

Appendix 4E (Rule 4.3A)

Preliminary Final Report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Reporting Period	30 June 2011
Previous Corresponding Reporting Period	30 June 2010

Results for the announcement to the market

	\$'000	Percentage increase / (decrease) over previous corresponding period.
Revenue from ordinary activities (continuing operations)	27,074	(0.6%)
Loss from ordinary activities after tax (continuing operations)	(1,260)	N/A
Revenue from ordinary activities (discontinued operations)	(3)	N/A
Profit from ordinary activities after tax (discontinued operations)	244	N/A
Loss from ordinary activities after tax for the period attributable to members	(1,016)	N/A
Net Loss for the period attributable to members	(1,016)	N/A
Dividends / (Distributions)	Amount Per Security	Franked amount per security at 30% tax rate
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 reported above necessary to enable the figures to be understood:

The market conditions continue to be tight due to the lingering Global Financial Crisis including the two-speed economy in Australia. During this period both Divisions made significant changes towards leaner manufacturing and more aggressive sales and marketing. These improvements are a continuation of the processes adopted during the previous year. Key items include:

1. The Furniture Division's ongoing lean manufacturing training program, under the management of the new Chief Executive Officer, Steven Gilming, the sales efforts have increased and the relationship building has become key to continuous sales and substantive long-term supply contracts.
2. The New Zealand Branch has come full circle and won the District Health Board Government Contract as well as a number of other contracts. It is also undergoing significant infrastructure changes to enable it to be geared to fulfil the needs of these contracts and the continuous stream of other ongoing sales.
3. The Technology Division has continued its change from being a traditional OEM type manufacturer to becoming a sales and marketing oriented company with focus on sales for its range of self-branded products such as SafeZone and Emergency Alert System. The SafeZone product is showing excellent promise. In addition to the large installation for the Tasmanian Government, various trial sites in government, mining and private sectors are being conducted with substantial future business anticipated following the success of these trials.
4. Corporate Expenditure has reduced further with more activities being conducted in-house, rather than being outsourced.

5. The Aviation Division continues to be recorded in the accounts while in receivership as a discontinued operation.

Furniture Division

The revenue for the Furniture Division was \$13.9 million, a decrease of \$0.5 million on last financial year. The Division recorded an EBITDA loss of \$1.1 million which is on decrease of \$0.7 million over the last financial year largely due to a reduction in revenue.

As previously outlined the commercial furniture segment continues to suffer from the economic down turn, however, we have been able to maintain and enhance our position in the market, relative to our competitors. This outcome was achieved because of the underlying strategy of the Division to manage its channels to market; streamline and rationalise its product offering; and establish key supplier relationships in addition to lean manufacturing in both Australia and New Zealand.

Technology Division

Revenue for the Technology Division was \$12.8 million and is on par with the last financial year's results. The Division recorded an EBITDA of \$1.9 million which is a decrease of \$0.4 million on last financial year.

To better position the Technology Division in an ever increasing competitive global market, the primary strategy continues to be diversification. Thus, the SafeZone brand entered the market with a number of applications in the Rail and Industrial OH&S areas; active development of "green" products; security solutions for educational institutions; and securing distribution rights for complementary product ranges.

Sale of Technology Division

As announced to the Market on 30 August 2011, receipt of funds and completion of transaction to sell the Technology Division has again been delayed. The Board has agreed to extend the completion deadline to 7 September 2011.

The Board has considered the appropriate accounting treatment under accounting standards for reporting the results, assets and liabilities of the Technology Division. In view of the delays and other issues experienced on this sale transaction, as at reporting date, the Board held the view that the Technology Division should not be classified as a disposal group at reporting date on the basis that completion of the deal was not highly probable. Accordingly, the results, assets and liabilities of the Technology Division are included in continuing operations in line with prior years.

Discontinued Operation - Aviation Division (Les Bleus Group)

The Aviation Division continued to trade during the financial year while under the control of the Bank of New Zealand's appointed receiver. The Les Bleus (formerly '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.

