INDOOR SKYDIVE AUSTRALIA GROUP LIMITED

ABN: 39 154 103 607

ANNUAL REPORT

for the year ended 30 June

2015

ISA GROUP

INDOOR SKYDIVE AUSTRALIA GROUP

CONTENT

Ken Gillespie
Chairman

Dear Valued Shareholder

I am pleased to present to you the 2015 Annual Report.

This past year has been exciting and successful. We have: confirmed the strength of our operations concept; matured operations at our Penrith facility; and continued our advertised expansion plans with a facility under construction in Queensland and a facility about to commence construction in Western Australia. Our ongoing expansion was made possible by strong shareholder support and the very successful capital raising conducted early in the year. In March 2015, our Penrith Indoor Skydiving Facility celebrated 12 months of operations. This was an important milestone as it enabled us to confirm and fine-tune a number of aspects underpinning our robust business model.

SOME HIGHLIGHTS

Penrith operations were profitable and remained cash flow positive from our initial opening.

Our state of the art vertical wind tunnel met all expectations. It has been proven to be an aerodynamically stable, robust and low maintenance system. This gives great confidence as we expand our facilities and bring the simulation of free fall parachuting in a safe, all weather environment to more centres across Australia.

Group systems and processes have been evolved, tested and proven including throughout high tempo operational periods. Our target market segments; first timers, professional skydivers, education and corporate groups have been proven.

In December we achieved our highest sales in a single month. This exceeded $1 million and was driven by the high utilisation of the Penrith facility during school holidays. As expected, a trend of high utilisation during school holiday periods has been established. We have also built a significant following of professional indoor skydivers and our children's program, Junior iFLY, is successfully developing the next generation of indoor skydive specialists.

Military utilisation has stabilised and the Australian Defence Force now formally incorporates wind tunnel use its free fall training programs.

In August 2015 47 teams competed in Australia's first Indoor Skydiving Championship at our Penrith facility. We anticipate this will be the first of many such competitions as indoor skydiving increasingly becomes an Australian sport in its own right.

AUSTRALIAN TUNNEL ROLL OUT

Building on the foundations of the Penrith success, we are continuing to deliver the Australia tunnel roll out

Penrith's indoor skydiving facility

program. Work on our Gold Coast facility, located within easy walking distance of the heart of Surfers Paradise, is well advanced and will be completed later this year.

Our Perth facility, located 5 kms from the Perth CBD and on the strategic commuter highway between the CBD and the domestic and international airports, is also progressing well. The site has been cleared and the design phase is almost complete. Underground works are due to commence shortly. The Perth facility is on track for completion in mid 2016.

LOOKING FORWARD

The Group continues to identify, and act on, opportunities for additional indoor skydiving facilities across Australia. We do this both in our own right and also through our strategic relationship with the US manufacturing company and tunnel operator SkyVenture. Our relationship with SkyVenture has previously been announced and is governed through our Exclusive Territory Development Agreement. The first development by SkyVenture under this Agreement has commenced early works at Essendon, Victoria.

Meanwhile, ISA Group is continuing to research further growth potential. We are investigating the commercial potential for an Adelaide facility. We are also conducting site feasibility and development discussions are being conducted in relation to further potential sites in Melbourne and Sydney.

While we continue to deliver on our Australian tunnel roll out program, and the potential to expand this program, we are very mindful of commercial opportunities in South East Asia and Hong Kong. We are currently working hard to understand the region and these markets. In the short term we will look to develop appropriate business and operating models, identify potential regional partners and determine options for potential growth into this exciting region.

OUR RESULTS

The ISA Group results are detailed in the Financial Report and I encourage you to read them. They are an excellent result taking into account we have one operational tunnel and two tunnels in the process of development.

Looking forward, we believe:

- there will be continued growth of indoor skydiving, as a sport and professional skydiving simulation tool both nationally and internationally;
- there are good prospects for additional indoor skydiving facilities throughout Australia and potentially into South East Asia and Hong Kong;
- ongoing benefits will accrue from corporate overhead absorption as new tunnels become operational;
- Australian sales are necessarily dependent on overall domestic economic prospects;
- A weaker Australian dollar adds to imported major equipment costs, however, it supports domestic sales through tourism substitution and higher inbound tourist activity.

We thank you for your ongoing commitment to the success of our company and look forward to continuing to increase shareholder value.

Ken Gillespie
Chairman

BUILDING THE DREAM OF FLIGHT

1. **Market Analysis will it work here?**
2. **Finding & securing the right site**
3. **Securing all the applications**
4. **Digging the deep foundations**
5. **Inserting the technical kit**
6. **Commissioning & Test Flying**
7. **Customers FLYING**

BOARD OF DIRECTORS

From left to right:

David Murray AO
Non-Executive Director

Malcolm Thompson
Alternative Director for Stephen Baxter

Wayne Jones
Director & Chief Executive Officer

Ken Gillespie AC, DSC, CSM
Chairman

Danny Hogan MG
Director & Chief Operations Officer

Stephen Baxter
Non-Executive Director

DIRECTORS' REPORT

In compliance with the provisions of the Corporations Act 2001 (**Corporations Act**), the Directors of Indoor Skydive Australia Group Limited (**ISA Group** or the **Company**) submit the following report for the Company and its controlled entities for the financial year ended 30 June 2015.

DIRECTORS

The following individuals were Directors of ISA Group at all times during the year and at the date of this Directors' Report, unless otherwise stated:

Ken Gillespie AC, DSC, CSM
Chairman
Appointed 18 October 2012

One of Australia's most distinguished career soldiers, Lieutenant General (retired) Ken Gillespie, AC, DSC, CSM, is the Chairman of ISA Group. He is Chair of the Remuneration & Nomination Committee and a member of the Audit & Risk Committee. Ken is also on the Board of Directors of leading local defence manufacturer, Airbus Asia Pacific Group, and the ASX listed, Senetas Limited. He is also a council member of the Australian Strategic Policy Institute, an internationally recognised and Canberra based think tank. Ken, who served with the Australian Defence Force for over 43 years, was appointed Chief of Army in July 2008, a position he held until his retirement in June 2011. Previously he had served as Land Commander Australia and Vice Chief of the Australian Defence Force.

Wayne Jones
Director & Chief Executive Officer
Appointed 4 November 2011

Wayne served for 21 years in the Australian Defence Force and was part of the highly acclaimed Special Air Service Regiment for the last 14 years of his career. Wayne holds various senior instructor qualifications and has been at the forefront of Australian Military Freefall development and training over the past 10 years. He is still involved in the training of special forces troops and he continues to participate in the sport of skydiving at the highest levels. Wayne is a member of the Australian Institute of Company Directors.

Danny Hogan MG
Director & Chief Operations Officer
Appointed 4 November 2011

Danny enlisted in the Australian Regular Army in 1991, and in 1997 was selected for further service within the Special Air Service Regiment. He has been recognised and awarded for his actions and leadership during his 21 year military career including the Medal for Gallantry. He was selected and completed a two year military exchange in the USA with two of the USA's elite Special Forces Commands. While in the USA he gained his freefall parachuting qualifications and he developed a very strong background in the use of vertical wind tunnel simulation training. Danny is a highly qualified senior dive instructor within the Special Air Service Regiment. Danny is a member of the Australian Institute of Company Directors.

Stephen Baxter
Non-Executive Director
Appointed 13 August 2012

Former Regular Army electronics technician turned successful entrepreneur, Steve is the founder of early Internet Provider SE Net and co-founder of telecommunications infrastructure company, Pipe Networks Ltd. In 2008 he moved to the USA and joined Google Inc deploying high speed telecommunication infrastructure, before returning to Australia. He is a director of Vocus Communications Limited and Other Levels Limited. He is the founder of Brisbane based not-for-profit River City Labs - an early stage and start-up co-working space for tech and creative companies. He is a member for the ISA Group Remuneration & Nomination Committee and Chairman of the Audit & Risk Committee.

David Murray AO
Non-Executive Director
Appointed 3 February 2014

Former Chief Executive Officer of Commonwealth Bank of Australia and Chairman of the Australian Government Future Fund, David has over 40 years' experience in banking and financial services. He was appointed an Officer of the Order of Australia in 2007 for services to the finance sector nationally and internationally through strategic leadership and policy development, to education through fostering relations between educational institutions, business and industry, and to the community as a supporter and fundraiser. David is Chairman of the Butterfly Foundation.

Malcolm Thompson
Alternative Director for Stephen Baxter
Appointed 13 February 2013

An accountant and governance specialist by training, Malcolm has over 24 years' experience across technology, telecommunications, R&D and aerospace industries in senior roles, including chief financial officer, company secretary and director roles. He has been instrumental in setting up governance, financial and operational aspects for listed companies and has assisted a local subsidiary of Airbus NV (EPA:EAD) relating to $6B construction and maintenance contracts for advanced military helicopters. Working with Stephen Baxter, he is currently Chief Investment Officer for Transition Level Investments targeting optimisation of angel and start-up investment success. He is also an alternative director for Stephen Baxter for Other Levels Limited.

