Appendix 4E (Rule 4.3A)

Preliminary Final Report

Name of Entity	**Inventis Limited**
ABN	**40 084 068 673**
Reporting Period	**30 June 2012**
Previous Corresponding Reporting Period	**30 June 2011**

Results for the announcement to the market

	$'000	**Percentage increase / (decrease) over previous corresponding period.**
Revenue from ordinary activities (continuing operations)	21,598	(20.2%)
Loss from ordinary activities after tax (continuing operations)	(3,777)	N/A
Revenue from ordinary activities (discontinued operations)	Nil	N/A
Loss from ordinary activities after tax (discontinued operations)	(477)	N/A
Loss from ordinary activities after tax for the period attributable to members	(4,254)	N/A
Net Loss for the period attributable to members	**(4,254)**	**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:

During the year under review, the economic climate continues to be challenging although there appears to be a patchy recovery that continues to impact the Group particularly the Technology Division.

Notwithstanding the Group's Divisions have continued to pursue commercial activities that are providing a secure and solid foundation for the future.

Furniture Division

The revenue for the Furniture Division was $14.7 million, an increase of $0.8 million on last financial year. However, the Division recorded an EBITDA loss of $1.1 million which is the same as the last financial year largely due to a reduction in costs.

The Division continues to build upon its new business model of becoming a "Turn Key" solution provider in both Australia and New Zealand.

The Sales have grown for the Division particularly in New Zealand with the success being driven by major contract wins with the New Zealand District Health Board and the New Zealand Defence Force.

Technology Division

Revenue for the Technology Division was $6.8 million and is a decrease of $6 million from the last financial year's results. The Division recorded an EBITDA loss of $0.7 million which is a decrease of $1.2 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.

Also the restructuring of the Division helped in increasing profitability through improved and streamlined manufacturing process and reducing the fixed overheads by downsizing.

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.

Events Subsequent to the Reporting Date

On 10 July 2012, after the close of financial year 2012, the Receivers handed over the companies in liquidation and receivership to Liquidators and the companies not in liquidation to the directors of those companies.

Financial Summary

The Preliminary consolidated results for the financial year ended 30 June 2012 are:

$’000	**Actual 2012**	**Actual 2011**
Sales -Operating	21,598	27,074
NPAT (loss)	(4,254)	(1,016)

Sales were 20% below last year and a total reported NPAT loss of $4.3 million.

The preliminary segmental information for the year ended 30 June 2012 is:

2012 Actual - $’000	**Sales**	**EBITDA**
Technology Division	6,875	(735)
Furniture Division	14,717	(1,090)
Corporate	6	408
Total Continuing Operations	21,598	(1,417)
Aviation (Discontinued Operation)	0	(281)

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 dividend reinvestment plans	n/a

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.02)c	(0.03)c

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 0.86c 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

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:		
	Consolidated	
	2012	**2011**
Basic and diluted (loss) /earnings per share	(3.6)c	(1.0)c
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	119,735,397	103,983,735
(Loss) / earnings used to calculate earnings per share	(4,253,574)	(1,016,340)

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 stated in Note 5 of the financial report, during the 2008 financial year, the Les Bleus Group of companies (“Les Bleus”, formerly Alpha Aviation), being wholly-owned subsidiaries of the company, were placed into liquidation and receivership. The receiver has not provided to the company adequate accounting records to permit the application of appropriate audit procedures. Accordingly, it is not possible to obtain all the information necessary to complete our audit procedures in relation to Les Bleus Group relating to its performance and cash flows for the year ended 30 June 2012 and its financial position at 30 June 2012 including the comparative period.
>
> Had we been able to complete our audit procedures in relation to Les Bleus, matters might have come to our attention indicating that adjustments might have been necessary to the 30 June 2012 financial report and remuneration 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.

Signed by Director:	**Signed by Director**
Name: Charles Wright	**Name:** Denis Pidcock
Date: 31 August 2012	**Date:** 31 August 2012

Inventis Limited and its Controlled Entities
Statement of Comprehensive Income
For the year ended 30 June 2012