Financial Summary

The Preliminary consolidated results for the financial year ended 30 June 2011 are:

\$'000	Actual 2011	Actual 2010
Sales -Operating	27,074	27,241
NPAT (loss)	(1,016)	(1,993)

Sales were 0.6% below last year and a total reported NPAT loss of \$1.0 million.

The preliminary segmental information for the year ended 30 June 2011 is:

2011 Actual - \$'000	Sales	EBITDA
Technology Division	12,821	1,933
Furniture Division	13,951	(1,131)
Corporate	302	(1,838)
Total Continuing Operations	<u>27,074</u>	<u>(1,036)</u>
Aviation (Discontinued Operation)	<u>(3)</u>	<u>497</u>

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	(0.03)c	0.03c

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 4.02c 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.

Details of entities over which control has been gained or lost during the period:

Name of the entity / entities	N/A
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Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:		
	Consolidated	
	2011	2010
Basic and diluted (loss) /earnings per share	(1.0)c	(1.9)c
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	103,983,735	103,983,735
(Loss) / earnings used to calculate earnings per share	(1,016,340)	(1,993,035)

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 year ended 30 June 2008, the Les Bleus Group of companies (formerly Alpha Aviation, "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 Les Bleus relating to its performance and cash flows for the year ended 30 June 2011 and its financial position at 30 June 2011 including the comparative period.



Had we been able to complete our audit of Les Bleus, matters might have come to our attention indicating that adjustments might be necessary to the 30 June 2011 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	Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, 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.

<p>Signed by Director:</p> 	<p>Signed by Director</p> 
<p>Name: Tony H Noun</p> <p>Date: 31 August 2011</p>	<p>Name: Charles Wright</p> <p>Date: 31 August 2011</p>

Inventis Limited and its Controlled Entities
Statement of Comprehensive Income
For the year ended 30 June 2011

<i>(in thousands of AUD)</i>	Notes	Consolidated 2011	2010
Continuing Operations			
Revenue		27,074	27,241
Cost of sales		(15,484)	(14,643)
Gross profit		<u>11,590</u>	<u>12,598</u>
Other Income		137	58
Expenses	7		
Manufacturing & operation		(3,075)	(3,605)
Engineering & quality assurance		(1,709)	(1,590)
Administration		(4,535)	(4,344)
Sales and marketing		(3,993)	(3,606)
Results from operating activities		<u>(1,585)</u>	<u>(489)</u>
Financial income		148	48
Financial expenses		(503)	(207)
Net financing (expense) / income		<u>(355)</u>	<u>(159)</u>
Loss before income tax expense		(1,940)	(648)
Income tax Benefit / (expense)		680	(719)
Loss from continuing operations		<u>(1,260)</u>	<u>(1,367)</u>
Discontinued Operations			
Profit / (loss) from discontinued operations, net of income tax	5	244	(626)
Loss for the period		<u>(1,016)</u>	<u>(1,993)</u>
Other Comprehensive Income			
Foreign currency translation differences for foreign operations – continuing operations		81	(179)
Foreign currency translation differences for foreign operations – discontinued operations		54	(114)
Total other comprehensive income for the period, net of income tax		<u>135</u>	<u>(293)</u>
Total comprehensive income for the period		<u>(881)</u>	<u>(2,286)</u>
(Loss) / earnings per share			
Basic (loss) / earnings per share		(1.0)c	(1.9)c
Diluted (loss) / earnings per share		(1.0)c	(1.9)c
Continuing Operations			
Basic (loss) / earnings per share		(1.2)c	(1.3)c
Diluted (loss) / earnings per share		(1.2)c	(1.3)c

Inventis Limited and its Controlled Entities
Statement of Changes in Equity
For the year ended 30 June 2011

(In thousands of AUD)

