

# Appendix 4E (Rule 4.3A)

## Preliminary Final Report

<b>Name of Entity</b>	<b>Inventis Limited</b>
<b>ABN</b>	<b>40 084 068 673</b>
<b>Financial Year Ended</b>	<b>30 June 2009</b>
<b>Previous Corresponding Reporting Period</b>	<b>30 June 2008</b>

## Results for the announcement to the market

	<b>\$'000</b>	<b>Percentage increase / (decrease) over previous corresponding period.</b>
Revenue from continuing operations	29,979	(19.9%)
Loss from ordinary activities after tax from continuing operations	(55)	97%
Profit from ordinary activities after tax from discontinued operations	3,060	N/A
Profit after tax for the period attributable to members	3,005	N/A
<b>Dividends / (Distributions)</b>	<b>Amount Per Security</b>	<b>Franked amount per security at 30% tax rate</b>
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for the determining entitlements to the dividends (if any):		Not Applicable

### **Brief Explanation of any of the figures report above necessary to enable the figures to be understood:**

Despite the turbulent global financial crisis, the furniture and technology divisions both traded profitably and the overall result for the year ended 30 June 2009 was a pleasing \$3 million profit. This is a \$28 million improvement on last year. In the last financial year there was a significant write down of the Aviation Division which was placed into liquidation and subsequent receivership.

### **Technology Division**

Revenue for the Technology Division was \$13.3 million, an increase of \$0.3 million on last financial year.

The consolidation of the technology business is now settled. As is the transformation from a manufacturing to a sales and marketing organisation, focused on the needs of its customers, backed by strong dedicated branding and a range of market-leading initiatives such as the Safe Zone modular range of controls. This continuing transformation has led to an EBITDA of \$2.4m for the year to 30 June 2009.

## Furniture Division

The revenue for the Furniture Division was \$16.7 million, a decrease of \$7.8 million on last financial year. Despite the decrease caused by a depressed global economic climate, the Division was still able to finish the year with a \$0.5 million EBITDA.

During the year, the assimilation of the separate entities of Gregory, Damba and Vibe into a single cohesive entity, Gregory Commercial Furniture, took place. The division was also restructured so as to streamline operations and enhance sales and marketing efforts. The restructure included downsizing manufacturing, re-arrangement of out-sourcing and inventory control systems, further development of our in-house research and development resources as well as quality assurance, coupled with an increase in our sales representation in Western Australia, Queensland and Victoria.

## Discontinued Operation Aviation Division

The Aviation Division continued to trade during the financial year while under the control of the Bank of New Zealand's appointed receiver. The Alpha Group continues to be consolidated as a discontinued operation, despite the fact that it has been fully written off in our books. This arises from the accounting standards, which requires it to continue to be reported on by Inventis as Inventis is still deemed to have control over the companies, notwithstanding the fact that this control is being exercised by the Receiver.

On 22 June 2009 it was ascertained that part of the manufacturing tangible assets and designs were sold and a disposal of assets has been recorded. On this date the Receiver also changed the names of certain Alpha Aviation entities to Les Bleus.

## Financial Summary

The Preliminary consolidated results for the financial year ended 30 June 2009 are:

<b>\$'000</b>	<b>Actual 2009</b>	<b>Actual 2008</b>
Sales -Operating	29,979	37,417
NPAT	3,005	(24,871)

Sales were 19.9% below last year, whereas NPAT is \$28.0 million above last year, largely due to the Aviation Division asset write-off, when it was placed into liquidation and subsequently receivership, which occurred in the previous financial year.

The preliminary segmental information for the year ended 30 June 2009 is:

<b>2009 Actual - \$'000</b>	<b>Sales</b>	<b>EBITDA</b>	<b>NPAT</b>
Technology	13,261	2,375	1,411
Furniture	16,718	524	115
Corporate	-	(1,961)	(1,581)
Total Operating	29,979	938	(55)
Aviation (Discontinued Operation)	1,281	(3,613)	3,060

## Dividends

Date the dividend is payable	n/a
Record date to determine entitlement to the dividend	n/a
Amount per security	n/a
Total dividend	n/a
Amount per security of foreign sourced dividend or distribution	n/a
Details of any dividend reinvestment plans in operation	n/a
The last date for receipt of an election notice for participation in an dividend reinvestment plans	n/a

## NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	1.9c	4.27c

## Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

*Refer to comment above.*

*The NTA of the business would be 5.6c per share, if the assets and liabilities held for sale as a consequence of the discontinued operations of the Aviation Division are removed from the calculation.*

## Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:	Consolidated	
	2009	2008
Basic and diluted earnings / (loss) per share	2.8c	(22.03c)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	107,611,780	112,890,255
Earnings / (loss) used to calculate earnings per share	3,005,451	(24,871,002)

Returns to shareholders including distributions and buy backs:

- *n/a*

Significant features of operating performance:

- *Refer to the comments above*

The results of segments that are significant to the understanding of the business as a whole:

- *Refer to segment note*

Discussion of trends in performance:

*Please refer to commentary above*

Any other factors which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

*Please refer to commentary above*

## Audit / Review Status

This report is based on accounts to which one of the following applies:

The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	X	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

**Proposed extract from the independent auditor's audit report (subject to audit):**

*Basis for Qualified Auditor's Opinion*

As noted in Note 5 of the financial report, during the prior year, the Alpha Aviation Group of companies ("Alpha"), being wholly-owned subsidiaries of the company, were placed into liquidation and receivership. As a result, the accounting records were not adequate to permit the application of appropriate audit procedures. Accordingly, it was not possible to obtain all the information necessary to complete our audit of Alpha relating to its performance and cash flows for the year ended 30 June 2009 and its financial position at 30 June 2009 including the comparative period.

Had we been able to complete our audit of Alpha, matters might have come to our attention indicating that adjustments might be necessary to the 30 June 2009 financial report including the comparatives.

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

- Not applicable

## Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Income Statement, Statement of Recognised Income and Expense, Balance Sheet, Statement of Cash Flows, Summary of Significant Accounting policies note, Segment Reporting Note, Discontinued Operations Note, Assets and Liabilities Held for sale Note, Expenses Note, Capital and Reserves Note and Reconciliation of Cash Flows from Operating Activities Note.

Signed by Director:



Name: Tony H Noun

Date: 31 August 2009

Signed by Director



Name: Denis Pidcock

Date: 31 August 2009

**Inventis Limited**  
**Consolidated Income Statement**  
**For the year ended 30 June 2009**

*(in thousands of AUD)*

	Notes	Consolidated	
		2009	2008
<b>Continuing Operations</b>			
Revenue		29,979	37,417
Cost of sales		(16,802)	(22,165)
<b>Gross profit</b>		13,177	15,252
Other Income		194	107
<b>Expenses</b>			
Manufacturing & operation		(3,129)	(4,746)
Engineering & quality assurance		(1,075)	(1,694)
Administration		(4,637)	(7,287)
Sales and marketing		(4,287)	(4,487)
<b>Results from operating activities</b>	<b>7</b>	243	(2,855)
Financial income		12	410
Financial expenses		(272)	(243)
<b>Net financing (expense) / income</b>		(260)	167
Loss before income tax expense		(17)	(2,688)
Income tax (expense) / benefit		(38)	885
<b>Loss from continuing operations</b>		(55)	(1,803)
<b>Discontinued Operations</b>			
Profit / (loss) from discontinued operations, net of income tax	<b>5</b>	3,060	(23,068)
<b>Profit / (loss) for the period</b>		3,005	(24,871)

**Inventis Limited**  
**Statements of Recognised Income and Expense**  
**For the year ended 30 June 2009**

*(in thousands of AUD)*

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
Foreign currency translation differences for foreign operations – continuing operations	(349)	(218)
Foreign currency translation differences for foreign operations – discontinued operations	(6)	(389)
Income and expense recognised directly in equity	<u>(355)</u>	<u>(607)</u>
Loss for the year from continuing operations	(55)	(1,803)
Profit / (loss) from discontinued operations	3,060	(23,068)
Profit / (loss) for the year	<u>3,005</u>	<u>(24,871)</u>
<b>Total recognised income and expense for the period</b>	<u><u>2,650</u></u>	<u><u>(25,478)</u></u>

**Inventis Limited**  
**Consolidated Balance Sheet**  
**As at 30 June 2009**

(in thousands of AUD)