John Diddams
Former Non-executive Director
Appointed 27 July 201
Resigned 3 October 2014

John has over thirty five years of financial and management experience as Chief Financial Officer, Chief Executive Officer and director of both private and public listed companies. Prior to his resignation John was a member of the ISA Group Audit & Risk Committee.

COMPANY SECRETARY
Fiona Yiend
General Counsel & Company Secretary
Appointed 16 October 2013

Fiona has over 6 years listed company secretarial experience. She holds a Bachelor of Arts, Bachelor of Laws (Hons), Graduate Diploma in Applied Finance and Investments, Graduate Diploma in International Law and a Graduate Diploma in Applied Corporate Governance. She is also a member of the Australian Corporate Lawyers Association (ACLA).

DIRECTORS' MEETINGS

The number of Directors' meetings which Directors were eligible to attend (including meetings of Board Committees) and the number of meetings attended by each Director during the year were:

	Board		**Audit and Risk Committee**		**Remuneration and Nomination Committee**	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Kenneth Gillespie	10	9	2	1	1	1
Wayne Jones	10	10				
Danny Hogan	10	10				
Stephen Baxter	10	9	2	2	1	1
David Murray	10	10				
Malcolm Thompson	1	1				
John Diddams	3	3	1	1		

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares and options in shares of ISA Group as at the date of this report. No Director has any relevant interest in shares or options in shares of a related body corporate of ISA Group as at the date of this report.

Director	Number of Shares and Nature of Interest
Kenneth Gillespie	Indirect interest in 396,668 shares held by Sector West Pty Ltd ATF Gillespie Family Trust
Wayne Jones	Indirect interest in 16,060,000 shares held by Excalib-air Pty Ltd, indirect interest in 200,000 shares held by Project Flight Pty Ltd ATF Wayne Jones Superannuation Fund, indirect interest in 14,000 shares held by Project Gravity Pty Ltd, indirect interest in 1,575,568 shares and 228,554 Performance Rights held by Project Gravity Pty Ltd ATF Jones Family Trust
Danny Hogan	Indirect interest in 16,060,000 shares held by Excalib-air Pty Ltd, indirect interest in 200,000 shares held by Hogan Superannuation Fund, indirect interest in 1,175,568 shares and 228,554 Performance Rights held by Australian Indoor Skydiving Pty Ltd ATF Hogan Family Trust
Stephen Baxter	Indirect interest in 17,000,001 shares held by Birkdale Holdings (QLD) Pty Ltd
David Murray	Indirect interest in 2,521,667 shares held by Lyndcote Holdings Pty Ltd
Malcolm Thompson	Indirect interest in 400,000 shares held by Lucapac Consulting Pty Ltd

DIVIDENDS

No dividends were declared during the period.

PRINCIPAL ACTIVITIES

The principal activities of ISA Group during the year were the operation and development of indoor skydiving facilities. The operational activities were focused on the Company's first indoor skydiving facility located at Penrith NSW. The development activities focused on delivering the Company's Australian tunnel roll out including the construction of the Company's indoor skydiving facilities at the Gold Coast, Qld and Perth, WA and the early development stages (including site identification) of additional sites in Australia and, potentially, Asia.

REVIEW OF OPERATIONS

ISA Group is currently focused on two lines of operation; firstly the operation of our existing indoor skydiving facility at Penrith NSW and secondly the continued development of additional indoor skydiving facilities under the Australian tunnel roll out plan and beyond.

The Penrith indoor skydiving facility celebrated its first full year of operation in March 2015 and was operational throughout the period. The facility, the most modern of its type, performed very well during the period and was supported by each of the key target market sectors. As expected, a trend of high utilisation during school holiday periods has been established.

The development activities of the Company have been focused on the construction of our second indoor skydiving facility at the Gold Coast and the planning, design and development stages of our third facility in Perth. The Gold Coast facility is expected to be operational by the end of 2015, while the Perth facility will be operational in mid 2016. Work also continues on the early stages of development for facility options in Adelaide, Melbourne and Sydney and potentially other locations throughout the region including South East Asia and Hong Kong.

For the year ended 30 June 2015, ISA Group reported earnings before interest, tax, depreciation and amortisation excluding share based payments of $589,536 (2014: ($2,067,584)). As noted in the half year results, share based payments heavily impacted the results with the ISA Group reporting a loss before interest, tax, depreciation and amortisation (including share based payments) of $833,586 (2014: $3,311,336).

ISA Group also reported a net loss after tax of $1,749,988 ($2014: $2,714,016). This is an excellent result taking into account we have one operational facility and two facilities in the process of development. To fully understand our results, please refer to the full financial statements included in this Annual Report.

CHANGES IN THE STATE OF AFFAIRS

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

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in future financial years.

FUTURE DEVELOPMENTS

ISA Group has previously announced its intention to continue with the Company's focus on the Australian tunnel roll-out plan and the initial planning for the development of indoor skydiving facilities in South East Asia and Hong Kong. In the opinion of the Directors, disclosure of any further information regarding business strategies and future development of ISA Group would be unreasonably prejudicial to the Company.

REMUNERATION REPORT (AUDITED)

The Remuneration Report is set out at page 13 and forms part of this Directors' Report.

INTERESTS IN ISA GROUP SECURITIES

Details of the ISA Group securities issued during the year and the number of ISA Group securities on issue as at 30 June 2015 are detailed in Note 14 of the Financial Statements and form part of this Directors' Report.

With the exception of performance rights which are discussed in detail in the Remuneration Report, ISA Group did not have any options on issue as at 30 June 2015 (2014: nil).

ENVIRONMENTAL REGULATION

ISA Group is not subject to any significant environment regulation under any law of the Commonwealth or of a State or Territory.

DIRECTORS' AND OFFICERS' INSURANCE

During the financial year, ISA Group has paid premiums to insure all Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

The Directors and Company Secretary of ISA Group are also party to a deed of access and indemnity.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring, or intervene in, proceedings on behalf of any entity within ISA Group.

AUDITOR

RSM Bird Cameron Partners continues in office as auditor in accordance with section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

The Directors, in accordance with advice from the Audit & Risk Committee, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit & Risk committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The fees paid or payable to RSM Bird Cameron Partners for non-audit services provided during the year ended 30 June 2015 were $9,840.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is set out at page 22 and forms part of this Directors' Report.

ROUNDING OF AMOUNTS

ISA Group is not an entity to which ASIC class order 98/100 applies. Accordingly, amounts in the financial statements and annual reports have been rounded to the nearest dollar not the nearest thousand dollars.

BUY BACK

ISA Group does not currently have any on-market buy-back of shares.

This Directors' Report is made in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporations Act.

On behalf of the Board

Ken Gillespie
Chairman
25 August 2015
Sydney

Wayne Jones
Director & Chief Executive Officer

REMUNERATION REPORT (AUDITED)

REMUNERATION REPORT (Audited)

Dear Shareholder

I am pleased to present ISA Group's remuneration report for the 2015 financial year for which we seek your support.

In 2014 ISA Group commenced a staged restructuring of our remuneration strategy in line with the Company's transition into an operating entity. Under this restructuring we have been bringing fixed remuneration to acceptable market levels based on our size, position and operating structure. Similarly we have been increasing the proportion of 'at risk' remuneration and reducing our reliance on performance rights as a short/medium term retention tool.

In this report you will see the results of this staged approached. Fixed remuneration of our executives has been brought closer to market levels. We anticipate all executives other than the Founding Directors, will be remunerated at an acceptable market level for the 2016 financial year. We consider this important to attract and then retain the highest calibre individuals. At the same time "at risk" remuneration has been amended to better align shareholder interests and the Company's budget goals.

You will also see the impact of share based incentives entered into at the time of initial employment set out in this report. The main share based incentives were entered into with our Founding Directors in October 2012 prior to listing on the ASX. These incentives have taken the form of performance rights and were approved by shareholders at the 2013 Annual General Meeting.

The Performance Rights issued to the Founding Directors were separated into two different tranches. Each tranche matured only upon the successful completion of a number of significant performance hurdles shaped to establish and develop the Group. The first tranche related to the establishment of Australia's first indoor skydiving facility and its initial operating performance. The second tranche was utilised to focus and task the Founding Directors to implement the step change from a single facility to a multi-facility operation. Performance hurdles here were focused on the key milestones necessary to bring an additional facility into operation. Where the performance hurdles are not met, the performance rights lapse and the Founding Directors receive no benefit. The Board considers this approach to be an appropriate method to drive the outcomes needed to meet performance and growth expectations and increase shareholder value.

As ISA Group will become a multi-facility operation over the course of the next 12 months, the initial Performance Rights issue to the Founding Directors will have fulfilled their purpose. We will look now to transition to a longer term share based incentive with lower levels of performance rights being issued.

I trust that the Company's remuneration strategy will receive your support. We welcome your feedback.

Yours sincerely

Ken Gillespie

Ken Gillespie
Chairman of the Board and
Remuneration & Nomination Committee

Introduction

This remuneration report for the year ended 30 June 2015 (**FY2015**), which forms part of the Directors' Report, outlines the remuneration arrangements of ISA Group in accordance with the requirements of the Corporations Act. The information in this report has been audited.

