB 120 "Accounting for Government Grants and Disclosure of Government Assistance".

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

Device rental income is recognised on a straight-line basis over the term of the rental term.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity.

(g) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment loss.

Plant and equipment

Plant and equipment is measure on a cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rates	Depreciation basis
Testing equipment at cost	10-66.67%	Diminishing value
Leased devices at cost	20%	Straight line
Office equipment at cost	10-66.67%	Diminishing value
Furniture, fixtures and fittings at cost	10-20%	Diminishing value
Tooling at cost	10%	Straight line

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

Lease payments for operating leases are recognised as an expense on a straight-line basis over the term of the lease.

(i) Intangibles

Patents

Patents, trademarks and licenses are recognised at cost and depreciated on a straight line basis over their effective lives, which is estimated at 20 years. Patents are carried at cost less accumulated amortisation and any impairment losses.

Research and development

Expenditure on research activities is recognised as an expense when incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of the intangible assets over their estimated useful lives. Amortisation commences when the intangible asset is available for use. Other development expenditure is recognised as an expense when incurred.

Goodwill

Goodwill is initially measured at the excess over the aggregate of the consideration transferred, the fair value (or proportionate share of net assets value) of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

(j) Business Combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquire. Deferred consideration payable is measured at fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value.

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed. If the fair value of the acquirer's interest is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), the gain is immediately recognised in the statement of comprehensive income.

Acquisition related costs are expensed as incurred.

(k) Impairment of non-financial assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the high of its fair value less costs to sell and value in use.

(l) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax balances

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(l) Income tax *continued*

Tax consolidation

dorsaVi Ltd (parent entity) and its wholly owned Australian subsidiary (Australian Workplace Compliance Pty Ltd) have accounted for income tax under a tax consolidated basis. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances;
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

(m) Provision

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled within twelve months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The consolidated entity makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

(iv) Share-based payments

The consolidated entity operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is measured at the market bid price at grant date. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(v) Bonus plan

The consolidated entity recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

(o) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred.

(p) Financial instruments

Classification

The consolidated entity classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment.

For loans and receivables, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss reduces the carrying amount of the asset and is recognised in profit or loss. The impairment loss is reversed through profit or loss if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised.

(q) Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or restatement are recognised as revenues and expenses for the financial year.

Foreign subsidiaries

Entities that have a functional currency different to the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(t) Accounting standards issued but not yet effective at 30 June 2015

AASB 15 Revenue from contracts with customers

AASB 15 introduces a five step process for revenue recognition with the core principle being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. The five step approach is as follows:

- **Step 1:** Identify the contracts with the customer;
- **Step 2:** Identify the separate performance obligations;
- **Step 3:** Determine the transaction price;
- **Step 4:** Allocate the transaction price; and
- **Step 5:** Recognise revenue when a performance obligation is satisfied.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The effective date is annual reporting periods beginning on or after 1 January 2017.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

AASB 9 Financial Instruments

AASB 9 makes significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.

AASB 9 amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.

Impairment of assets is now based on expected losses in AASB 9 which requires entities to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.

The effective date is annual reporting periods beginning on or after 1 January 2018. The impact of AASB 9 has not yet been quantified.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Employee benefits

The calculation of long term employment benefits requires estimation of the retention of staff, future wage levels and timing of the settlement of employee entitlements. The estimates are based on historical trends.

(b) Share based payments

Calculation of share based payments requires estimation of the timing of the exercise of the underlying equity instrument. The estimates are based on historical trends.

NOTE 3: FINANCIAL RISK MANAGEMENT

The consolidated entity is exposed to a variety of financial risks comprising:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

The Board of directors has overall responsibility for identifying and managing operational and financial risks.

The consolidated entity holds the following categories of financial instruments:

	2015 $	2014 $
Financial assets		
Cash and cash equivalents	5,743,513	13,938,445
Trade receivables	305,342	81,678
Other receivables	728,026	604,413
Related party receivables	26,607	26,607
	6,803,488	**14,651,143**
Financial liabilities		
Trade payables	726,745	207,858
Related party payables	1,000	1,000
Premium finance liability	38,252	–
Other payables	338,787	285,393
	1,104,784	**494,251**

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk through the establishment and operation of wholly owned subsidiaries in the United Kingdom and the United States of America. Whilst operations in these geographical regions are in their infancy, the Group has not established a hedging policy to mitigate adverse currency risk.

NOTE 3: FINANCIAL RISK MANAGEMENT *continued*

(a) Currency risk *continued*

Sensitivity

If foreign exchange rates were to increase/decrease by 10% from rates used to determine fair values of all financials instruments as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on loss for the year and equity is as follows:

	2015 $	2014 $
+/– 10%		
Impact on loss after tax	244,358	35,228
Impact on equity	244,358	35,228

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The company's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2015 Financial Instruments	Interest Bearing $	Non-interest bearing $	Total carrying amount $	Weighted average effective interest rate
Financial assets				
Cash	5,668,261	–	5,668,261	2.05% Floating
Rolling Deposit	25,000	–	25,000	3.35% Fixed
Rolling Deposit	40,000	–	40,000	2.87% Fixed
Term Deposit	10,252	–	10,252	0.16% Fixed
Trade receivables	–	305,342	305,342	0.00%
Other receivables	–	728,026	728,026	0.00%
Related party receivables	–	26,607	26,607	0.00%
	5,743,513	**1,059,975**	**6,803,488**	
Financial liabilities				
Trade payables	–	726,745	726,745	0.00%
Other payables	–	338,787	338,787	0.00%
Related party payables	–	1,000	1,000	0.00%
Premium finance liability	38,252	–	38,252	6.90% Fixed
	38,252	**1,066,532**	**1,104,784**	