	Share Capital	Revaluation Reserve	Foreign Currency Retranslation Reserve	(Accumulated Losses)	Total Equity
Balance 1 July 2009	27,721	404	(967)	(19,650)	7,508
Total Comprehensive income for the period					
Profit or Loss	-	-	-	(1,993)	(1,993)
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations – continuing operations	-	-	(179)	-	(179)
Foreign currency translation differences for foreign operations – discontinued operations	-	-	(114)	-	(114)
Total other comprehensive income for the period	-	-	(293)	-	(293)
<i>Total comprehensive income for the period</i>	-	-	(293)	(1,993)	(2,286)
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>	-	-	-	-	-
Other	(29)	-	-	-	(29)
Total contributions by and distributions to owners	(29)	-	-	-	(29)
Total transactions with owners	(29)	-	-	-	(29)
Balance as at 30 June 2010	27,692	404	(1,260)	(21,643)	5,193

Inventis Limited and its Controlled Entities
Statement of Changes in Equity
For the year ended 30 June 2011

(In thousands of AUD)

	Share Capital	Revaluation Reserve	Foreign Currency Retranslation Reserve	(Accumulated Losses)	Total Equity
Balance 1 July 2010	27,692	404	(1,260)	(21,643)	5,193
Total Comprehensive income for the period					
Profit or Loss	-	-	-	(1,016)	(1,016)
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations – continuing operations	-	-	81	-	81
Foreign currency translation differences for foreign operations – discontinued operations	-	-	54	-	54
Total other comprehensive income for the period	-	-	135	-	135
<i>Total comprehensive income for the period</i>	-	-	135	(1,016)	(881)
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>	-	-	-	-	-
Other	(19)	-	-	2	(17)
Total contributions by and distributions to owners	(19)	-	-	2	(17)
Total transactions with owners	(19)	-	-	2	(17)
Balance as at 30 June 2011	27,673	404	(1,125)	(22,657)	4,295

Inventis Limited and its Controlled Entities
Statement of Financial Position
As at 30 June 2011

<i>(In thousands of AUD)</i>		2011	2010
Assets			
Cash and cash equivalents		223	328
Trade and other receivables		6,375	5,776
Inventories		4,071	4,628
Prepayments		75	208
Assets classified as held for sale	6	2,123	2,318
Total Current assets		12,867	13,258
Non-Current assets			
Property, plant and equipment		1,193	1,112
Other financial assets		27	36
Deferred tax assets		1,928	1,209
Intangible assets		4,633	5,158
Total Non-current assets		7,781	7,515
Total Assets		20,648	20,773
Liabilities			
Current liabilities			
Trade and other payables		6,193	4,780
Interest-bearing liabilities		2,679	2,614
Employee benefits		1,564	1,331
Liabilities classified as held for sale	6	5,760	6,406
Total Current liabilities		16,196	15,131
Non-Current Liabilities			
Interest bearing liabilities		-	307
Employee benefits		157	142
Total Non-current liabilities		157	449
Total Liabilities		16,353	15,580
Net Assets		4,295	5,193
Equity			
Share capital		27,673	27,692
Reserves		(721)	(856)
Accumulated losses		(22,657)	(21,643)
Total Equity		4,295	5,193

Inventis Limited and its Controlled Entities
Statement of Cash Flows
For the year ended 30 June 2011

(in thousands of AUD)

	Notes	2011	2010
Cash flows from operating activities			
Receipts from customers		29,429	30,546
Payments to suppliers and employees		(28,869)	(29,710)
Cash generated from operations		560	(836)
Interest received		8	21
Interest paid		(255)	(207)
Net cash from operating activities		<u>313</u>	<u>650</u>
Cash flows from investing activities			
Purchase of fixed assets		(249)	(94)
Development expenditure		(6)	(94)
Proceeds from the sale of fixed assets		690	472
Net cash (used in) / from investing activities		<u>435</u>	<u>284</u>
Cash flows from financing activities			
Proceeds from borrowings		650	-
Repayment of borrowings		(1,503)	(840)
Net cash (used in) / from financing activities		<u>(853)</u>	<u>(840)</u>
Net increase / (decrease) in cash and cash equivalents			
		(105)	94
Cash and cash equivalents at 1 July		328	234
Cash and cash equivalents at 30 June		<u><u>223</u></u>	<u><u>328</u></u>

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2011

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 2011 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 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 2011

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.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

d. Use of Estimates and judgements

The preparation of financial statements in conformity with AASBs 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:

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

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2011

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.