Remuneration Summary

ISA Group's remuneration structure has been evolving to reflect the transition of the Company from its initial start-up and construction phase to an operating entity with an aggressive growth strategy. ISA Group's remuneration practices are reflective of this transition with the highlights noted below:

- ISA Group has transitioned it's remuneration practices from focusing on attracting high calibre, experienced employees to providing a more traditional mix of fixed and 'at risk' remuneration;
- Share based incentives entered into initial employment contracts are being completed and replaced with longer term share based incentives in the form of performance rights more aligned to shareholder interests;
- Total fixed remuneration for Executive Key Management Personnel (**KMP**) increased by 10-15% bringing remuneration packages more in line with market and reducing the reliance on share based incentives.

Key Management Personnel

This report sets out the remuneration details of KMP, which includes those individuals with authority and responsibility for planning, directing and controlling the activities of ISA Group.

ISA Group has defined its KMP to include directors (executive and non-executive) and those executives who drive and are responsible for the principal business activities of the Company (**Executives**)

The KMP for ISA Group during and since the end of FY2015 include:

Directors:

Ken Gillespie	Chairman
Wayne Jones	Executive Director & Chief Executive Officer
Danny Hogan	Executive Director & Chief Operations Officer
Stephen Baxter	Non-executive Director
David Murray	Non-executive Director
Malcolm Thompson	Alternative Director
John Diddams (resigned 3 October 2014)	Non-executive Director

Executives:

Stephen Burns	Chief Financial Officer
Brett Sheridan	Chief Marketing Officer
Fiona Yiend	General Counsel & Company Secretary

Remuneration Governance

Remuneration & Nomination Committee (Committee): The role of the Committee is to assist and advise the Board on matters relating to the appointment and remuneration of directors, Executives and where appropriate, other employees of ISA Group. The Committee operates under the Remuneration & Nomination Committee Charter that is available on the ISA Group website: www.indoorskydive.com.au.

The Committee consists of Ken Gillespie who is an independent non-executive and chair of the Committee and Stephen Baxter who is not an independent non-executive.

Remuneration Consultants: As appropriate ISA Group has engaged independent external remuneration consultants to provide advice and assistance in relation to ISA Group's remuneration practices. In the 2014 financial year ISA Group engaged Windrose Consulting to provide advice, benchmarking and recommendations in relation to executive remuneration (including the Founding Directors). Based on the recommendations of the Windrose Consulting report, ISA Group has implemented a staged remuneration strategy to transition the Company's remuneration practices to include a higher percentage of 'at risk' remuneration and align fixed remuneration with market levels.

As the strategy based off the Windrose Consulting report spans a number of years, ISA Group did not consider it appropriate to engage further remuneration consultants during FY2015.

2014 Annual General Meeting (AGM): At the Company's AGM in November 2014, 78.05% of votes received were in favour of adopting the remuneration report.

Hedging of Remuneration: In accordance with the provisions of the Corporations Act, KMP and their closely related parties are prohibited from hedging any element of their remuneration that is unvested (due to time or other conditions) or is vested but subject to restrictions on disposal.

Director Remuneration

Remuneration Policy and Structure: ISA Group's non-executive director remuneration policy is to provide fair remuneration that is sufficient to attract and retain non-executive Directors with the experience, knowledge, skills and judgment to steward the Company's success.

Non-executive Directors are paid fees for their services to the Company. Non-executive director fees consist of base fees and fees for membership on board committees.

To preserve impartiality, non-executive Directors do not receive incentive or performance based remuneration, nor are they entitled to retirement or termination benefits.

Non-executive Director Fees: Actual fees paid to non-executive Directors in FY2015 totalled $218,850 which is significantly less than the prior period due to the change in board composition following the resignation of John Diddams and the performance of services by management which were previously provided by John on a consultancy basis.

There was no increase in the fees paid to non-executive Directors in FY2015.

Executive Director Remuneration: The Founding Directors receive a mix of fixed and variable remuneration which is determined on the same basis as the executive remuneration. Please see the executive remuneration section for details of the Founding Directors' remuneration.

Executive Remuneration

Remuneration Policy and Structure: Executive remunerations consists of fixed remuneration and variable remuneration.

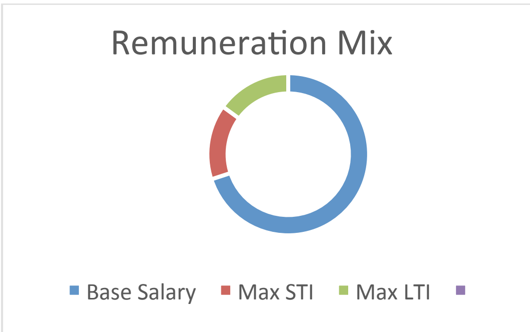
Fixed remuneration is comprised of cash salary and superannuation and other limited non-monetary benefits. The levels are set to attract and retain qualified, skilled and experienced executives and are determined based on comparable market data.

Variable (or 'at risk') remuneration is comprised of a short term incentive (**STI**) and a long term incentive (**LTI**). Incentives are set to reward executives for achievement of financial, operational and strategic objectives, and are designed to align executive interests with shareholder interests.

In 2013 ISA Group conducted a review of executive remuneration in relation to a comparator group of ASX listed companies of comparable operational scope and size to ISA Group. This review indicated that ISA Group's remuneration levels were below market and needed to be adjusted to remain effective in retaining and motivating key employees. Following this review ISA Group implemented a staged remuneration strategy to bring its remuneration structure more in line with its comparator group. Details of the changes are set out below.

Remuneration Mix: Variable remuneration for Executive KMP is structured with a mix of STI and LTI incentives calculated based on a percentage of base salary. The percentage varies between Executives and is determined based on the extent to which they are in a position to directly influence Company performance.

For example:



* based on achieving maximum amount of STI and LTI.

Fixed Remuneration: The review of remuneration undertaken in 2013 established that ISA Group's fixed remuneration was below market levels. As a result ISA Group undertook to progressively increase Executive fixed remuneration to bring it more into line with the practices of the Company's comparator group. At the same time reliance on share based remuneration is being reduced and longer term performance hurdles are being implemented. In accordance with this strategy in FY2015 the fixed remuneration of Executive KMP was increased by between 10-15%.

Short Term Incentive Plan (STI Plan): The key features of ISA Group's STI Plan are outlined below:

From of Grant	Cash payment
Performance Period	12 months (annual)
Maximum Award	Each Executive may earn up to a pre-determined fixed amount. The maximum award varies between Executives and is dependent upon role and responsibilities.
Performance Measures	The STI award paid depends on the extent to which Executives meet pre-determined targets (KPIs). The KPIs are set following finalisation of the Company's budget and strategic objectives for the new financial year. The KPIs for FY2015 comprised Company Revenue and Company EBITDA.
Performance Assessment	Executive performance is assessed following determination of Company annual results for the preceding financial year and is subject to the Board taking into account qualitative matters.
Termination	An Executive must be an employee and not servicing out a notice period when the payment of an STI is made.

For FY2015, the STI Plan KPIs were not met. Accordingly all Executives forfeited 100% of their STI award.

Long Term Incentive Plan (LTI Plan): At the time of employing each Executive, ISA Group agreed to provide a pre-determined amount of performance rights subject to certain performance hurdles being met. For all Executives other than the Founding Directors the performance hurdles related to continuity of performance. The final award under these agreements relates to the FY2015 year and are detailed below.

For the Founding Directors the performance hurdles are milestone based related to establishing the Company's initial indoor skydiving facility and then transitioning the Company into a multi-facility operation. The Company anticipates that the final awards under the performance rights entered into with the Founding Directors will occur in FY2016.

The key driver of the agreements to provide performance rights under employment agreements was to compensate for lower than market fixed remuneration and to provide the Company with stability via the retention of key employees during the Company's establishment phases. As the Company has now commenced operations and, during the course of the next financial year, will become a multi-facility operation the LTI Plan going forward has performance hurdles of longer duration and lower performance rights awards.

The key features of the LTI Plan are outlined below:

Form of Grant	Performance Rights are granted for no consideration and, if the performance hurdles are satisfied vest. On vesting the Performance Rights may be exercised and entitle the Executive to one share in the Company for each Performance Right exercised.
Vesting Date	Upon expiry of the performance period
Performance Period	From employment to 30 June 2015
Performance Measure	Continuous service to 30 June 2015
Termination	If an executive ceases employment for any reason the Performance Rights will not vest and will lapse.

Remuneration Outcomes for FY2015

This section provides details of the remuneration of KMP for FY2015 and a summary of the key financial results for ISA Group since its establishment.

ISA Group's Financial Performance: The table below sets out ISA Group's earnings and movements in shareholder wealth since establishment.

	2012	2013	2014	2015
Revenue	-	-	1,212,643	6,431,444
Net Profit/Loss after Tax	(206,116)	(914,571)	(2,714,016)	(1,749,988)
Share price at 30 June	*	0.43	0.68	0.45

* ISA Group listed on the ASX on 18 January 2013.