2014 Financial Instruments	Interest Bearing $	Non-interest bearing $	Total carrying amount $	Weighted average effective interest rate
Financial assets				
Cash	338,112	–	338,112	2.9% Floating
Rolling Deposit	3,360,333	–	3,360,333	3.7% Fixed
Term Deposit	1,240,000	–	1,240,000	3.0% Fixed
Flexi Deposit	9,000,000	–	9,000,000	3.6% Fixed
Trade receivables	–	81,678	81,678	0.00%
Other receivables	–	604,413	604,413	0.00%
Related party receivables	–	26,607	26,607	0.00%
	13,938,445	**712,698**	**14,651,143**	
Financial liabilities				
Trade payables	–	207,858	207,858	0.00%
Other payables	–	285,393	285,393	0.00%
Related party payables	–	1,000	1,000	0.00%
	-	**494,251**	**494,251**	

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

Sensitivity

If interest rates were to increase/decrease by 100 basis points for the year from actual rates, then the impact on loss for the year and equity is as follows:

	2015 $	2014 $
+/– 100 basis points		
Impact on loss after tax	40,205	97,566
Impact on equity	40,205	97,566

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of known and existing customers and reputable organisations.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

(ii) Trade receivables

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

The ageing analysis of trade and other receivables is provided in Note 9(a).

As the consolidated entity undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit terms.

(iii) Other receivables

Other receivables relate to Research and Development tax concessions receivable from the Australian Taxation Office and do not pose a material credit risk.

NOTE 3: FINANCIAL RISK MANAGEMENT *continued*

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. All financial liabilities are expected to be settled within 6 months of year end.

The company does not have any material exposure to liquidity risk.

(f) Fair value compared with carrying amounts

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

NOTE 4: REVENUE AND OTHER INCOME

	2015 $	2014 $
Sales revenue from continuing operations		
Device and consumables sales	189,499	110,459
Device rental income	296,380	117,231
Consulting income	872,339	301,591
	1,358,218	529,281
Other income		
Grant income	118,755	10,879
Interest income	254,224	227,258
Foreign exchange gain	119,219	–
	492,198	238,137
	1,850,416	**767,418**

NOTE 5: LOSS FROM CONTINUING OPERATIONS

	2015 $	2014 $
Losses before income tax has been determined after:		
Cost of sales	114,177	42,004
Finance costs	1,199	1,341
Depreciation		
– Testing equipment	17,434	7,139
– Lease devices	17,462	4,021
– Office equipment	30,364	16,436
– Furniture, fixtures & fittings	931	672
– Tooling	3,752	2,245
	69,943	30,513
Amortisation of patents	17,645	11,325
Employee benefits expense		
– Share based payments	339,785	83,889
– Other employee benefits	4,689,347	2,250,497
	5,029,132	2,334,386
Operating lease rental	166,303	63,982
Research and development expense	1,441,218	1,243,519

NOTE 6: INCOME TAX

	2015 $	2014 $
(a) Components of tax benefit		
Current tax	(648,548)	(559,583)
(b) Prima facie tax payable		
The prima facie tax refundable on loss before income tax is reconciled to the income tax benefit as follows:		
Prima facie income tax refundable on loss before income tax at 30.0% (2014: 30%)	(2,605,413)	(1,236,182)
Add tax effect of:		
– Accounting R&D expenditure	432,365	373,055
– Other non-allowable items	11,940	1,007
– Share based payments expense	101,936	25,167
– Tax losses not recognised	2,194,433	897,658
– Deferred tax assets not recognised	22,823	32,611
	2,763,497	1,329,498
Less tax effect of:		
– Amortisation of capital raising costs	92,857	93,316
– R&D tax offset	648,548	559,583
– Effect of foreign tax rates	65,227	–
	806,632	652,899
Income tax benefit attributable to loss	**(648,548)**	**(559,583)**
(c) Deferred tax assets not brought to account		
Temporary differences	116,139	93,316
Operating tax losses	3,505,395	1,310,962
	3,621,534	**1,404,278**

NOTE 7: DIVIDENDS

There were no dividends paid during the period.

NOTE 8: CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash at bank and on hand	5,668,261	338,112
Deposits at call	75,252	13,600,333
	5,743,513	**13,938,445**

NOTE 9: RECEIVABLES

	2015 $	2014 $
CURRENT		
Trade receivables	328,124	81,678
Provision for doubtful debts	(22,782)	–
	305,342	81,678
Accrued income	79,478	5,572
Other receivables	–	39,258
R&D tax offset refundable	648,548	559,583
	1,033,368	686,091
Amounts receivable from:		
– Superspine Forrest Hill Unit Trust	26,607	26,607
	1,059,975	**712,698**

Trade receivables ageing analysis at 30 June is:

	Gross 2015 $	Impairment 2015 $	Gross 2014 $	Impairment 2014 $
Not past due	277,159	–	24,126	–
Past due 31-60 days	16,311	–	16,985	–
Past due 61-90 days	8,595	–	5,050	–
Past due more than 91 days	26,059	(22,782)	35,517	–
	328,124	**(22,782)**	**81,678**	**-**

Trade receivables are non-interest bearing with 30 day terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Trade receivables not impaired are expected to be received.

NOTE 10: INVENTORIES

	2015 $	2014 $
CURRENT		
At cost		
Finished goods	137,956	189,783
	137,956	**189,783**
Write downs of inventories to net realisable value recognised as an expense during the year	–	–

NOTE 11: OTHER ASSETS

	2015 $	2014 $
Prepayments	**227,522**	**41,812**

NOTE 12: INTANGIBLE ASSETS

	2015 $	2014 $
Patents at cost	457,842	285,287
Less accumulated amortisation	(45,288)	(27,643)
Goodwill at cost	112,110	–
	524,664	**257,644**

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

	Goodwill 2015 $	Goodwill 2014 $	Patents 2015 $	Patents 2014 $
Opening balance	–	–	257,644	142,458
Additions	112,110	–	172,555	126,511
Amortisation expense	–	–	(17,645)	(11,325)
Closing balance	**112,110**	**-**	**412,554**	**257,644**