(in thousands of AUD)	**Notes**	**Consolidated Entity 2012**	**2011**
Continuing Operations			
Revenue		21,598	27,074
Cost of sales		(12,773)	(15,484)
Gross profit		8,825	11,590
Other Income		8	137
Expenses	**7**		
Manufacturing & operation		(2,861)	(3,075)
Engineering & quality assurance		(1,333)	(1,709)
Administration		(3,765)	(4,535)
Sales and marketing		(2,990)	(3,993)
Results from operating activities		(2,116)	(1,585)
Financial income		3	148
Financial expenses		(259)	(503)
Net financing (expense) / income		(256)	(355)
Loss before income tax expense		(2,372)	(1,940)
Income tax (expense) / benefit		(1,405)	680
Loss from continuing operations		(3,777)	(1,260)
Discontinued Operations			
(Loss) / profit from discontinued operations, net of income tax	**5**	(477)	244
Loss for the period		(4,254)	(1,016)
Other Comprehensive Income			
Foreign currency translation differences for foreign operations – continuing operations		(48)	81
Foreign currency translation differences for foreign operations – discontinued operations		(97)	54
Total other comprehensive income for the period, net of income tax		(145)	135
Total comprehensive loss for the period		(4,399)	(881)
(Loss) / earnings per share			
Basic (loss) / earnings per share		(3.6)c	(1.0)c
Diluted (loss) / earnings per share		(3.6)c	(1.0)c
Continuing Operations			
Basic (loss) / earnings per share		(3.6)c	(1.2)c
Diluted (loss) / earnings per share		(3.6)c	(1.2)c

Inventis Limited and its Controlled Entities
Statement of Changes in Equity
For the year ended 30 June 2012

Consolidated Entity *(In thousands of AUD)*	Attributable to Equity Holders of the Company				
	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					
Loss for the period	-	-	-	(1,016)	(1,016)
Other comprehensive income					
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	-	-	135	-	135
Total comprehensive income for the period	-	-	135	(1,016)	(881)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
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 Changes in Equity
For the year ended 30 June 2012

Consolidated Entity (In thousands of AUD)	**Share Capital**	**Attributable to Equity Holders of the Company** Revaluation Reserve	Foreign Currency Retranslation Reserve	(Accumulated Losses)	**Total Equity**
Balance 1 July 2011	27,673	404	(1,125)	(22,657)	4,295
Total Comprehensive income for the period					
Loss for the period	-	-	-	(4,254)	(4,254)
Other comprehensive income					
Foreign currency translation differences for foreign operations – continuing operations	-	-	52	-	52
Foreign currency translation differences for foreign operations – discontinued operations	-	-	(154)	-	(154)
Total other comprehensive income for the period	-	-	(102)	-	(102)
Total comprehensive income for the period	-	-	(102)	(4,254)	(4,356)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	647	-	-	-	647
Total contributions by and distributions to owners	647	-	-	-	647
Total transactions with owners	647	-	-	-	647
Balance as at 30 June 2012	28,320	404	(1,227)	(26,911)	586

Inventis Limited and its Controlled Entities
Statement of Financial Position
As at 30 June 2012

(In thousands of AUD)	Note	Consolidated Entity 2012	Consolidated Entity 2011
Assets			
Cash and cash equivalents		609	223
Trade and other receivables		5,004	6,375
Inventories		3,850	4,071
Prepayments		83	75
Assets classified as held for sale	**6**	926	2,123
Total current assets		**10,472**	**12,867**
Non-current assets			
Property, plant and equipment		1,016	1,193
Other financial assets		35	27
Deferred tax assets		523	1,928
Intangible assets		4,270	4,633
Total non-current assets		**5,844**	**7,781**
Total assets		**16,316**	**20,648**
Liabilities			
Current liabilities			
Trade and other payables		5,473	6,193
Interest-bearing liabilities		3,263	2,679
Employee benefits		1,799	1,564
Liabilities classified as held for sale	**6**	5,091	5,760
Total Current liabilities		**15,626**	**16,196**
Non-Current Liabilities			
Employee benefits		104	157
Total Non-current liabilities		**104**	**157**
Total Liabilities		**15,730**	**16,353**
Net Assets		**586**	**4,295**
Equity			
Share capital		28,320	27,673
Reserves		(823)	(721)
Accumulated losses		(26,911)	(22,657)
Total Equity		**586**	**4,295**

Inventis Limited and its Controlled Entities
Statement of Cash Flows
For the year ended 30 June 2012

(in thousands of AUD)	**Notes**	**Consolidated Entity 2012**	**2011**
Cash flows from operating activities			
Receipts from customers		26,052	29,429
Payments to suppliers and employees		(26,004)	(28,869)
Cash generated from operations		48	560
Interest received		12	8
Interest paid		(295)	(255)
Net cash from operating activities		(235)	313
Cash flows from investing activities			
Purchase of fixed assets		(38)	(249)
Development expenditure		-	(6)
Proceeds from the sale of fixed assets		860	690
Net cash (used in) / from investing activities		822	435
Cash flows from financing activities			
Proceeds from borrowings		1,230	650
Repayment of borrowings		(1,431)	(1,503)
Net cash (used in) / from financing activities		(201)	(853)
Net increase / (decrease) in cash and cash equivalents		386	(105)
Cash and cash equivalents at 1 July		223	328
Cash and cash equivalents at 30 June		609	223

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 2012 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 Australian Accounting Standards, 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.