	Notes	Consolidated 2009	2008
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		234	355
Trade and other receivables		5,757	7,068
Inventories		4,706	5,046
Prepayments		193	89
Current tax assets		-	150
Assets classified as held for sale	6	2,157	3,131
<b>Total Current assets</b>		<b>13,047</b>	<b>15,839</b>
<b>Non-Current assets</b>			
Property, plant and equipment		2,360	2,522
Other financial assets		62	69
Deferred tax assets		1,999	1,923
Intangible assets		5,541	5,148
<b>Total Non-current assets</b>		<b>9,962</b>	<b>9,662</b>
<b>Total Assets</b>		<b>23,009</b>	<b>25,501</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		4,044	6,111
Interest-bearing liabilities		2,978	2,313
Employee benefits		1,353	1,288
Liabilities classified as held for sale	6	6,213	5,878
<b>Total Current liabilities</b>		<b>14,588</b>	<b>15,590</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities		779	1,248
Employee benefits		134	169
<b>Total Non-current liabilities</b>		<b>913</b>	<b>1,417</b>
<b>Total Liabilities</b>		<b>15,501</b>	<b>17,007</b>
<b>Net Assets</b>		<b>7,508</b>	<b>8,494</b>
<b>Equity</b>			
Share capital		27,721	31,357
Reserves		(563)	(208)
Accumulated losses		(19,650)	(22,655)
<b>Total Equity</b>		<b>7,508</b>	<b>8,494</b>

**Inventis Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2009**

*(in thousands of AUD)*

Notes	Consolidated	
	2009	2008
<b>Cash flows from operating activities</b>		
Receipts from customers	33,731	42,432
Payments to suppliers and employees	(33,626)	(44,962)
Interest received	12	62
Interest paid	(272)	(395)
Income taxes refund	-	25
<b>Net cash (used in) / from operating activities</b>	<b>(155)</b>	<b>(2,838)</b>
 <b>Cash flows from investing activities</b>		
Acquisition of subsidiaries net of cash acquired	-	236
Payments for other financial assets	-	(69)
Purchase of fixed assets	(287)	(823)
Development expenditure	(859)	(126)
Proceeds from the sale of fixed assets	1,000	14
<b>Net cash (used in) / from investing activities</b>	<b>(146)</b>	<b>(768)</b>
 <b>Cash flows from financing activities</b>		
Proceeds from issues of shares	-	2,071
Transaction costs paid	-	(335)
Proceeds from borrowings	646	1,782
Repayment of borrowings	(466)	(962)
Payment of finance lease liabilities	-	(40)
<b>Net cash from /(used in) financing activities</b>	<b>180</b>	<b>2,516</b>
 <b>Net decrease in cash and cash equivalents</b>	 <b>(121)</b>	 <b>(1,090)</b>
Cash and cash equivalents at 1 July	355	1,445
<b>Cash and cash equivalents at 30 June</b>	<b>234</b>	<b>355</b>

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**1. Reporting Entity**

Inventis Limited (the “**Company**”) is a company domiciled in Australia and incorporated in Australia . The address of the Company’s registered office is Suite 12, 1 Box Road, Caringbah, NSW 2229. The consolidated financial statements of the Company as at and for the year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the “**Group**” and individually as “**Group entities**”). The Group is a manufacturer of products and services including ergonomic office furniture, electronic control systems, ruggedised computing products (see note 4 – Segment Reporting).

On 28 April 2006, the Company acquired 100% of the issued share capital of Inventis Technology Pty Limited (formerly known as PNE Electronics Pty Limited, hereinafter referred to as ‘Inventis Technology’) and its wholly owned subsidiaries and consideration was paid by way of exchange of shares in the Company, in exchange for all of PNE shares.

Under International Financial Reporting Standards (“IFRS”), this transaction was accounted for as a business combination. In applying the requirements of AASB 3 “Business Combinations” to the Group:

- Inventis Limited is the legal parent entity of the Group and presents consolidated financial information; and
- Inventis Technology, which is neither the legal parent nor legal acquirer, is deemed to be the accounting parent of the Group.

The consolidated financial information incorporates the assets and liabilities of all entities deemed to be acquired by Inventis Technology, including the Company, and the results of these entities for the period from which those entities are accounted for as being acquired by Inventis Technology.