NOTE 13: PLANT AND EQUIPMENT

	2015 $	2014 $
Plant and Equipment		
Testing equipment at cost	104,675	98,833
Accumulated depreciation	(54,065)	(36,631)
	50,610	62,202
Leased devices at cost	174,055	56,180
Accumulated depreciation	(21,871)	(4,409)
	152,184	51,771
Office equipment at cost	183,167	130,478
Accumulated depreciation	(100,969)	(70,605)
	82,198	59,873
Furniture, fixtures and fittings at cost	10,544	10,544
Accumulated depreciation	(2,799)	(1,868)
	7,745	8,676
Tooling at cost	42,450	22,450
Accumulated depreciation	(10,487)	(6,735)
	31,963	15,715
Total plant and equipment	**324,700**	**198,237**

NOTE 13: PLANT AND EQUIPMENT *continued*

(a) Reconciliations

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year

	2015 $	2014 $
Testing equipment		
Opening carrying amount	62,202	25,786
Additions	5,842	43,555
Depreciation expense	(17,434)	(7,139)
Closing carrying amount	**50,610**	**62,202**
Leased devices		
Opening carrying amount	51,771	7,202
Additions	–	3,980
Transfers from inventory	117,875	44,610
Depreciation expense	(17,462)	(4,021)
Closing carrying amount	**152,184**	**51,771**
Office equipment		
Opening carrying amount	59,873	22,504
Additions	44,799	53,805
Additions through acquisition of entity	7,890	–
Depreciation expense	(30,364)	(16,436)
Closing carrying amount	**82,198**	**59,873**
Furniture, fixtures and fittings		
Opening carrying amount	8,676	3,013
Additions	–	6,335
Depreciation expense	(931)	(672)
Closing carrying amount	**7,745**	**8,676**
Tooling		
Opening carrying amount	15,715	17,960
Additions	20,000	–
Depreciation expense	(3,752)	(2,245)
Closing carrying amount	**31,963**	**15,715**
Total plant and equipment		
Opening carrying amount	198,237	76,465
Additions	70,641	107,675
Additions through acquisition of entity	7,890	–
Transfers from inventory	117,875	44,610
Depreciation expense	(69,943)	(30,513)
Closing carrying amount	**324,700**	**198,237**

NOTE 14: PAYABLES

	2015 $	2014 $
CURRENT		
Unsecured liabilities		
Trade payables	726,745	207,858
Unearned income	46,758	74,258
Sundry creditors and accruals	292,029	211,135
Loan from related parties	1,000	1,000
	1,066,532	**494,251**

NOTE 15: BORROWINGS

	Notes	2015 $	2014 $
CURRENT			
Unsecured liabilities			
Premium finance liability	*(a)*	**38,252**	**-**

(a) Terms and conditions relating to the above premium finance liability

The company entered into an insurance funding arrangement with Macquarie Finance for the general liability insurance of dorsaVi Ltd. The policy expires on 25 March 2016 and is payable over a 12 month period at an interest rate of 6.90%.

NOTE 16: PROVISIONS

	2015 $	2014 $
CURRENT		
Employee benefits	255,111	211,040
NON CURRENT		
Employee benefits	40,719	13,666
(a) Aggregate employee benefits liability	**295,830**	**224,706**
(b) Number of employees at year end	33	23

NOTE 17: SHARE CAPITAL

The company issued 350,000 ordinary shares during the year ended 30 June 2015 for nil consideration. These shares were in relation to the employee share scheme.

	Parent Equity 2015		Parent Equity 2014	
Ordinary Shares	**No of Shares**	**$**	**No of Shares**	**$**
Beginning of the financial year	121,450,000	23,835,099	2,200,000	64,100
Issued during the financial year				
– Preference shares converted to ordinary shares	–	–	53,451,327	5,687,416
– Conversion of ordinary shares	–	–	11,769,027	–
– Employee share scheme (A) (B)	350,000	–	5,279,646	–
– Other shares issued (C)	–	20,000	–	–
– Convertible note conversion to ordinary shares	–	–	7,500,000	3,000,000
– Shares issued in IPO	–	–	41,250,000	16,500,000
– Cost of raising capital	–	–	–	(1,416,417)
End of the financial year	**121,800,000**	**23,855,099**	**121,450,000**	**23,835,099**

(A) *Pre-IPO Shares issued under the Employee Share Ownership Plan:*
800,000 ordinary shares were issued to employees of the company at nil value prior to listing under the Employee Share Ownership Plan. On listing these ordinary shares they converted at a factor of 6.3495 to 5,079,646 ordinary shares in the company. Refer to note 22(b) Employee Share Ownership Plan (ESOP).

(B) *Post-IPO Shares issued under the Employee Share Ownership Plan:*
200,000 ordinary shares were issued to employees of the company at an average market price of 49 cents. These shares are subject to a non-recourse loan. Refer to note 22(b) Employee Share Ownership Plan (ESOP).

(C) *Post-IPO Shares purchased outside of the Employee Share Ownership Plan:*
During the year an employee paid $20,000 for shares previously issued under the ESOP, which were forfeited.

	Parent Equity 2015		Parent Equity 2014	
Preference Shares	**No of Shares**	**$**	**No of Shares**	**$**
Beginning of the financial year	–	–	6,040,000	5,687,415
Shares converted to ordinary shares	–	–	(6,040,000)	(5,687,415)
End of the financial year	**–**	**–**	**–**	**–**

Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

When managing capital, management's objective is to ensure the company continues as a going-concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

During 2015, management paid dividends of $nil (2014: $nil).

Employee Share Ownership Plan (ESOP)

The consolidated entity continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the consolidated entity. Refer to Note 22, Share Based Payments, for detailed disclosures.