FY2015 Remuneration Details The tables in this section detail the remuneration received by KMP during FY2015. This information is disclosed in accordance with the Corporations Act and the Australian Accounting Standards.

Directors

The fees and remuneration received by non-executive Directors in FY2015 are set out below, including a comparison with FY2014. The amounts received by the Founding Directors is included in the information concerning Executives.

	Financial Year	Salary and Fees	Bonus	Share based payments	Total
Kenneth Gillespie	2015	75,000	-	-	75,000
	2014	75,000	-	-	75,000
Stephen Baxter	2015	45,000	-	-	45,000
	2014	45,000	-	-	45,000
David Murray	2015	30,000	-	-	30,000
	2014	12,500	-	-	12,500
Malcolm Thompson*	2015	-	-	-	-
	2014	-	-	-	
John Diddams**	2015	23,750	-	45,100	68,850
	2014	95,000	-	107,052	202,052

* As an alternative director Malcolm Thompson does not receive any fees or remuneration from ISA Group.
** John Diddams resigned as a director on 3 October 2015. During the 2014 financial year John provided financial advisory and consulting services and was company secretary to 16 October 2013. During the 2015 financial year John continued to provide financial advisory and consulting services up to his resignation. The fees payable for these services are in addition to directors fees and are included in the table above.

Executives

The remuneration received by Executives in FY2015 is set out below, including a comparison with FY2014.

		Short Term Benefits			Post Employment Benefits	Long Term Benefits	Other	Share Based Payments	
KMP	Year	Salary $	STI $	Non Mone-tary $	Super-annuation $	Long Service Leave $	Term-ination $	Rights $	Total $
Wayne Jones CEO	2015	189,465	-	8,151	18,000	-	-	445,240	660,856
	2014	165,000	20,000	-	16,956	-	-	493,259	695,215
Danny Hogan COO	2015	189,465	-	8,887	18,000	-	-	445,240	661,592
	2014	165,000	20,000	-	16,956	-	-	493,259	695,215
Stephen Burns CFO	2015	145,961	-	-	13,866	-	-	39,950	199,777
	2014	-	-	-	-	-	-	-	-
Brett Sheridan CMO	2015	164,827	-	3,721	15,659	-	-	-	184,207
	2014	150,000	-	-	13,875	-	-	105,300	272,118
Fiona Yiend GC/CS	2015	164,827	-	-	15,659	-	-	57,392	237,878
	2014	110,337	-	-	10,278	-	-	-	120,615

Performance rights holdings of KMP

Non-executive Directors do not hold performance rights. Details of the performance rights holdings of other KMP are set out below:

30 June 2014	Balance at 1 July 2014	Granted as remuneration	Rights exercised	Balance at 30 June 2015
Wayne Jones	0	1,175,568	1,175,568	0
Danny Hogan	0	1,175,568	1,175,568	0
Brett Sheridan	0	135,000	0	135,000
Stephen Burns	0	0	0	0
Fiona Yiend	0	85,000	0	85,000
John Diddams	0	260,000	260,000	0

Shareholdings of KMP

The shareholding of the Directors including Founding Directors is set out on page 10 of the Directors' Report. The holdings of the remaining KMP are as follows:

Employee	Role	Balance at 30 June 2015
Brett Sheridan	Chief Marketing Officer	415,000
Stephen Burns	Chief Financial Officer	210,000
Fiona Yiend	General Counsel & Company Secretary	92,555

STI Outcomes
Key performance Indicators are set at the commencement of each financial year and are objective and measurable. Following a review of performance for FY2015 it was determined that the KPIs were not met. Each Executive forfeited 100% of the STI for FY2015.

LTI Outcomes

Details of the Performance Rights holdings of KMP at 30 June 2015 are set out in the table above. Since 30 June 2015, performance rights have been issued to, and exercised by senior managers including KMP. On 13 July 2015, 435,000 shares were issued in relation to vested and exercised performance rights. Also on 13 July 2015, 1,158,457 Performance Rights were issued to senior managers including KMP under the Indoor Skydive Australia Group Limited Performance Rights Plan as part of ISA Group's long term incentive program.

Employment Agreements

The following key terms are contained in employment agreements for the Executives including the Founding Directors:

Duration of Agreement	All	From employment for no fixed term
Period of notice required to terminate agreement (by the relevant KMP)	Founding Directors	6 Months
	Chief Financial Officer, Chief Marketing Officer and General Counsel & Company Secretary	6 weeks
Termination Payments	Founding Directors	6 months' notice for termination by Employer and legislative entitlements on redundancy.
	Chief Financial Officer	6 weeks' notice for termination by Employer and legislative entitlements on redundancy.
	Chief Marketing Officer and General Counsel & Company Secretary	6 weeks' notice for termination by Employer and 6 months on redundancy.

Termination payments are calculated based on the total fixed remuneration at the date of termination. No payment is payable in the event of summary dismissal.

Related party Transaction
No related party transactions were entered into with KMP during FY2015.

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Indoor Skydive Australia Group Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

GNS

G N SHERWOOD
Partner

Sydney, NSW
Dated: 25 August 2015

FINANCIAL REPORT

	Note	Consolidated Group 2015 $	Consolidated Group 2014 $
Revenue			
Sales revenue	3	6,431,444	1,212,643
Interest income		137,763	106,028
Foreign exchange fair value gain		19,358	-
Total revenue		6,588,565	1,318,671
Expenses			
Depreciation and amortisation		888,115	540,831
Cost of sales		1,316,002	358,003
Administration expenses		374,739	199,485
Accounting and audit fees		76,690	73,307
Professional fees		66,088	295,193
Legal fees		3,920	43,247
Share registry and ASX fees		87,425	75,406
Advertising and marketing expense		447,501	251,352
Insurance		116,032	99,347
Occupancy expenses		199,927	90,298
Employee expenses		3,000,696	1,517,224
Directors fees		158,750	167,500
Share based payments	18	1,423,122	1,243,779
Foreign exchange fair value loss		-	121,687
Finance costs		244,629	253,513
Travel and entertainment		151,259	94,206
Total expenses		8,554,895	5,424,378
Loss before income tax		(1,966,330)	(4,105,707)
Income tax benefit	4	216,342	1,391,691
Net loss for the year		(1,749,988)	(2,714,016)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(1,749,988)	(2,714,016)
Earnings per share			
From continuing operations:			
– basic earnings per share (cents)	22	(1.63)	(3.45)
– diluted earnings per share (cents)	22	(1.63)	(3.45)

The accompanying notes form part of these financial statements.

	Note	Consolidated Group 2015 $	Consolidated Group 2014 $
Assets			
Current Assets			
Cash and cash equivalents	5	4,321,619	1,117,249
Term deposits		1,325,556	300,278
Trade receivables and other assets	6	826,165	323,320
Total Current Assets		6,473,340	1,740,847
Non-Current Assets			
Deferred tax asset	4	1,608,033	1,391,691
Property, plant and equipment	7	23,881,098	17,227,529
Intangible asset	9	710,630	1,184,384
Total Non-Current Assets		26,199,761	19,803,604
Total Assets		32,673,101	21,544,451
Liabilities			
Current Liabilities			
Trade and other payables	10	2,042,848	1,149,006
Provisions	11	109,683	65,187
Deferred revenue	12	1,280,530	905,497
Borrowings	13	-	1,500,000
Total Current Liabilities		3,433,061	3,619,690
Non-Current Liabilities			
Provision for site restoration	1(r)(ii)	-	2,197,897
Total Non-Current Liabilities		-	2,197,897
Total Liabilities		3,433,061	5,817,587
Net Assets		29,240,040	15,726,864
EQUITY			
Issued capital	14	33,639,681	18,467,998
Share based payments reserve	18	1,185,050	1,093,569
Accumulated losses		(5,584,691)	(3,834,703)
Total Equity		29,240,040	15,726,864

The accompanying notes form part of these financial statements

Consolidated Group	Issued Capital	Share based payments reserve	Accumulated losses	Total
	$	$	$	$
Balance at 1 July 2014	18,467,998	1,093,569	(3,834,703)	15,726,864
Shares issued during the year	15,785,388	-	-	15,785,388
Share issue costs	(613,705)	-	-	(613,705)
Employee share based payment performance rights	-	91,481	-	91,481
Loss for the year	-	-	(1,749,988)	(1,749,988)
Balance at 30 June 2015	33,639,681	1,185,050	(5,584,691)	29,240,040
Balance at 1 July 2013	6,974,490	-	(1,120,687)	5,853,803
Shares issued during the year	12,071,083	-	-	12,071,083
Share issue costs	(577,575)	-	-	(577,575)
Employee share based payment performance rights	-	1,093,569	-	1,093,569
Loss for the year	-	-	(2,714,016)	(2,714,016)
Balance at 30 June 2014	18,467,998	1,093,569	(3,834,703)	15,726,864

The accompanying notes form part of these financial statements.