***Issued Capital***

Issued capital is shown on the basis that the acquisition of Inventis Technology at 28 April 2006 by the Company was accounted for as a reverse acquisition. Issued share capital comprises the share capital of Inventis Technology prior to the reverse acquisition, the share capital deemed to be issued as a result of the acquisition, and the share capital issued by the Company to outside shareholders after the date of the acquisition, net of costs relating to capital raising activities.

**2. Basis of Preparation**

**a. Statement of Compliance**

The financial report has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**2. Basis of Preparation (Continued)**

**b. Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- property is measured at fair value; and
- financial instruments at fair value through profit or loss are measured at fair value

**c. Functional and presentation currency**

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

**d. Use of Estimates and judgements**

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

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

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

Intangible assets  
Discontinued operations (see note 5)  
Assets and liabilities held for sale (see note 6)  
Deferred tax assets

**3. Significant accounting policies**

Except as described below, the accounting policies set out have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

The Group has elected to early adopt the AASB 8 Operating Segments accounting standard. As a result of adopting AASB 8, the Group now discloses operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker, Tony Noun (Chairman). Previously the Group identified two sets of segments – one based on related products and services (primary segment) and the other on geographical areas (secondary segment).

The change in accounting policy was recognised retrospectively in accordance with the transitional provision of the amendment, and comparatives have been restated. The change in accounting policy has impacted the presentation of the Group's segment disclosures only. The change in accounting policy has not impacted the profit and loss, balance sheet, equity or earnings per share in the current or prior periods.

The comparative year information has been reclassified as required, to be consistent with the current year presentation.

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**3. Significant accounting policies (continued)**

**a. Basis of consolidation**

**i. Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Inventis Limited ("Company" or "Parent Entity") as at 30 June 2009 and the results of all subsidiaries for the year then ended. Inventis Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are entities controlled by the Group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. (refer Note 3(a)(iii)).

**ii. Transactions eliminated on consolidation**

Inter-Group transactions, balances and unrealised gains and expenses on transactions between Group companies are eliminated in preparing consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

**iii. Business combinations**

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired.

The acquirer in a business combination is identified as the entity that obtains control of the combining entities. Control is the power to govern the financial and operating policies of the combined entity. In a business combination achieved via exchange of equity interests, when the legal subsidiary is identified as the acquirer rather than the legal parent, the business combination is accounted for as if the legal subsidiary has obtained control of the legal parent (a reverse acquisition). The legal subsidiary recognises its cost of investment and the fair values of the legal parent's identifiable net assets at the date of the combination, at their fair values.

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**3. Significant accounting policies (continued)**

**a. Basis of consolidation (continued)**

**iii. Business combination (continued)**

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

**b. Alpha Aviation – Liquidation basis of accounting**

As Alpha Aviation has been placed into liquidation and receivership, the financial position and results relating to those entities at 30 June 2009 have been accounted for on a basis other than going concern in the consolidated financial statements for the year ended 30 June 2009.

Accordingly, all assets and liabilities relating to these companies have been classified as current and all assets have been written-down to their estimated realisable values at 30 June 2009 and the comparative period.

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**4. Segment Reporting**

The Group comprises the following main business segments:

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

Other operations discontinued during the previous financial year include the design, manufacture and sale of two-seater aircraft.

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

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

<i>In thousands of AUD</i>	<b>Furniture Division</b>		<b>Technology Division</b>		<b>Aviation Division (Discontinued)</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Total external revenue	17,746	24,420	13,261	12,997	1,281	1,124	32,288	38,541
Inter-segment revenue	1,028	1,452	-	-	-	-	1,028	1,452
Interest revenue	1	4	3	5	-	3	4	12
Interest expense	5	3	3	-	328	174	336	177
Depreciation and amortisation	335	755	315	481	-	336	650	1,572
Reportable segment profit / (loss) before tax	235	67	2,060	(70)	3,060	(23,068)	5,355	(23,071)
<b>Other material non-cash items</b>								
Impairment on PPE & other assets	-	-	-	-	-	7,272	-	7,272
Impairment on intangible assets	-	-	-	636	-	1,670	-	2,306
Impairment of goodwill	-	304	-	76	-	11,756	-	12,136
Warranty claim settlement	-	480	-	-	3,603	-	3,603	480
Reportable segment assets	9,022	12,657	16,304	8,385	2,157	3,131	27,483	24,173
Reportable segment liabilities	(6,070)	(7,389)	(3,890)	(2,722)	(6,213)	(5,878)	(16,172)	(15,989)