NOTE 18: RESERVES AND ACCUMULATED LOSSES

	Notes	2015 $	2014 $
Share-based payment reserve	*18(a)*	405,267	83,889
Foreign currency translation reserve	*18(b)*	(326,570)	–
		78,697	**83,889**
Accumulated losses	*18(c)*	**(17,317,080)**	**(9,299,326)**

(a) Share-based payment reserve

(i) Nature and purpose of reserve

This reserve is used to record the fair value of options and shares issued to employees as part of their remuneration. The balance is transferred to share capital when options are granted and balance is transferred to retained earning when options lapse.

(ii) Movements in reserve

	2015 $	2014 $
Balance at beginning of year	83,889	–
Movement taken to comprehensive income during the year	321,378	83,889
Balance at end of year	**405,267**	**83,889**

(b) Foreign current translation reserve

This reserve is used to record the unrealised foreign exchange balances of the controlled entities when the financials were converted to AUD at year end

	2015 $	2014 $
Balance at the beginning of year	–	–
Movement taken to comprehensive income during the year	(326,570)	–
Balance at end of year	**(326,570)**	**–**

(c) Accumulated losses

	2015 $	2014 $
Balance at beginning of year	(9,299,326)	(5,737,303)
Net loss attributable to members of dorsaVi Ltd	(8,036,161)	(3,562,023)
Reversal of share based payment reserve	18,407	–
Balance at end of year	**(17,317,080)**	**(9,299,326)**

NOTE 19: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2015 $	2014 $
Cash at bank and on hand	5,668,261	338,112
Cash on deposit	75,252	13,600,333
	5,743,513	**13,938,445**

(b) Reconciliation of cash flow used in operations with loss after income tax

	2015 $	2014 $
Loss from ordinary activities after income tax	(8,036,161)	(3,562,023)
Adjustments and non-cash items		
Amortisation	17,645	11,325
Depreciation	69,943	30,513
Share Based Payments	339,785	83,889
Movement in debtor provision	22,782	–
Foreign Currency Translation through Reserve	(326,570)	–
Changes in Assets and liabilities		
(Increase)/decrease in receivables	(281,094)	24,156
(Increase) in other assets	(185,710)	(14,985)
(Increase) in inventories	(66,049)	(49,250)
Increase in payables	573,282	222,168
(Increase) in R&D tax offset receivable	(88,965)	(45,502)
Increase in provision	71,124	121,160
	22,588	383,474
Cash flows used in operating activities	**(7,889,988)**	**(3,178,549)**

NOTE 20: COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2015 $	2014 $
Payable		
– Not later than one year	19,175	70,000
	19,175	**70,000**

Description of leasing arrangement:

- Operating lease of premises in Australia – Month by Month Agreement
- Operating lease of premises in Europe – Expires 30 September 2015
- Operating lease of premises in USA – Expires 31 October 2015

(b) Contingent asset and liabilities

There are no contingent assets or contingent liabilities at balance date.

NOTE 21: LOSS PER SHARE

	2015 $	2014 $
Reconciliation of loss used in calculating loss per share:		
Loss from continuing operations	(8,036,161)	(3,562,023)
Loss used in calculating basic earnings per share	**(8,036,161)**	**(3,562,023)**
Loss used in calculating diluted earnings per share	**(8,036,161)**	**(3,562,023)**

	2015 No of Shares	2014 No of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	121,737,644	97,677,625
Effect of dilutive securities:	–	–
Share options	–	–
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**121,737,644**	**97,677,625**

NOTE 22: SHARE BASED PAYMENTS

(a) Employee option plan

The Board established an employee share ownership plan (ESOP). This plan was established by the Company to facilitate the acquisition of Shares and Options by those employed, or otherwise engaged by, or holding a position of office in, dorsaVi.

They key objective of the plan is to provide an incentive for employees to align their interests with those of the shareholders. Other objectives of the ESOP include:

- to attract, motivate and retain quality employees and Directors of dorsaVi;
- to create a commitment and united purpose between the employees and Directors and dorsaVi; and
- to add wealth for all shareholders of dorsaVi through the motivation of dorsaVi's employees and Directors.

This plan allows for dorsaVi to offer employees non-recourse and interest-free loans to acquire fully paid shares. On 20 September 2013, the Company's shareholders approved the giving of such financial assistance.

Only a person who is an Eligible Person may be invited and authorised by the Board to participate in this plan. An Eligible person means:

- an employee of dorsaVi or a subsidiary of dorsaVi; or
- a Director of dorsaVi or a subsidiary of dorsaVi who holds a salaried employment or office in dorsaVi or a subsidiary of dorsaVi; or
- a contractor engaged by dorsaVi or a subsidiary of dorsaVi and whom the Company has determined is an Eligible Person to participate in this plan.

There is no maximum limit on the number of Securities that may be acquired by Eligible Persons under the ESOP. However, the Board intends to restrict further issues of Securities to no more than 5% of the Company's issued share capital. This limit will be maintained unless shareholder approval is subsequently sought to increase this level.

Post 30 June 2014

Between 1 July 2014 and 30 June 2015, a further 350,000 Shares were granted to employees under the ESOP at an average market price of 41 cents, subject to a non-recourse loan. These shares carry a full entitlement to dividends and capital returns. There is no ability for the company to offset dividends paid against the non-recourse loan.

The ESOP Shares are subject to restriction agreements such that the holders of those Shares are not able to trade them within 12 months of issuance. After 12 months, 1/3rd of the issued shares can be traded. Shares become available for trading at a rate of 1/36th of the issued shares over the remaining 24 months, contingent upon continued employment with the Company.

NOTE 22: SHARE BASED PAYMENTS *continued*

(b) Employee option plan

Under the company's employee share ownership plan 2013, dorsaVi agreed to grant options of 1,100,000 ordinary shares of the Company during the period 1 July 2014 to 30 June 2015. One-third of the shares are subject to vesting 12 months after the issue date. The remaining shares vest monthly over the following two years, contingent upon ongoing employment with dorsaVi.