	Note	Consolidated Group 2015 $	Consolidated Group 2014 $
Cash Flows From Operating Activities			
Receipts from customers		7,037,772	2,277,161
Payments to suppliers and employees		(6,207,107)	(2,783,112)
Finance costs		(270,943)	(182,262)
Interest received		123,513	106,028
Net cash inflows / (outflows) from operating activities	16	683,235	(582,185)
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(8,767,648)	(11,657,638)
Purchases of foreign exchange contracts		(88,499)	(96,764)
Deposits for tunnel equipment		-	(806,994)
Purchase of term deposits		(1,025,278)	(300,278)
Net cash inflows / (outflows) from investing activities		(9,881,425)	(12,861,674)
Cash Flows From Financing Activities			
Proceeds from issue of shares		14,453,746	10,416,183
Repayment of convertible note	13	(1,500,000)	(500,000)
Share issue costs		(613,705)	(577,576)
Net cash inflows / (outflows) from financing activities		12,340,041	9,338,607
Net increase/(decrease) in cash held		3,141,851	(4,105,252)
Cash and cash equivalents at beginning of financial year		1,117,249	5,222,501
Effects of exchange rate changes		62,519	-
Cash and cash equivalents at end of financial year	5	4,321,619	1,117,249

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Indoor Skydive Australia Group Limited and Controlled Entities (the **Consolidated Group** or **Group**).

The separate financial statements of the parent entity, Indoor Skydive Australia Group Limited have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 25 August 2015 by the Directors of the Company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Indoor Skydive Australia Group Limited at the end of the reporting period. A controlled entity is any entity over which Indoor Skydive Australia Group Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 8 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statements showing profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

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

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

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest,

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method)*. In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

b. Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Tax Consolidation - Australia

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group with effect from 1 November 2011 and will therefore be taxed as a single entity from that date. The Company is the head entity within the tax-consolidated group.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using a modified stand-alone tax allocation methodology.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the controlled entities are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangements.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head company only.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	***Useful Life***
Office equipment	3 years
Furniture and fittings	5 years
IT equipment	5 years
Vertical wind tunnel building infrastructure	40 years (2014: 20 years)
Vertical wind tunnel equipment	20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

e. Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and Balances

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

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

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

g. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. Payables expected to be settled within 12 months of the end of the reporting period are classified as current liabilities. All other liabilities are classified as non-current liabilities.

h. 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 Australian Taxation Office (**ATO**).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

i. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

j. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within a year have been measured at the amounts expected to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. Liabilities for long service leave are recognised when employees reach a qualifying period of continuous service. Liabilities and expenses for bonuses are recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based Payments

Share-based compensation benefits are provided to certain employees (including key management personnel) via the Indoor Skydive Australia Group Limited Performance Rights Plan. The fair value is measured at grant date and is recognised over the period the services are received, which is the expected vesting period during which the employees would become entitled to exercise the performance rights.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

The fair value of performance rights granted for rights with non-market based performance criteria are measured using the binomial option pricing methodology which is the approach typically used for valuing rights which may be exercised, once vested, at any time up until expiry.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to contributed equity.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

k. Provisions

Provisions are recognised when the Group 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is included in the Statement of Financial Position as a current liability.

Revenue from the sale of goods and services is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership and the cessation of all involvement in those goods and services.

Interest revenue is recognised on an accruals basis using the effective interest method.

m. Deferred Revenue

Income relating to future periods is initially recorded as deferred revenue, and is then recognised as revenue over the relevant periods of admission or rendering of other services.

n. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(i) for further discussion on the determination of impairment losses.

o. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method, after deducting any purchase settlement discount and including logistics expenses incurred in bringing the inventories to their present location and condition.

p. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

q. Comparative Figures

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

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

r. Critical Accounting Estimates and Judgements

i. Useful lives, Residual Values and Classification of Property, Plant and Equipment

There is a degree of judgement required in estimating the residual values and useful lives of the Property, Plant and Equipment. There is also a degree of judgement required in terms of the classification of such Property, Plant and Equipment. The Group's main assets at present comprise the Vertical Wind Tunnel (**VWT**) Equipment and its related Building Infrastructure. The construction of these assets are typically foreseen in the lease agreements, however the Board has exercised their judgement in determining that the nature of these assets are that of buildings and equipment, rather than leasehold improvements. On 23 June 2015, the Group entered into a Deed of Restatement and Amended (**Deed**) with the Penrith Landlord which clarified the application of certain terms of the lease and changed the agreement from 4 consecutive 5 year sub-leases to a single 20 year lease, with two option terms of 10 years each extending the full term of the lease to 40 years. To this extent, in determining the useful life of the property plant and equipment the directors have increased their estimates in relation to the building infrastructure from 20 years to 40 years reflecting the updated useful life of the facility.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

ii. Provision for Site Restoration of VWT Equipment and Building Infrastructure

Provisions for site restoration obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

For the prior corresponding period, the Group assumed it would be required to remove all building works on expiry of the lease. To this extent, an estimate of the cost to remove the VWT and its related Building Infrastructure was provided for amounting to $2,144,290 escalated by 2.5% to $2,197,897 and was capitalised into the cost of the building infrastructure in the accounting records. The estimate to remove the infrastructure and equipment was based on current costs using existing technology at current prices. These costs were projected forward at a 2.5% inflationary escalation and then discounted back at 2.5% after consideration of the risks associated with the project and were depreciated over 20 years. The unwinding of the effect of discounting on the site restoration provision was included within finance costs in the statement of comprehensive income.

The terms of the Lease were negotiated with the signing of the new Deed with the landlord, Penrith Rugby League Club Limited. Management and the Directors have considered the new terms of the lease and have exercised their judgement in determining that the landlord is unlikely to exercise their rights to require the Company to make good the facility in Penrith. Consequently, the existing provision has been reversed and the prior year accumulated unwind of make good liability and accumulated depreciation of the make good asset have been reversed in the current year.

iii. Deferred Tax

Once the additional facilities are operational, the Group is expecting to generate a taxable income. As it is therefore considered probable that the unused tax losses will be recouped, the directors have recognised a deferred tax asset to the extent of the tax losses and deductible temporary differences.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

iv. Exclusive Territory Development Agreement Recognition and Amortisation

On 20 December 2013 an Exclusive Territory Development Agreement was entered into between the Company and iFly Australia Pty Ltd (**iFly**) to exclusively develop projects in Australia and New Zealand for which iFly would receive 2,500,000 shares in the company (IDZ.ASX). iFly is the Australian subsidiary of SkyVenture International, our vertical wind tunnel supplier. The agreement has created an intangible asset which is expected to create a future economic benefit. This intangible asset must be initially valued at cost, in accordance with AASB 138. The cost is calculated as $1,500,000, being the fair value of the shares granted to iFly, at the IDZ close price of $0.60 at 20 December 2013.

The term of the agreement is limited, and the asset is therefore classified as a finite life intangible asset. An intangible asset with a finite life is to be amortised over its useful life. The amortisation method selected should reflect the pattern over which the asset's future economic benefit is expected to be consumed. If that pattern cannot be determined reliably, the straight-line method is to be used. The amortisation period and method for an intangible asset with a finite useful life are to be reviewed at least at the end of each annual reporting period. If the expected useful life or expected pattern of consumption of the future economic benefit is different from previous estimates, the period or method is to be revised. As at the reporting date, there is no change to the previous estimates.

An accelerated amortisation rate of 40% has been used against this intangible asset. This reflects the expected consumption of benefits under the agreement. Although it is conceivable that the agreement could run to the full term of 20 years, management expect that the majority of the benefit will be achieved over an initial period of four years through the delivery of the four tunnels for which deposits have been paid to SkyVenture International.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

s. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 2015-3	*Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	Not yet known
AASB 2014-3	*Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*	This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	1 January 2016	None
AASB 2014-4	*Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	1 January 2016	None
AASB 2014-9	*Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*	This amending standard allows entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016	None

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	This amending standard requires a full gain or loss to be recognised when a transaction involves a business (even if the business is not housed in a subsidiary), and a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business (even if those assets are housed in a subsidiary).	1 January 2016	None
AASB 2015-1	*Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*	The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.	1 January 2016	None
AASB 2015-2	*Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project.	1 January 2016	Disclosures Only
AASB 15	*Revenue from Contracts with Customers*	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	1 January 2017	None
AASB 2014-5	*Amendments to Australian Accounting Standards arising from AASB 15*	Consequential amendments arising from the issuance of AASB 15.	1 January 2017	None

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	*Financial Instruments*	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018	None
AASB 2014-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*	Consequential amendments arising from the issuance of AASB 9	1 January 2018	None

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2015 $	2014 $
Statement of Financial Position		
Assets		
Current assets	6,314,769	2,202,175
Non-current assets	20,607,847	17,763,874
Total Assets	26,922,616	19,966,049
Liabilities		
Current liabilities	401,990	2,343,286
Non-current liabilities	-	2,197,897
Total Liabilities	401,990	4,541,183
Equity		
Issued capital	33,639,481	18,467,798
Share based payments reserve	1,185,050	1,093,569
Retained earnings	(8,303,905)	(4,136,501)
Total Equity	26,520,626	15,424,866
Statement of Profit or Loss and Other Comprehensive Income		
Total profit/(loss) before tax	(4,167,404)	(2,917,383)
Total comprehensive income	(4,167,404)	(2,917,383)

NOTE 2: PARENT INFORMATION (CONT)

Guarantees

The parent entity does not have any guarantees as at 30 June 2015.