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**4. Segment Reporting (continued)**

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

<i>In thousands of AUD</i>	<b>2009</b>	<b>2008</b>
<b>Revenues</b>		
Total revenue for reportable segments	32,288	39,993
Elimination of inter-segment revenue	(1,028)	(1,452)
Elimination of discontinued operations	(1,281)	(1,124)
Consolidated revenue from continuing operations	<u>29,979</u>	<u>37,417</u>
<b>Profit or Loss</b>		
Total profit or (loss) for reportable segments	5,355	(23,071)
Elimination of inter-segment profit / (loss)	(49)	(67)
Elimination of discontinued operations	(3,060)	23,068
Unallocated amounts: other corporate expenses	(2,262)	(2,618)
Consolidated profit / (loss) before income tax from operating operations	<u>(17)</u>	<u>(2,688)</u>
<b>Assets</b>		
Total assets for reportable segments	27,483	24,173
Eliminations and other corporate assets	(4,474)	1,328
Consolidated total assets	<u>23,009</u>	<u>25,501</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	(16,172)	(15,989)
Eliminations and other corporate liabilities	1,171	(1,018)
Consolidated total liabilities	<u>(15,001)</u>	<u>(17,007)</u>

**Other material items 2009**

<i>In thousands of AUD</i>	<b>Reportable Segment Totals</b>	<b>Corporate / Eliminations</b>	<b>Consolidated Total</b>
Interest Income	4	8	12
Interest expense	(336)	(264)	(600)
Depreciation and amortisation	(650)	(45)	(695)

**Other material items 2008**

Interest income	12	399	411
Interest expense	(177)	(66)	(243)
Depreciation and amortisation	(1,572)	(22)	(1,594)
Impairment losses on PPE and other assets	(7,272)	-	(7,272)
Impairment losses on intangible assets	(2,306)	-	(2,306)
Impairment on goodwill	(12,136)	-	(12,136)

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**4. Segment Reporting (continued)**

**Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items (continued)**

**Geographical Segments**

The Group operates in two geographical areas being Australia and New Zealand.

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

<b>Geographical information</b> <i>In thousands of AUD</i>	<b>2009</b>		<b>2008</b>	
	<b>Revenues</b>	<b>Non-current assets</b>	<b>Revenues</b>	<b>Non-current assets</b>
Australia	27,262	9,130	33,565	9,105
New Zealand	5,026	832	6,428	557
<b>Total</b>	<b>32,288</b>	<b>9,962</b>	<b>39,993</b>	<b>9,662</b>

**Major Customer**

Revenue from one customer of the Group's Technology segment represents approximately \$4,978,000 (2008:\$4,642,455) of the Segment's total revenues \$13,261,500 (2008: \$12,996,800).

**5. Discontinued Operations**

**Alpha Aviation**

On 22 January 2008, the Board of Directors of Inventis Limited appointed a Liquidator to its New Zealand based wholly owned subsidiaries Alpha Aviation Limited, Alpha Aviation Manufacturing Limited and Alpha Aviation Marketing Limited. The action of placing these companies in Liquidation was taken by the Board as a result of the failure of Alpha Aviation to meet its projected output of aircraft and the consequential impact that this had on the funding requirements of the Alpha Aviation Group.

On the same day, the Bank of New Zealand Limited appointed a Receiver to the above three companies.

On 18 February 2008, the Bank of New Zealand appointed a Receiver to the remaining wholly owned subsidiaries in the Alpha Aviation Group, namely, Alpha Aviation Investments Limited, Alpha Aviation Design Limited, Alpha Aviation Leasing Limited, Alpha Aviation Property Limited and A&CL Properties (2005) Limited.

On 22 June 2009 part of the assets of the Alpha Aviation Group were sold by the Receiver and the name of the companies were changed by the Receiver from Alpha Aviation to Les Bleus. The exact nature of the disposal or the terms and conditions have not been disclosed in time for this report.