Details of the options granted are provided below:

2015

Grant date	Expiry date	Exercise price	Balance at 1/7/2014	Granted during the year	Exercised during the year	Expired during the year	Balance at 30/6/2015	Exercisable at the end of the year
08-Apr-2014	08-Apr-2017	$0.51	1,000,000	–	–	–	1,000,000	–
02-Sep-2014	01-Sep-2019	$0.40	–	100,000	–	–	100,000	–
02-Sep-2014	01-Sep-2019	$0.40	–	100,000	–	100,000	–	–
21-Oct-2014	30-Oct-2019	$0.40	–	900,000	–	–	900,000	–
TOTAL			**1,000,000**	**1,100,000**	**-**	**100,000**	**2,000,000**	**-**

2014

Grant date	Expiry date	Exercise price	Balance at 1/7/2013	Granted during the year	Exercised during the year	Expired during the year	Balance at 30/6/2014	Exercisable at the end of the year
08-Apr-2014	08-Apr-2017	$0.51	–	1,000,000	–	–	1,000,000	–

Other additional information associated with this option grant include:

- The weighted average remaining contractual life for share options outstanding at the end of the period was 2.8 years.
- The weighted average value of the Options at grant date was $0.28. This excluded any consideration of the impact of the exercise (or vesting) conditions.
- The fair value was determined using the binomial American option-pricing model.
- The share price at grant date ranged from: $0.40 to $0.51
- Expected price volatility of the company's shares: 75%
- Dividends: $nil
- Risk free interest rate: 3.9% to 4.1%

(c) Expenses recognised from share-based payment transactions

The expense recognised in relation to the share-based payment transactions was recorded within employee benefits expense in the statement of comprehensive income were as follows:

	2015 $	2014 $
Options issued under employee option plan	278,537	46,574
Shares issued under employee option plan	61,248	37,315
Total expenses recognised from share-based payment transactions	**339,785**	**83,889**

NOTE 23: DIRECTORS' AND EXECUTIVE COMPENSATIONS

Compensation by category

	2015 $	2014 $
Short-term employment benefits	1,982,275	1,066,623
Post-employment benefits	137,098	63,448
Share-based payments	322,763	83,889
	2,442,136	**1,213,960**

NOTE 24: SUBSIDIARIES OF THE GROUP & RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of dorsaVi Ltd and its controlled entities listed below:

		Ownership interest held by DVL	
	Country of incorporation	2015 %	2014 %
dorsaVi Europe Ltd	UK	100	100
dorsaVi USA, Inc	USA	100	100
Australian Workplace Compliance Pty Ltd	AUS	100	–

dorsaVi Europe Ltd was incorporated on 3 February 2014

dorsaVi USA, Inc. was incorporated on 19 May 2014.

Australian Workplace Compliance Pty Ltd was purchased on 3 July 2014.

Transactions with entities with associates:

Superspine Forrest Hill Unit Trust is considered an associate of dorsaVi Ltd, as dorsaVi Ltd has a 25% ownership in the entity. During the year dorsaVi Ltd provided $NIL (2014: $NIL) of the start up funding. There is a loan receivable from Superspine Forrest Hill Unit Trust of $26,607 (2014: $26,607) at year-end. There is also loan payable at balance date for $1,000 (2014: $1,000) included in Payables at Note 14.

Transactions with directors, key management personnel and other related parties:

Pro-Active Industries Pty Ltd is a related party of dorsaVi Ltd, as a director of dorsaVi Ltd controls it. During the year, Pro-Active Industries Pty Ltd paid and was reimbursed for expenses incurred on behalf of dorsaVi Ltd. Total value of these goods and services was $18,509 (2014: $78,035). The goods and services supplied were in the normal course of business and on normal terms and conditions. The balance outstanding at balance date was $11 (2014: $14,472) included in Trade Payables at Note 14.

Starfish Ventures Pty Ltd is a related party as it is connected with a director of dorsaVi Ltd. During the year ended 30 June 2015, Starfish Ventures Pty Ltd charged rent to dorsaVi Ltd. Total value of these rental charges was $69,102 (2014: $59,735). The rent was charged to dorsaVi on normal terms and conditions. The balance outstanding at balance date was $10,174 (2014: $51,145) included in Trade Payables at Note 14.

During the year ended 30 June 2015, dorsaVi Ltd paid $19,946 (2014: $NIL) to Simon Heaysman and paid $12,337 (2014: $NIL) to Dane Heaysman (both inclusive of expense claim reimbursements). These amounts were paid to them in their capacity as data analysts on various ViSafe projects throughout the financial year. These individuals are related to dorsaVi through their relationship to their father, Mr Mark Heaysman.

NOTE 25: AUDITOR'S REMUNERATION

Amounts paid and payable to Pitcher Partners Melbourne for:

	2015 $	2014 $
(i) Audit and other assurance services		
An audit or review of the financial report of the entity and any other entity in the consolidated entity	97,730	59,800
Total remuneration for audit and other assurance services	97,730	59,800
(ii) Other non-audit services		
Investigating Accountants Report	–	38,500
Taxation & other Compliance Services	36,306	36,453
Total remuneration for non-audit services	36,306	74,953
Total remuneration of Pitcher Partners Melbourne	**134,036**	**134,753**

NOTE 26: PARENT ENTITY INFORMATION

(a) Summarised statement of financial position

	2015 $	2014 $
Assets		
Current assets	11,155,036	15,310,634
Non-current assets	874,971	444,220
Total assets	12,030,007	15,754,854
Liabilities		
Current liabilities	814,677	567,939
Non-current liabilities	40,719	13,666
Total liabilities	855,396	581,605
Net assets	**11,174,611**	**15,173,249**
Equity		
Contributed capital	23,855,099	23,835,099
Share-based payment reserve	405,267	83,889
Accumulated losses	(13,085,755)	(8,745,739)
Total equity	**11,174,611**	**15,173,249**

(b) Summarised statement of comprehensive income

	2015 $	2014 $
Loss for the year	(4,358,424)	(3,008,536)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	**(4,358,424)**	**(3,008,536)**

NOTE 27: SEGMENT INFORMATION

(a) Description of Segments

The consolidated entity's chief operating decision maker has identified the following reportable segments:

- Segment 1: Australia
- Segment 2: Europe
- Segment 3: United States of America

Management differentiates operating segments based on geographical areas and regulatory environments. The type of products and services from which each reportable segment derives its revenue is considered the same.