Contingent liabilities

The parent entity does not have any contingent liabilities as at 30 June 2015.

Contractual commitments

Other than amounts disclosed in the financial statements, the parent entity has no additional contractual commitments as at 30 June 2015 (2014: nil).

NOTE 3: SALES REVENUE

	2015 $	2014 $
VWT revenue	6,140,502	1,143,476
Other sales	290,942	69,167
	6,431,444	1,212,643

NOTE 4: INCOME TAX EXPENSE

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the period ended 30 June 2015 and 30 June 2014 is as follows:

	2015 $	2014 $
Accounting loss before income tax	(1,966,330)	(4,105,707)
At the statutory income tax rate of 30% (2014: 30%)	(589,899)	(1,231,712)
Permanent differences	571,966	469,565
Tax effect on temporary and timing differences not brought to account	(169,939)	(296,548)
Income tax benefit not brought to account	(28,470)	(332,996)
Income Tax Benefit	(216,342)	(1,391,691)
Deferred tax assets (timing difference) comprises of:		
Black hole expenditure	314,991	238,265
Unrealised gain and losses	(17,550)	(1,458)
Provisions and others	137,504	169,668
Deferred tax asset (timing difference) brought to account	434,945	406,475
Deferred tax asset (tax losses) brought to account	1,173,088	985,216
Total deferred tax bought into account	1,608,033	1,391,691

NOTE 5: CASH AND CASH EQUIVALENTS	**2015** **$**	**2014** **$**
Cash at bank and on hand	4,321,619	1,117,249
	4,321,619	1,117,249

The above cash balance excludes term deposits of $1,325,556 held as at 30 June 2015 (2014: $300,278).

NOTE 6: TRADE RECEIVABLES AND OTHER ASSETS

	2015 $	2014 $
Trade receivables	59,375	46,795
Inventory	44,927	-
Other receivables	501,959	172,325
Prepaid expenses	219,904	104,200
	826,165	323,320

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

VWT Equipment and Building Infrastructure (Operational)	**2015 $**	**2014 $**
At cost	15,075,915	14,501,459
Accumulated depreciation	(694,276)	(118,000)
Total VWT Equipment and Building Infrastructure	14,381,639	14,383,459

Provision for Site Restoration of the VWT Equipment and Building Infrastructure on Termination of Lease		
At cost	-	2,144,290
Accumulated depreciation	-	(107,214)
Total Provision for Site Restoration of the VWT Equipment and Building Infrastructure	-	2,037,076

The terms of the lease agreement on the Penrith facility were renegotiated with the signing of the new Deed with the landlord, Penrith Rugby League Club Limited. Management and Directors have considered the proposed terms of the new lease and have exercised their judgement in determining that the landlord is unlikely to exercise their rights to require the Company to make good the facility in Penrith. Consequently, the existing provision was reversed upon the renegotiation of the lease and the prior year accumulated unwind of make good liability and accumulated depreciation of the make good asset have been reversed in the current year. This resulted in a reduction in depreciation of $107,214, and finance costs of $53,607 during the period, in addition to the removal of the make good asset and make good liability.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONT)

VWT Construction Work in Progress	2015 $	2014 $
VWT equipment and building infrastructure under construction	8,747,988	-
VWT deposits paid	751,471	806,994
Total Construction Work in Progress	9,499,459	806,994

As construction commences on a facility, the balance is transferred from VWT deposits paid to VWT Equipment and Building Infrastructure under construction.

Total	2015 $	2014 $
At cost	24,574,374	17,452,743
Accumulated depreciation	(694,276)	(225,214)
Total	23,881,098	17,227,529

a. Movements in Carrying Amounts

Consolidated Group:	VWT Equipment Building Infrastructure $	Provision for Site Restoration of VWT Equipment and Building Infrastructure $	VWT Construction Work In Progress $	Total $
Balance at 1 July 2013	2,830,917	2,144,290	-	4,975,207
Additions	11,670,542	-	806,994	12,477,536
Depreciation expense	(118,000)	(107,214)	-	(225,214)
Balance at 1 July 2014	14,383,459	2,037,076	806,994	17,227,529
Additions	799,670	-	8,692,465	9,492,135
Write back for site restoration	-	(2,144,290)	-	(2,144,290)
Depreciation expense	(801,490)	107,214	-	(694,276)
Balance at 30 June 2015	14,381,639	-	9,499,459	23,881,098

NOTE 8: CONTROLLED ENTITIES

Subsidiaries of Indoor Skydive Australia Group	Country of Incorporation	2015	2014
		%	%
Indoor Skydiving Penrith Holdings Pty Ltd	Australia	100	100
Indoor Skydiving Penrith Pty Ltd	Australia	100	100
Indoor Skydiving Gold Coast Pty Ltd	Australia	100	100
Indoor Skydiving Adelaide Pty Ltd	Australia	100	100
Indoor Skydiving Perth Pty Ltd	Australia	100	100
ISAG Holdings D Pty Ltd	Australia	100	100
upRAW Café & Juice Bar Pty Ltd *	Australia	100	100

* Changed to ISAG Café Pty Ltd on 21 July 2015

NOTE 9: INTANGIBLE ASSET

	2015 $	2014 $
Exclusive Territory Development Agreement	1,500,000	1,500,000
Accumulated amortisation	(789,370)	(315,616)
	710,630	1,184,384

Movements in Carrying Amounts	**2015 $**	**2014 $**
Opening written down value	1,184,384	-
Addition: Exclusive Territory Development Agreement	-	1,500,000
Amortisation	(473,754)	(315,616)
Closing written down value	710,630	1,184,384

The intangible asset was acquired during the 2014 year and is valued at cost. The fair value of $1,500,000 represents the value of the shares granted to iFly Australia Pty Limited under the Exclusive Joint Territory Agreement, being 2,500,000 shares at a close price of $0.60 on grant date (20 December 2013).

An accelerated amortisation rate of 40% has been used against this intangible asset, amortised from 20 December 2013. An accelerated method has been used to reflect the expected consumption of benefits under the agreement.

NOTE 10: TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade payables	1,602,493	601,450
Other payables and accruals	440,355	547,556
	2,042,848	1,149,006

During the period, iFly Australia Pty Ltd exercised their rights under the Exclusive Territory Development Agreement to invest up to $1,000,000 in a subsidiary of the Company, Indoor Skydiving Gold Coast Pty Ltd. The investment has been agreed to be set off against amounts owed to iFly Australia Pty Ltd for the purchase of equipment. As shares in the subsidiary have not yet been issued a non-controlling interest in the Group has not been recognised in the Group balance sheet as at the reporting date and is included in trade payables above.

NOTE 11: PROVISIONS - CURRENT

Provision for Employee Benefits	2015 $	2014 $
Opening balance	65,187	10,911
Additional provisions	233,225	87,659
Amounts used	(188,729)	(33,383)
Closing balance – Provision for employee entitlements	109,683	65,187

Provisions for employee benefits represent amounts accrued for annual leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

NOTE 12: DEFERRED REVENUE

	2015 $	2014 $
Deferred revenue	1,280,530	905,497
	1,280,530	905,497

Deferred revenue primarily represents prepaid sales in respect of flight time purchased in advance. The sales will be released to revenue at the time the services are rendered.

NOTE 13: BORROWINGS

Convertible Note Facility

The Convertible Note Finance Facility (**Facility**) between the Company and Birkdale Holdings (Qld) Pty Ltd as trustee for the Baxter Family Trust (**Birkdale**) was fully repaid on 13 November 2014, prior to the conversion date of 10 December 2014. Pursuant to the ASX announcement dated 11 June 2015, the facility expired on 10 June 2015 without conversion.

Interest was paid quarterly at 10% pa on the drawn amount of the Facility and a 2% line fee was paid on the undrawn portion. An amount of $244,402 is included in finance expenses for the period in relation to this Facility.

NOTE 14 ISSUED CAPITAL

	2015 $	2014 $
118,974,294 (2014: 87,305,666) fully paid ordinary shares	35,289,996	19,504,608
Share issue costs	(1,650,315)	(1,036,610)
	33,639,681	18,467,998

a. Ordinary Shares	2015 No.	2014 No.
At the beginning of the reporting period:	87,305,666	58,810,833
Shares issued during the year		
- Share issues	28,907,492	28,262,333
- Share based payments	2,761,136	232,500
At the end of the reporting period	118,974,294	87,305,666

During the year, the Company undertook a rights issue to raise additional capital. The issue included an institutional component of 22,124,845 shares and a retail component of 6,782,647 shares. The institutional component was completed on 3 November 2014, and the retail component was completed on 27 November 2014.

b. Performance Rights	2015 $	2014 $
At the beginning of the reporting period:	4,962,264	-
Performance rights issued during the year	350,000	4,962,264
Performance rights lapsed during the year	(783,710)	-
Performance rights exercised during the year	(2,611,136)	-
At the end of the reporting period	1,917,418	4,962,264

If all of the above performance rights vested at the same time, they would represent 1.6% of the total issued capital of the Company.