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 2011 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

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the 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 2011

3. Significant accounting policies (continued)

a. Basis of consolidations (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. Les Bleus Aviation (formerly "Alpha Aviation", "Alpha") – Liquidation basis of accounting

As Les Bleus Aviation has been placed into liquidation and receivership, the financial position and results relating to those entities at 30 June 2011 have been accounted for on a basis other than going concern in the consolidated financial statements for the year ended 30 June 2011.

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 2011 and the comparative period.

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2011

4. Segment Reporting

The Group comprises the following main business segments:

Continuing

> *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 2008 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 disclosure 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>	Furniture Division		Technology Division		Aviation Division (Discontinued)		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Total external revenue	14,508	15,412	12,821	12,802	(3)	94	27,326	28,308
Inter-segment revenue	(557)	(973)	-	-	-	-	(557)	(973)
Total external Revenue	13,951	14,439	12,821	12,802	(3)	94	26,769	27,335
Interest revenue	1	14	1	1	-	4	2	19
Interest expense	-	-	9	-	253	288	262	288
Depreciation and amortisation	259	353	364	516	-	-	623	869
Reportable segment profit / (loss) before tax	1,188	969	(1,342)	(6,644)	244	(626)	90	(6,301)
Other material non-cash items								
Related party loan impairment/(forgiveness)	(2,594)	1,774	2,902	(8,488)	-	-	308	(6,714)
Reportable segment assets	10,415	9,442	10,549	10,008	1,248	1,443	22,212	20,893
Reportable segment liabilities	(7,002)	(6,666)	(3,673)	(2,306)	(5,761)	(6,406)	(16,435)	(15,378)

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2011

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>	2011	2010
Revenues		
Total revenue for reportable segments	27,326	28,308
Elimination of inter-segment revenue	(557)	(973)
Elimination of discontinued operations	3	(94)
Corporate Revenues	302	-
Consolidated revenue from continuing operations	<u>27,074</u>	<u>27,241</u>
Profit or Loss		
Total profit or (loss) for reportable segments	90	(6,301)
Elimination of inter-segment profit / (loss)	17	95
Elimination of discontinued operations	(244)	626
Elimination of related party loan impairment / forgiveness	(308)	6,714
Unallocated amounts: other corporate expenses	(1,495)	(1,782)
Consolidated profit / (loss) before income tax from operating operations	<u>(1,940)</u>	<u>(648)</u>
Assets		
Total assets for reportable segments	22,212	20,893
Eliminations and other corporate assets	(1,564)	(120)
Consolidated total assets	<u>20,648</u>	<u>20,773</u>
Liabilities		
Total liabilities for reportable segments	(16,435)	(15,378)
Eliminations and other corporate liabilities	82	(202)
Consolidated total liabilities	<u>(16,353)</u>	<u>(15,580)</u>

Other material Items 2011

<i>In thousands of AUD</i>	Reportable Segment Totals	Corporate / Eliminations	Consolidated Total
Interest Income	2	6	8
Interest expense	262	246	508
Capital expenditure	243	16	259
Depreciation and amortisation	(623)	(34)	(657)
Related Party loan Impairment/(forgiveness)	308	(308)	-

Other material Items 2010

Interest income	19	2	21
Interest expense	(288)	(207)	(495)
Capital expenditure	66	28	94
Depreciation and amortisation	(869)	(54)	(923)
Related Party loan Impairment/(forgiveness)	(6,714)	6,714	-

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2011

4. Segment Reporting (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.

Geographical information <i>In thousands of AUD</i>	2011		2010	
	Revenues	Non-current assets	Revenues	Non-current assets
Australia	24,612	7,598	25,184	7,355
New Zealand	2,714	183	3,124	160
Total	27,326	7,781	28,308	7,515

Major Customer

Revenue from three customers of the Group's Technology segment represents approximately \$7.0 million (2010:\$7.8 million) of the Segment's total revenues \$12.8 million (2010: \$12.8 million).