The operating segments have been identified based on internal reports reviewed by the consolidated entity's chief operating decision makers in order to allocate resources to the segment and assess its performance.

(b) Segment information

The consolidated entity's chief operating decision maker's use segment revenue and segment result to assess the financial performance of each operating segment. Due to the infancy of segment operations (i.e. both dorsaVi Europe Ltd & dorsaVi USA Inc. subsidiaries incorporated during the 2014 year), the chief operating decision makers only receive aggregated financial information for assets and liabilities. Accordingly there are no disclosures for the individual segment's financial positions at year end.

Amounts for 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 the operations of the segment. There has been no inter-segment revenue or expenses during the year.

Segment information is reconciled to financial statements and underlying profit disclosure notes as following:

2015	Australia $	Europe $	USA $	Total $
Segment revenue				
Total segment revenue	1,622,805	163,260	64,763	1,850,416
Segment revenue from external source	**1,622,805**	**163,260**	**64,763**	**1,850,416**
Segment result				
Total segment result	(4,196,256)	(1,211,920)	(2,627,985)	(8,036,161)
Segment result from external source	**(4,196,256)**	**(1,211,920)**	**(2,627,985)**	**(8,036,161)**
Items included within the segment result:				
Foreign exchange gain	88,220	3,427	27,572	119,219
Grant income	118,755	–	–	118,755
Interest income	253,665	19	540	254,224
Interest expense	(1,199)	–	–	(1,199)
Depreciation and amortisation expense	(87,588)	–	–	(87,588)
Income tax benefit	648,548	–	–	648,548

2014	Australia $	Europe $	USA $	Total $
Segment revenue				
Total segment revenue	762,393	5,025	–	767,418
Segment revenue from external source	**762,393**	**5,025**	**-**	**767,418**
Segment result				
Total segment result	(3,008,840)	(395,478)	(157,705)	(3,562,023)
Segment result from external source	**(3,008,840)**	**(395,478)**	**(157,705)**	**(3,562,023)**
Items included within the segment result:				
Interest income	227,158	–	–	227,158
Interest expense	(1,341)	–	–	(1,341)
Depreciation and amortisation expense	(41,838)	–	–	(41,838)
Income tax benefit	559,583	–	–	559,583

NOTE 27: SEGMENT INFORMATION *continued*

(c) Major customers

The total amount of external revenue derived from one major customer where the revenue is greater than 10% of the consolidated entity's total revenue was $nil in the 2015 year (2014: $172,000). Revenue from this customer is included in the Australian segment.

NOTE 28: BUSINESS COMBINATION

On 2 July 2014, dorsaVi Ltd entered into a contract to acquire 100% of the issued capital of Australian Workplace Compliance Pty Ltd. This increased the Group's service offering and client base in the occupational health and safety (OH&S) market.

Details of the transaction were:

	$
Consideration and costs paid	120,000
Total consideration	**120,000**

As part of the acquisition the founder of Australian Workplace Compliance, Mark Heaysman, joined dorsaVi Ltd in the capacity as a full time employee. On 2 July 2014, dorsaVi Ltd announced the issue of 250,000 fully paid ordinary shares under the Employee Share Ownership Plan. The Company provided Mark Heaysman with a non-recourse interest free loan to assist the executive to subscribe for the shares. These shares were issued at a market price of 46 cents. These shares carry a fully entitlement to dividends and capital market price of 46 cents. dorsaVi Ltd has the discretion to determine if dividends paid can be applied against the non-recourse loan. These Shares are not subject to restrictions such that Mr Heaysman is able to trade them if the Principle Outstanding balance has been paid on the loan. Mr Heaysman may make payment to the Company at any time after the Execution date.

Assets and liabilities acquired as a result of the business combination were:

	Recognised on acquisition at fair value $
Assets and liabilities acquired	
– Office equipment	7,890
Net identifiable assets acquired	7,890
Goodwill	**112,110**

The goodwill on acquisition arises as a result of the intangibles acquired not being separable from the entity under AASB 3. The intangibles acquired include the establishment and company structures of Australian Workplace Compliance.

Goodwill is not deductible for tax purposes.

Purchase consideration – cash outflow	**$**
Outflow of cash – investing activities	120,000
Total consideration	**120,000**

Transaction costs

Transaction costs of $2,277 were incurred in relation to the acquisition. These costs are included within the Professional Fees expense in the statement of comprehensive income.

NOTE 29: SUBSEQUENT EVENTS

On 9 July 2015, dorsaVi announced the signing of two leading National Football League (NFL) teams for the use of its ViPerform technology, the New Orleans Saints and Cleveland Browns. These two NFL teams have been incorporating the technology in team training protocols during the off-season, and all will now utilise the sensor technology during the 2015-16 season to assess and monitor players and guide recovery of their athletes.

On 15 July 2015, dorsaVi Ltd announced Mr Jerome Whelan, Chief Financial Officer, has tendered his resignation from the company. The company has commenced an executive search for a suitable replacement.

On 17 August 2015, dorsaVi Ltd announced the signing of its fourth contract with Crown Resorts. The contract represents dorsaVi's largest commercial project to date and will be implemented over 18 months with an additional annual annuity in the form of a license fee for ViSafe.

On 18 August 2015, dorsaVi Ltd announced the issue of 500,000 shares at $0.26 cents.

On 18 August 2015, dorsaVi announced that reigning US football Super Bowl Champions the New England Patriots and two elite college athletic programs have all signed to use ViPerform wearable sensors. The Ohio State University Buckeyes are the first NCAA Division I team to adopt ViPerform. dorsaVi technology is primarily being used by the Buckeyes with their women's soccer team. Marquette University in Milwaukee, Wisconsin is the first NCAA Division I men's basketball team to adopt the technology. They follow in the footsteps of three NBA teams who are integrating ViPerform into training plans: the Houston Rockets, the New York Knicks, and the 2015 NBA champions the Golden State Warriors.