As disclosed in the 2014 report, during the year 150,000 conditional rights were also issued to senior employees.

NOTE 14 ISSUED CAPITAL (CONT)

Performance rights are provided to certain employees (including key management personnel) via the Indoor Skydive Australia Group Limited Performance Rights Plan. The fair value is measured at grant date and is recognised over the period the services are received, which is the expected vesting period during which the employees would become entitled to exercise the performance rights.

c. Capital Management

The Board controls the capital of the Group in order to generate long-term shareholder value and to ensure that the Group can fund its operations and continue as a going concern. The Board assesses the Group's capital requirements based on the Company's stage of operations, having regard to available debt funding and equity funding and seek to maintain a capital structure based on the lowest cost of capital available to the Group. The Board achieves this through the management of debt levels, distributions and share issues.

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

There have been no changes in the strategy adopted by the Company to manage the capital of the Group since the prior year. The Group does not currently have a specific strategy in respect of the Group's gearing.

NOTE 15: CAPITAL AND LEASING COMMITMENTS

a. Operating Lease Commitments	**2015 $**	**2014 $**
Non-cancellable operating leases contracted for but not recognised in the financial statements Payable – minimum lease payments:		
– not later than 12 months	580,793	85,350
– between 12 months and five years	3,015,074	200,000
– later than five years	11,461,155	750,000
	15,057,022	1,035,350

b. Capital Commitments	**2015 $**	**2014 $**
Subsidiary capital commitments contracted for but not recognised in the financial statements SkyVenture (USD 1,862,500)	2,425,130	-
	2,425,130	-

NOTE 16: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss after Income Tax	**2015 $**	**2014 $**
Loss after income tax	(1,749,988)	(2,714,016)
Non-cash flows in loss:		
– Share based payments	1,423,122	1,243,779
– Gain/loss on FX revaluation	(62,519)	70,259
- Unwind of make good discount	(53,607)	53,607
- Depreciation expense	467,968	225,214
- Amortisation expense	473,754	315,616
Changes in assets and liabilities:		
– (increase)/decrease in trade and term receivables	(666,185)	(77,811)
– (increase)/decrease in prepaid expenses	104,200	(79,960)
- (increase)/decrease in deferred tax asset	216,342	(1,391,691)
– increase/(decrease) in trade payables and accruals	106,158	813,046
– increase/(decrease) in unearned revenue	379,493	905,497
– increase/(decrease) in provisions	44,497	54,275
Cash flow used in operations	683,235	(582,185)

NOTE 17: RELATED PARTY TRANSACTIONS

a. The Group's main related parties are as follows:

(i) *Entities exercising control over the Group:*

There is no ultimate parent entity that exercises control over the Group.

NOTE 17: RELATED PARTY TRANSACTIONS (CONT)

(ii) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the Remuneration Report.

(iii) *Entities subject to significant influence by the Group:*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement. There are no such entities in the Group.

(iv) *Other related parties:*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

- Birkdale Holdings (Qld) Pty Ltd is trustee for the Baxter Family Trust (**Birkdale**) which executed a Convertible Note Deed on 10 December 2012. The facility expired on 10 June 2015 without conversion. Birkdale is a company associated with Stephen Baxter, a Director of the Company.

- The entities disclosed in Note 8 are 100% owned subsidiary companies of the parent entity.

b Transactions with related parties:

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note. Details of transactions between the Group and other related parties are disclosed below.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following table provides the total amount of transactions that have been entered into with related parties for the financial year:

Associates		Payments to related parties	Amounts owed to related parties
Birkdale Holdings (Qld) Pty Ltd	2015	244,402	-
	2014	199,261	1,500,000

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed to related parties. See Note 13 for other terms in respect of the amounts owed to related parties.

NOTE 18: SHARE BASED PAYMENTS

The following Share Based Payments were expensed during the period:		2015 $	2014 $
– Net amounts credited to the share based payment reserve (in respect of performance rights)		1,423,122	1,198,869
– Gailyon Investments Pty Ltd(i)	73,125 FPO shares	-	33,683
– Bruce McLeary (ii)	24,375 FPO shares	-	11,227
		1,423,122	1,243,779

i. A company associated with Michael Gordon of Gordon Capital, Financial Advisor
ii. Associate of Gordon Capital, Financial Advisor

On 27 November 2013 shareholders approved the Indoor Skydive Australia Group Limited Performance Rights Plan (**Plan**) at the 2013 Annual General Meeting. The Plan allows for the grant of performance rights to Directors and employees as part of the Company's remuneration strategy. The performance rights carry neither rights to dividends, nor voting rights and may be exercised at any time from the date of vesting to the date of their expiry.

Measurement of fair values

(i) Equity-Settled Share-Based Payment Arrangements

The fair value of equity instruments granted under the Plan has been, where appropriate, calculated using a binominal approximation option pricing model. Service and non-market performance conditions attached to the approvals or grants were not taken into account in determining the fair value.

Where performance rights that were immediately exercised were granted, the fair value of the equity instrument was calculated with reference to the 5 day VWAP of IDZ shares on the transaction date.

The inputs used in the calculation of the fair value at grant (or approval) date of the Equity-settled share-based payments were as follows:

	27 November 2013	27 November 2013	7 July 2014
Fair Value at grant/approval date (weighted average)	$0.59	$0.59	$0.68
Share Price at grant/approval date	$0.59	$0.59	$0.68
Exercise Price	$0.00	$0.00	$0.00
Expected Volatility	50%	50%	50%
Expected life (weighted average number of days)	956	307	358
Expected dividends	0%	0%	0%
Risk-free rate (weighted average)	2.95%	2.69%	2.58%
5 day VWAP	N/A	N/A	$0.68

NOTE 18: SHARE BASED PAYMENTS (CONT)

Reconciliation of outstanding share options

The number and weighted-average exercise prices of equity instruments granted under the Plan were as follows:

	Number of rights	Weighted-average exercise price
Outstanding at 30 June 2014	4,962,264	0
Granted during the year	350,000	0
Forfeited during the year	(783,710)	0
Exercised during the year	(2,611,136)	0
Outstanding as at 30 June 2015	1,917,418	0

NOTE 19: SEGMENT INFORMATION

General Information

Identification of reportable segments

The Group's operations are in one business segment being the construction and operation of indoor skydiving facilities. The Group operates in one geographical segment being Australia. All subsidiaries in the Group operate within the same segment.

Types of Products and Services by Segment

The products and services will include a number of indoor skydiving facilities allowing human flight within a safe environment used by tourists, enthusiasts and military.

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in these financial statements.

NOTE 20: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Audit and Risk Committee (**A&RC**) has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The A&RC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk. The A&RC meets on a regular basis and minutes of the A&RC are reviewed by the Board.

The A&RC's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk).

There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Group.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the A&RC has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

No collateral is held by the Group securing receivables.

The Group only has significant concentrations of credit risk with any single counterparty in the form of its bankers, and therefore significant credit risk exposures to Australia. USD amounts under purchase contracts are expected to be settled after the reporting period.

There are no trade and other receivables that are past due nor impaired.

Credit risk related to balances with banks and other financial institutions is managed by the A&RC in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA–.

The following table provides information regarding the credit risk relating to cash and term deposits based on Standard & Poor's counterparty credit ratings.

Cash and Term Deposits:	**2015** **$**	**2014** **$**
Cash at bank and on hand	4,321,619	1,117,249
Term deposits	1,325,556	300,278
AA- rated	5,647,175	1,417,527

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

– preparing forward-looking cash flow forecasts in relation to its operating, investing and financing activities;

– using derivatives that are only traded in highly liquid markets;

– monitoring undrawn credit facilities;

– obtaining funding from a variety of sources;

– maintaining a reputable credit profile;

– managing credit risk related to financial assets;

– only investing surplus cash with major financial institutions; and

– comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet it liabilities when they become due.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

Financial liability and financial asset maturity analysis for the Consolidated Group.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Borrowings	-	1,500,000	-	-	-	-	-	1,500,000
Trade and other payables	1,042,848	1,149,006	-	-	-	-	1,042,848	1,149,006
Total contractual outflows	1,042,848	2,649,006	-	-	-	-	1,042,848	2,649,006
Total expected outflows	1,042,848	2,649,006	-	-	-	-	1,042,848	2,649,006
Financial assets – cash flows realisable								
Cash and cash equivalents	4,321,619	1,117,249	-	-	-	-	4,321,619	1,117,249
Term deposits	1,325,556	300,278	-	-		-	1,325,556	300,278
Trade and other receivables	826,165	219,120	-	-		-	826,165	219,120
Total anticipated inflows	6,473,340	1,636,647	-	-	-	-	6,473,340	1,636,647
Net inflow on financial instruments	**5,430,492**	**(1,012,359)**	**-**	**-**	**-**	**-**	**5,430,492**	**(1,012,359)**

c. Market risk

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is not exposed to earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings, cash and cash equivalents and term deposits.