The values used to calculate the trading in the discontinued operation and disposal of assets are based upon the Receiver's reports lodged with the NZ companies Office, cash reports provided to the Company and other information if deemed suitable to release by the Receiver.

A consequence of the above events in future reporting periods is that a net deficiency in assets is currently recognised in the consolidated financial statements at 30 June 2009 relating to Alpha Aviation, may be reversed (or part thereof) due to the Inventis Group not having any obligations to settle outstanding liabilities. The estimated timing of any of the above events is unknown at the date of this report.

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**5. Discontinued Operations (continued)**

***Warranty claim settlement – 24 November 2008***

On 2 July 2007, Inventis acquired all the shares in Alpha Aviation Limited and its controlled entities for the consideration of \$11 million, fully satisfied by shares in Inventis.

On 24 November 2008 in accordance with the Sale and Purchase agreement the directors concluded negotiations, with the Alpha Vendors for a reduction in the purchase price of Alpha Aviation from \$11 million to \$7.4 million. This reduction in purchase price led to the cancellation of 9 million of the 27.5 million shares issued by Inventis. This was undertaken in accordance with the original transaction pursuant to the terms and conditions of the Sale and Purchase agreement.

The cancellation of the shares in Inventis resulting from the reduction in purchase price has been reflected in the financial statements for the year ended 30 June 2009.

<i>In thousands of AUD</i>	Notes	Consolidated 2009	2008
<b>Results of discontinued operations</b>			
Revenue		1,280	1,124
Expenses		(1,705)	(3,345)
Profit on the disposal of assets		210	-
Impairment losses		-	(20,698)
<b>Results from operating activities</b>		<u>(215)</u>	<u>(22,919)</u>
Finance income		-	17
Finance expense		(328)	(166)
<b>Net finance costs</b>		<u>(328)</u>	<u>(149)</u>
Income tax expense		-	-
Results from operating activities, net of income tax		<u>(543)</u>	<u>(23,068)</u>
Warranty claim settlement		3,603	-
<b>Profit/(loss) for the period</b>		<u>3,060</u>	<u>(23,068)</u>
Basic earnings / (loss) per share AUD		<u>2.9c</u>	<u>(20.43)c</u>
Diluted earnings / (loss) per share AUD		<u>2.9c</u>	<u>(20.43)c</u>
<b>Cash flows used in discontinued operations</b>			
Net cash used in operating activities		(1,001)	(3,775)
Net cash from / (used in) investing activities		1,000	(500)
Net cash from financing activities		-	4,290
Net cash used in discontinued operations		<u>(1)</u>	<u>15</u>

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**6. Assets and Liabilities Held for Sale**

Alpha Aviation Limited and its subsidiaries are presented as a disposal group held for sale following the appointment of the liquidator and receiver on 22 January 2008, to sell the facilities due to the failure of Alpha Aviation to meet its projected output. Efforts of the receiver to sell the disposal group have commenced and the expected settlement of the disposal group is not known at the date of this report.

<i>In thousands of AUD</i>	Notes	Consolidated	
		2009	2008
<b>Assets classified as held for sale</b>			
Cash and cash equivalents		306	307
Inventories		-	685
Property, plant and equipment		1,295	1,998
Trade and other receivables		556	141
		2,157	3,131
<b>Liabilities classified as held for sale</b>			
Trade and other payables		2,612	2,483
Loans and borrowings		3,601	3,395
		6,213	5,878

An Impairment loss of \$nil (2008: \$11,756,239) in relation to goodwill and \$nil (2008: \$8,942,059) in relation to other assets on the re-measurement of the disposal group to the lower of its carrying amount and its fair value less costs to sell has been recognised in expenses in the consolidated income statement. Of this impairment loss, \$nil (2008: \$1,895,810) relates to impairment of intangibles and \$nil (2008: \$7,046,249) relates to other assets.