On 20 August 2015, dorsaVi Ltd announced the signing of its third contract with Sodexo, one of the world's largest services and labour hire companies. The company has entered a 12 month contract to undertake assessments of their employees working in remote areas of Australia. Sodexo will lease dorsaVi's ViSafe technology to undertake its own testing and assessments of workers involved in manual handling activities and tasks in remote sites in Australia. dorsaVi Ltd will be responsible for the analysis of data, producing insights and action points to allow Sodexo to make informed decisions.

On 21 August 2015, dorsaVi Ltd announced the signing of its second contract with international architecture firm, DesignInc, to assess and maintain its integrated management system. The three year deal will see dorsaVi work across the review and maintenance of the Integrated Management System.

On 26 August 2015, dorsaVi Ltd announced that it has raised a total of $4,000,000 by way of a placement of approximately 15,400,000 ordinary shares at $0.26 per share with various institutional and sophisticated investors. In addition on 17 September 2015, the Company successfully completed a fully underwritten 1 for 10 non-renounceable pro rata rights offer of ordinary shares raising approximately $3,200,000 from its Australian and New Zealand shareholders. The price of the Shares under the Offer was $0.26 each (i.e. the same price per share as offered under the Placement).

On 29 September 2015, dorsaVi Ltd announced the signing of a three year agreement with YourPhysioPlan to sell ViMove in the UK and Ireland. The agreement provides exclusive marketing rights for ViMove for private physiotherapy, osteopathy and chiropractic markets in the UK and Ireland. dorsaVi will maintain full direct sales rights in the UK and Ireland for ViPerform and ViSafe to elite sports and OH&S customers respectively.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 38 to 67 in accordance with the *Corporations Act 2001*:

(a) Comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;

(b) As stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and

(c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that dorsaVi Ltd will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2015.

This declaration is made in accordance with a resolution of the directors.

Herb Elliott
Director & Chairman

Melbourne
Date: 29 September 2015

Andrew Ronchi
Director & CEO

Melbourne
Date: 29 September 2015

dorsaVi Ltd and controlled entities
ABN: 15 129 742 409

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

Report on the Financial Report

We have audited the accompanying financial report of dorsaVi Ltd and its controlled entities, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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.

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

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

PITCHER PARTNERS

dorsaVi Ltd and controlled entities
ABN: 15 129 742 409

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
dorsaVi Ltd

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 dorsaVi Ltd and controlled entities 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 consolidated 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 25 to 36 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 dorsaVi Ltd and controlled entities for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001.*

F V RUSSO
Partner

29 September 2015

PITCHER PARTNERS
Melbourne

SHAREHOLDER INFORMATION

OVERVIEW

The Company's securities are listed for quotation in the form of Ordinary Shares on the Australian Securities Exchange (ASX) and trade under the symbol "DVL".

The shareholder information below was applicable as at 24 September 2015.

The Company's share capital was as follows:

Type of Security	Number of Securities	Number of Holders
Ordinary Shares (Shares)	149,914,616	567
Options	2,000,000	3

SUBSTANTIAL HOLDERS

Names of Holders	Number of Shares Held	% of Total Shares
Starfish Technology Fund II, LP, Starfish Ventures Pty Ltd, Starfish Technology Fund II Nominees A Pty Ltd , Starfish Technology Fund II Nominees B Pty Ltd, Michael Panaccio* and Christiana Panaccio and Micana Family Trust	87,525,604 shares	58.38%
AR BSM Pty Ltd as Trustee for the AR BSM Trust and Andrew James Ronchi	8,313,949 shares	5.50%
DR BSM Pty Ltd As Trustee for the DR BSM Trust and Daniel Matthew Ronchi	8,246,482 shares	5.50%

* *Michael Panaccio and related parties have, for the purposes of the substantial holding provisions of the Corporations Act, a relevant interest in 19,573,274 (13.05% of the total shares) that are subject to mandatory and voluntary escrow arrangements between dorsaVi Ltd and those various registered entered into as a condition of listing on the ASX. This relevant interest arises because the agreements contain specific restrictions on the disposal of these securities.*

DISTRIBUTION SCHEDULE

Number of Shares	Number of Holders
1 – 1,000	9
1,001 – 5,000	107
5,001 – 10,000	83
10,001 – 100,000	235
100,001 and over	133
Total	**567**

UNMARKETABLE PARCELS

Based on the closing market price 24 September 2015, there were 27 shareholders holding less than a marketable parcel (i.e. a parcel of securities of less than $500).

dorsaVi's TOP 20 SHAREHOLDERS

Set out below is a schedule of the 20 largest holders of each class of securities quoted, including the number and percentage of each class of securities held by those holders.