5. Discontinued Operations

Les Bleus Aviation (Formerly '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 by the Receiver.

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 that was deemed suitable to release by the Receiver.

A consequence of the above events in future reporting periods is that the net deficiency in assets is currently recognised in the consolidated financial statements at 30 June 2011 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.

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5. Discontinued Operations (Continued)

<i>In thousands of AUD</i>	Notes	Consolidated	
		2011	2010
Results of discontinued operations			
Revenue		(3)	94
Other revenue		59	
Expenses		(191)	(517)
Profit on the disposal of assets		632	81
Results from operating activities		497	(342)
Finance income		-	4
Finance expense		(253)	(288)
Net finance costs		(253)	(284)
Income tax expense		-	-
Results from operating activities, net of income tax		244	(626)
Profit / (loss) for the period		244	(626)
Basic (loss) / earnings per share AUD		0.2c	(0.6)c
Diluted (loss) / earnings per share AUD		0.2c	(0.6)c
Cash flows used in discontinued operations			
Net cash used in operating activities		(132)	(220)
Net cash from investing activities		631	374
Net cash used in financing activities		(625)	(325)
Net cash used in discontinued operations		(126)	(171)

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6. Assets and Liabilities Held for Sale

- a. Les Bleus Group is 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 Les Bleus 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 2011	2010
Assets classified as held for sale			
Cash and cash equivalents		6	135
Property, plant and equipment		1,242	2,183
		1,248	2,318
Liabilities classified as held for sale			
Trade and other payables		2,775	2,883
Loans and borrowings		2,985	3,523
		5,760	6,406

- b. Other assets classified for sale by the Group entities as at 30 June 2011 amount to \$875,000

7. Expenses

a. Personnel expenses

<i>In thousands of AUD</i>	Consolidated 2011	2010
Wages and Salaries	6,847	7,129
Other associated personnel costs	1,612	1,454
Contributions to superannuation funds	689	627
Decrease in liability for annual leave	(24)	(32)
Increase in liability for long-service leave	61	38
Termination benefits	28	111
	9,213	9,327

b. (Loss) / profit includes the following specific expenses

Depreciation	126	445
Amortisation	531	478
Research & development	1,709	1,590
Rental expense on operating leases: minimum lease payment	1,153	1,025
Impairment of financial assets	11	(48)
Net profit / (loss) on disposal of assets held for sale (continuing operations)	5	(46)
Net profit / (loss) on disposal of non-current assets (discontinued operations)	632	81

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8. Capital and Reserves

i. Share Capital

	Ordinary Shares	
	2011	2010
On issue at the beginning of the year	103,983,735	103,983,735
On issue at the end of the year – fully paid	103,983,735	103,983,735

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

ii. Foreign Currency Translation Reserve

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

iii. Revaluation Reserve

The revaluation reserve relates to the revaluation of property.

iv. Dividends

No dividends were recognised in the current year by the Group.

v. 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 \$1,539,556 (2010: \$1,590,864) 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.

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9. Reconciliation of Cash Flows from Operating Activities

<i>In thousands of AUD</i>	Notes	Consolidated 2011	2010
Cash flow from operating activities			
Loss after tax		(1,016)	(1,993)
Adjustment for non cash item:			
Depreciation		126	446
Amortisation of intangible assets		531	478
Net interest		500	474
Unrealised foreign exchange gains		(239)	(89)
(Gain) / loss on sale of property, plant & equipment		(638)	35
Income tax (benefit) / expense		(680)	719
Operating (loss) / profit before changes in working capital		<u>(1,416)</u>	<u>70</u>
Increase in trade and other receivables		(599)	(19)
Decrease / (increase) in prepayment		133	(15)
Decrease in inventories		557	78
Decrease in assets held for sale		195	-
Increase in trade and other payables		1,441	744
Increase / (decrease) in employee benefits		248	(22)
Interest received		8	21
Interest paid		(254)	(207)
Net cash outflow from operating activities		<u>313</u>	<u>650</u>