**7. Expenses**

**a. Personnel expenses**

<i>In thousands of AUD</i>	Consolidated	
	2009	2008
Wages and Salaries	8,375	11,999
Other associated personnel costs	1,150	765
Contributions to superannuation funds	790	918
Decrease in liability for annual leave	(73)	(355)
(Decrease) / increase in liability for long-service leave	(168)	134
Termination benefits	46	46
	10,120	13,507

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**7. Expenses (continued)**

**b. Profit / (loss) includes the following specific expenses**

<i>In thousands of AUD</i>	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
Depreciation	310	321
Depreciation – discontinued operations	-	298
Amortisation	385	936
Amortisation – discontinued operations	-	39
Research & development	1,075	1,865
Rental expense on operating leases: minimum lease payment	1,025	1,101
Goodwill impairment	-	380
Goodwill impairment – discontinued operation	-	11,756
Impairment of other intangibles	-	636
Impairment of other intangibles – discontinued operation	-	1,670
Impairment of financial assets	(47)	-
Impairment of assets – discontinued operation	-	7,272
Net profit on disposal of assets held for sale (discontinued operations)	210	-

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**8. Capital and Reserves**

**a. Reconciliation of movement in capital and reserves attributable to equity holders**

<i>Consolidated In thousands of AUD</i>	<b>Share Capital</b>	<b>Revaluation reserve</b>	<b>Foreign currency retranslations</b>	<b>Retained earnings / (accumulated losses)</b>	<b>Total equity</b>
<b>Balance at 1 July 2007</b>	18,219	404	(5)	2,216	20,834
Total recognised income and expense	-	-	(607)	(24,871)	(25,478)
Issue of ordinary shares	13,952	-	-	-	13,952
Cancellation of shares	(480)	-	-	-	(480)
New share issue costs	(334)	-	-	-	(334)
<b>Balance at 30 June 2008</b>	<b>31,357</b>	<b>404</b>	<b>(612)</b>	<b>(22,655)</b>	<b>8,494</b>
<b>Balance at 1 July 2008</b>	31,357	404	(612)	(22,655)	8,494
Total recognised income and expense	-	-	(355)	3,005	2,650
Cancellation of shares	(3,603)	-	-	-	(3,603)
New share issue costs	(33)	-	-	-	(33)
<b>Balance at 30 June 2009</b>	<b>27,721</b>	<b>404</b>	<b>(967)</b>	<b>(19,650)</b>	<b>7,508</b>

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**8. Capital and Reserves (continued)**

**b. Share Capital**

	<b>Ordinary Shares</b>	
	<b>2009</b>	<b>2008</b>
On issue at the beginning of the year	112,992,147	79,799,253
Issue of ordinary shares	-	34,065,500
Cancellation of ordinary shares	(9,008,412)	(872,606)
On issue at the end of the year – fully paid	103,983,735	112,992,147

**c. Translation Reserve**

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

**d. Revaluation Reserve**

The revaluation reserve relates to the revaluation of property.

**e. Dividends**

No dividends were recognised in the current year by the Group

**f. Dividend franking account**

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has also assumed the benefit of \$1,665,332 (2008: \$1,665,332) franking credits.

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

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

- i. Franking credits that will arise from the payment of the current tax liabilities;
- ii. Franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- iii. Franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and
- iv. Franking credits that the entity may be prevented from distributing in subsequent years.

**Inventis Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2009**

**9. Reconciliation of Cash Flows from Operating Activities**

<i>In thousands of AUD</i>	Notes	Consolidated	
		2009	2008
<b>Cash flow from operating activities</b>			
Profit / (Loss) after tax		3,005	(24,871)
Adjustment for non cash item:			
Depreciation		310	620
Amortisation of leased assets		-	10
Amortisation of intangible assets		385	965
Net interest (cost)/income		(588)	348
Unrealised foreign exchange gains		39	(110)
Gain on sale of property, plant & equipment		(209)	(1)
Impairment losses on goodwill		-	12,135
Impairment losses on other assets		-	9,578
Warranty share settlement		(3,603)	-
Income tax benefit		38	(885)
<b>Operating profit before changes in working capital</b>		<u>(623)</u>	<u>(2,211)</u>
(Increase)/decrease in trade and other receivables		(71)	922
(Increase)/decrease in prepayment		(104)	566
Decrease/(increase) in inventories		341	(450)
Increase/(decrease) in trade and other payables		580	(1008)
Increase in employee benefits		(30)	(334)
Interest received		12	62
Interest paid		(260)	(409)
Income tax (paid)/refund		-	24
<b>Net cash outflow from operating activities</b>		<u>(155)</u>	<u>(2,838)</u>