	Name of registered holder	No. of Shares held	% of total Shares
1.	STARFISH TECHNOLOGY FUND II LP	60,597,345	40.42
2.	AR BSM PTY LTD <AR BSM A/C>	7,021,814	4.68
3.	DR BSM PTY LTD <DR BSM A/C>	7,021,814	4.68
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – GSCO ECA	4,947,499	3.30
5.	CITICORP NOMINEES PTY LIMITED	4,673,911	3.12
6.	BENTALE PTY LTD <ALLAMBI ROAD FAMILY A/C>	3,598,637	2.40
7.	STARFISH TECHNOLOGY FUND II NOMINEES A PTY LTD	3,029,868	2.02
8.	STARFISH TECHNOLOGY FUND II NOMINEES B PTY LTD	3,029,867	2.02
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 3	2,913,000	1.94
10.	GARSIND PTY LTD <RUTH ROSS SUPER FUND A/C>	1,635,000	1.09
11.	SANDHURST TRUSTEES LTD <AUSTRALIAN NEW HORIZONS A/C>	1,547,743	1.03
12.	MOZLEY PTY LTD <LONNY INVESTMENTS A/C>	1,340,218	0.89
13.	ANDREW RONCHI	1,292,135	0.86
14.	DANIEL RONCHI	1,224,668	0.82
15.	MR FRANCIS ROSS SELLENGER + MRS DIANA ELIZABETH SELLENGER <LOUANDI SUPER FUND A/C>	1,055,385	0.70
16.	MORRMAC PTY LTD <MIMIE MACLAREN PENSION A/C>	1,044,231	0.70
17.	MRS ROSALIND LAWRENCE <ROSALIND LAWRENCE PSF A/C>	939,923	0.63
18.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	905,511	0.60
19.	MARK STEPHEN HEAYSMAN	880,000	0.59
20.	MUHAMMAD UMER	855,442	0.57
Total Shares held by top 20 Shareholders		**109,554,011**	**73.08**
Total Shares held by all other Shareholders		**40,360,605**	**26.92**

OPTIONS (NOT LISTED ON ASX)

There were 2,000,000 unquoted options on issue to purchase ordinary shares under the Company's Incentive Stock Option Agreement. The Options have been issued to three employees and were issued in accordance with the terms and conditions of the dorsaVi Ltd 2013 Share Ownership Plan.

RESTRICTED SECURITIES & ESCROW AGREEMENTS

The following Shareholders were required to enter into restriction agreements with the Company which restrict them from dealing with the following Shares, such as selling or encumbering them, for 24 months following the Shares being quoted on ASX (except in limited circumstances with ASX's consent).

Shareholder	Number of Shares
AR BSM Pty Ltd as Trustee for the AR BSM TRUST (An Entity controlled by Andrew Ronchi, CEO, Director)	6,893,414
DR BSM Pty Ltd as Trustee for the DR BSM Trust (An entity controlled by Daniel Ronchi)	6,893,414
Starfish Technology Fund (An entity associated with Michael Panaccio, a director of the Company)	38,097,345
Andrew Ronchi	712,168
Daniel Ronchi	712,168
Ashraf Attia (a director of the Company)	76,991
Total	**53,385,500**

The following Shareholders entered voluntarily into restriction agreements with the Company which restrict them from dealing with the following Shares, such as selling or encumbering them, for 24 months following the Shares being quoted on ASX.

Shareholder	Number of Shares
AR BSM Pty Ltd as Trustee for the AR BSM TRUST (An Entity controlled by Andrew Ronchi, CEO, Director)	128,400
DR BSM Pty Ltd as Trustee for the DR BSM Trust (An entity controlled by Daniel Ronchi)	128,400
Starfish Technology Fund (An entity associated with Michael Panaccio, a director of the Company)	15,000,000
Andrew Ronchi	462,500
Daniel Ronchi	462,500
Ashraf Attia (a director of the Company)	50,000
Shares issued to other employees under the employee share ownership plan.	2,603,319
Total	**18,835,119**

In summary, 72,220,619 (or 48.17%) Shares are subject to restrictions on sale and other dealings for a period of 24 months from quotation. This 24 month period expires on 11 December 2015.

VOTING RIGHTS

At a general meeting, each Shareholder present (in person or by proxy, attorney or representative) has one vote on a show of hands and one vote for each Share held when voting is done via a poll.

Proxy forms will be included in each notice of meeting sent to Shareholders.

Holders of issued but unexercised options are not entitled to vote.

REQUIRED STATEMENTS

(a) There is no current on-market buy-back of the Company's securities.

(b) The Company's securities are not quoted on any exchange other than the ASX.

(c) The Company has continued to use the cash (and assets in a form readily convertible to cash) that it had at the time of admission to the ASX in a manner consistent with its business objectives (as described in the Prospectus lodged with the Australian Securities and Investments Commission with respect to the Company's initial public offering) for the period 1 July 2014 to 30 June 2015.

(e) The name of the Company Secretary is Mr Brendan Case.

(f) The address and telephone number of our principal registered office in Australia is:
C/- Pitcher Partners, Level 19, 15 William Street, Melbourne, Victoria, 3000
Phone: +61 3 8610 5000

(g) Register of securities
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067
GPO BOX 242, Melbourne, Victoria, 3001
Phone: +61 3 9415 5000

CORPORATE DIRECTORY

Board of Directors and Company Secretary

Mr Herbert Elliott	Chairman
Mr Ashraf Attia	Non Executive Director
Dr Michael Panaccio	Non Executive Director
Dr Andrew Ronchi	Chief Executive Officer & Executive Director
Mr Gregory Tweedly	Non Executive Director
Mr Brendan Case	Company Secretary

Registered Office in Australia

C/- Pitcher Partners,
Level 19, 15 William Street,
Melbourne, Victoria, 3000
Phone: +61 3 8610 5000

Auditor

Pitcher Partners
Level 19, 15 William Street,
Melbourne, Victoria, 3000

Investor Relations

Ms Rebecca Wilson
Buchan Consulting
Phone: +61 3 9866 4722

Executive Team

Dr Andrew Ronchi	Chief Executive Officer
Mr Jerome Whelan	Chief Financial Officer
Ms Meagan Blackburn	
Mr Mark Heaysman	
Mr John Kowalczyk	
Ms Sarah Riseley	
Mr Daniel Ronchi	
Ms Zoe Whyatt	

Principal Administrative Office

Level 1, 120 Jolimont Road,
Melbourne East, VIC 3002
Phone: 1800 367 7284

Share Registry

Computershare Investor Services Pty Limited
GPO BOX 242, Melbourne, Victoria, 3001
Phone: +61 3 9415 5000

Annual General Meeting Date & Place

The Annual General Meeting will be held Thursday, 26 November 2015 at 11:00 am at:

The offices of Pitcher Partners,
Level 19, 15 William Street,
Melbourne, Victoria, 3000

dorsaVi™

www.dorsavi.com