Interest rate risk is managed using a mix of fixed and floating rate debt, if required. At 30 June 2015, the group is free of all funding related debt.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

(ii) *Foreign exchange risk*

Most of the Group's transactions are carried out in AUD. Exposures to currency exchange rates primarily arise from the purchase of vertical wind tunnel equipment from SkyVenture International, which is denominated in US dollars. Further, the Group has USD cash, which is used to fund the purchase of vertical wind tunnel equipment in the United States.

To mitigate the Group's exposure to foreign currency risk, non-AUD cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other currency transactions. Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

(iii) *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities.

The Group is not exposed to commodity price risk. The Group is not exposed to securities price risk on investments held for trading over the medium to longer terms.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, and exchange rates. In respect of the exchange rates, the table summarises the sensitivity of the balance of financial instruments held at the reporting date to movement in the exchange rate of the US dollar to the Australian dollar, with all other variables held constant. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)	**Profit**	**Equity**
Year ended 30 June 2015	**$**	**$**
+/–1% in interest rates	56,472	56,472
+/–10% in devaluation of the AUD	24	24
Year ended 30 June 2014		
+/–1% in interest rates	14,175	14,175
+/–10% in devaluation of the AUD	86,762	86,762

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year. These movements are considered to be reasonably possible based on observation of current market conditions.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

Most of these instruments, which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT)

		2015		2014	
Consolidated Group	**Note**	**Carrying Amount $**	**Fair Value $**	**Carrying Amount $**	**Fair Value $**
Financial assets					
Cash and cash equivalents	(i)	4,321,619	4,321,619	1,117,249	1,117,249
Term deposits	(i)	1,325,556	1,325,556	300,278	300,278
Trade and other receivables	(i)	826,165	826,165	219,120	219,120
Total financial assets		6,473,340	6,473,340	1,636,647	1,636,647
Financial liabilities					
Trade and other payables	(i)	2,042,848	2,042,848	1,149,006	1,149,006
Borrowings	(iii)	-	-	1,500,000	1,500,000
Total financial liabilities		2,042,848	2,042,848	2,649,006	2,649,006

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, term deposits, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

(ii) Convertible Note Finance Facility fair value approximates carrying amount.

NOTE 21: AUDITOR'S REMUNERATION

Remuneration of the auditor for:	**2015 $**	**2014 $**
– Audit fees	45,000	40,000
– Half year review	22,000	18,807
– Taxation compliance	7,500	-
– Other advisory services	2,340	2,400
	76,840	61,207

NOTE 22: EARNINGS PER SHARE

	2015 Cents	2014 Cents
Earnings per share (cents per share)		
From continuing operations:		
- basic earnings per share	(1.63)	(3.45)
- diluted earnings per share	(1.63)	(3.45)

		2015 $	2014 $
a.	Reconciliation of earnings to profit or loss:		
	Profit	(1,749,988)	(2,714,016)
	Earnings used to calculate basic EPS	(1,749,988)	(2,714,016)
	Earnings used in the calculation of dilutive EPS	(1,749,988)	(2,714,016)

		No.	No.
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	107,101,112	78,666,583
	Weighted average number of dilutive performance rights outstanding	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	107,101,112	78,666,583

During the year, 350,000 performance rights were granted to employees (including key management personnel) under the performance rights plan. These rights are considered to be potential ordinary shares, and have not been included in the determination of basic earnings per share. The performance rights have not been included in the diluted earnings per share calculation as they are considered to be contingently issuable potential ordinary shares and their issue is contingent upon specified conditions in addition to the passage of time. Details relating to the performance rights are set out in Note 15.

NOTE 23: EVENTS AFTER REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

NOTE 24: CONTINGENT LIABILITIES

As disclosed in Note 1(r) (ii) and Note 7, the terms of the Penrith Lease were negotiated with the signing a the new Deed with the landlord, Penrith Rugby League Club Limited. The requirement to make good the premises is now subject to Landlord's discretion. Management and the Directors have considered the new terms of the lease and have exercised their judgement in determining that the landlord is unlikely to exercise their rights to require the Company to make good the facility in Penrith. For the prior corresponding period, the Group had an obligation to remove all building works on expiry of the lease. To this extent, an estimate of the cost to remove the VWT and its related Building Infrastructure was determined to be $2,144,290 for the year ended 30 June 2014. This liability is now contingent on the Landlord exercising their rights and requiring the Group to make good the premises.

The Group does not have any other contingent liabilities at the reporting date.

In accordance with a resolution of the directors of Indoor Skydive Australia Group Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 23 to 63, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated group;

2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

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

Ken Gillespie
Chairman
25 August 2015
Sydney

Wayne Jones
Director & Chief Executive Officer

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

INDOOR SKYDIVE AUSTRALIA GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Indoor Skydive Australia Group Limited, which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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. These Auditing 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 entity's preparation and fair presentation of the financial report 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 entity'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 opinions.

RSM Bird Cameron Partners

Independence

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

Opinion

In our opinion:

(a) the financial report of Indoor Skydive Australia Group Limited 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 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 13 to 21 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 Indoor Skydive Australia Group Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

GNS

G N SHERWOOD
Partner

Sydney, NSW
Dated: 25 August 2015

The following information is current as at **11 August 2015**:

1. Shareholder Information

Distribution of Shareholders

Category (size of holding):	**Number**	**Ordinary Shares**
1 – 1,000	37	23,381
1,001 – 5,000	124	326,674
5,001 – 10,000	86	731,933
10,001 – 100,000	258	8,460,744
100,001 and over	59	109,866,562
	564	119,409,294

The number of shareholdings held in less than marketable parcels is 47.

The names of the substantial shareholders listed in the holding company's register are:

Shareholder:	**Number Of Shares**	**% of Issued Capital**
Birkdale Holdings (QLD) Pty Ltd	17,000,001	14.48
Excalib-Air Pty Ltd	16,060,000	13.68
Acorn Capital Limited	10,000,000	9.04
Greencape Capital Pty Ltd and Challenger Limited	9,648,000	8.22
LHC Capital Partners Pty Ltd	7,370,000	6.66
Paradice Investment Management Pty Ltd	7,462,929	6.25

Voting Rights

ISA Group only has ordinary shares on issue. The voting rights attached to each ordinary share is one vote per share when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

20 Largest Shareholders – Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
NATIONAL NOMINEES LIMITED	19,173,192	16.06%
BIRKDALE HOLDINGS (QLD) PTY LTD	17,000,001	14.24%
EXCALIB-AIR PTY LTD	16,060,000	13.45%
J P MORGAN NOMINEES AUSTRALIA LIMITED	12,693,727	10.63%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,097,280	5.94%
UBS NOMINEES PTY LTD	6,844,761	5.73%
QUAD INVESTMENTS PTY LTD	2,916,667	2.44%
BNP PARIBAS NOMS PTY LTD <DRP>	2,863,843	2.40%
CITICORP NOMINEES PTY LIMITED	2,684,812	2.25%
LYNDCOTE HOLDINGS PTY LTD <LYNDCOTE FAMILY A/C>	2,521,667	2.11%
IFLY AUSTRALIA PTY LIMITED	2,500,000	2.09%
PROJECT GRAVITY PTY LTD <THE JONES FAMILY A/C>	1,575,568	1.32%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,271,219	1.07%
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,189,137	1.00%
AUSTRALIAN INDOOR SKYDIVING PTY LTD <THE HOGAN FAMILY A/C>	1,175,568	0.98%
R & K HOOD INVESTMENTS PTY LIMITED <R&K HOOD INV P/L S/F A/C>	1,000,000	0.84%
SABRE ONE INVESTMENTS PTY LTD <BAHUR FAMILY A/C>	961,803	0.81%
MR GREGORY KENNETH JACK	850,000	0.71%
NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	757,000	0.63%
MR BRETT AARAN SHERIDAN	415,000	0.35%
	101,551,245	**85.05%**

2. The name of the company secretary is Fiona Yiend.

3. The address of the principal registered office in Australia is Level 2, 201 Miller Street North Sydney NSW 2060. Telephone 02 9325 5900.

4. Registers of securities are held at Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000.

5. **Stock Exchange Listing**

   Quotation has been granted for all 119,409,294 ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. **Unquoted Securities**

   The Company has on issue 1,158,457 Performance Rights under the Indoor Skydive Australia Group Limited Performance Rights Plan.

   There are no options over unissued shares.

CORPORATE DIRECTORY

Directors	Kenneth GILLESPIE
	Wayne JONES
	Danny HOGAN
	Stephen BAXTER
	David MURRAY
	Malcolm THOMPSON (alternate for Stephen Baxter)
Company Secretary	Fiona YIEND
Registered Office	Indoor Skydive Australia Group Ltd Level 2 201 Miller Street North Sydney NSW 2060
Principle place of business	Indoor Skydive Australia Group Ltd Level 2 201 Miller Street North Sydney NSW 2060
Share register	Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000
Auditor	RSM Bird Cameron Partners Level 12 60 Castlereagh St Sydney NSW 2000
Bankers	National Australia Bank
Stock exchange listing code:	IDZ
Website	www.indoorskydive.com.au

ISA GROUP
INDOOR SKYDIVE AUSTRALIA GROUP

Indoor Skydive Australia Group Ltd
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