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:

- Land and buildings 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

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3. Significant accounting polices

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 2012 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

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 July 2009

For acquisition on or after 1 July 2009, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less

3. Significant accounting polices (continued)

a. Basis of consolidations (continued)

iii. Business combination (continued)

- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions between 1 July 2004 and 1 July 2009

For acquisitions between 1 July 2004 and 1 July 2009, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as pat of the cost of the acquisition.

b. Les Bleus – Liquidation basis of accounting

As Les Bleus Group (refer Note 5) has been placed into liquidation and receivership, the financial position and results relating to those entities at 30 June 2012 have been accounted for on a basis other than going concern in the consolidated financial statements for the year ended 30 June 2012.

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 2012 and the comparative period.

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2012

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.

In thousands of AUD	**Furniture Division**		**Technology Division**		**Aviation Division (Discontinued)**		**Total**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Total revenue	14,941	14,508	6,875	12,821	-	(3)	21,816	27,326
Inter-segment revenue	(224)	(557)	-	-	-	-	(224)	(557)
Total external revenue	14,717	13,951	6,875	12,821	-	(3)	21,592	26,769
Interest revenue	7	1	-	1	-	-	7	2
Interest expense	157	-	137	9	197	253	491	262
Depreciation and amortisation	257	259	263	364	-	-	520	623
Capital expenditure	29	182	8	51	-	-	37	233
Reportable segment (loss) / profit before income tax	(1,617)	1,188	(1,483)	(1,342)	(477)	244	(3,579)	90
Other material non-cash items included in segment profit / (loss):								
Related party loan impairment / (forgiven)	104	(2,594)	248	2,902	-	-	352	308
Reportable segment assets	10,017	10,415	8,036	10,549	51	1,248	18,102	22,212
Reportable segment liabilities	(8,218)	(7,002)	(2,855)	(3,673)	(5,091)	(5,761)	(16,164)	(16,436)

4. Segment Reporting (continued)

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

In thousands of AUD	**2012**	**2011**
Revenues		
Total revenue for reportable segments	21,816	27,326
Elimination of inter-segment revenue	(224)	(557)
Elimination of discontinued operations	-	3
Corporate revenues	6	302
Consolidated revenue from continuing operations	21,598	27,074
Profit or Loss		
Total profit or (loss) for reportable segments	(3,579)	90
Elimination of inter-segment profit / (loss)	17	17
Elimination of discontinued operations	477	(244)
Elimination of related party loan (forgiveness) /impairment	(352)	(308)
Unallocated amounts: other corporate expenses	729	(1,495)
Consolidated loss before income tax from operating operations	(2,708)	(1,940)
Assets		
Total assets for reportable segments	18,102	22,212
Eliminations and other corporate assets	(1,786)	(1,564)
Consolidated total assets	16,316	20,648
Liabilities		
Total liabilities for reportable segments	(16,164)	(16,435)
Eliminations and other corporate liabilities	435	82
Consolidated total liabilities	(15,729)	(16,353)

Other material Items 2012

In thousands of AUD	**Reportable Segment Totals**	**Corporate Additions / (Eliminations)**	**Consolidated Totals**
Interest revenue	(7)	(5)	(12)
Interest expense	491	2	493
Capital expenditure	37	1	38
Depreciation and amortisation	520	34	554
Related Party loan Impairment/(forgiveness)	351	(351)	-

Other material Items 2011

Interest revenue	(2)	(6)	(8)
Interest expense	262	246	508
Capital expenditure	233	16	249
Depreciation and amortisation	623	34	657
Related Party loan Impairment/(forgiveness)	308	(308)	-

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	**2012**		**2011**	
In thousands of AUD	**Revenues**	**Non-current assets**	**Revenues**	**Non-current assets**
Australia	17,420	5,164	24,612	7,598
New Zealand	4,172	161	2,714	183
Total	21,592	5,325	27,326	7,781

Major Customer

Revenue from three customers of the Group's Technology segment represents approximately $3.0 million (2011:$7 million) of the Segment's total revenues of $6.8 million (2011: $12.8 million).

5. Discontinued Operations

Les Bleus Group (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 names 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 currently recognised in the consolidated financial statements at 30 June 2012 relating to Les Bleus Group, is expected to be reversed (or part thereof) due to the Inventis Group not having any obligations to settle outstanding liabilities.

5. Discontinued Operations (Continued)

Les Bleus Group (Formerly 'Alpha Aviation')

The estimated timing of the above events is 6 months as at the date of this report. This is due to the fact that on 10 July 2012, the Receiver has handed the companies in liquidation and receivership back to the liquidator and the companies in receivership back to the directors of those companies.

		Consolidated Entity	
In thousands of AUD	**Notes**	**2012**	**2011**
Results of discontinued operations			
Revenue		-	(3)
Other revenue		80	59
Expenses		43	(191)
(Loss) / profit on the disposal of assets		(404)	632
Results from operating activities		(281)	497
Finance income		-	-
Finance expense		(196)	(253)
Net finance costs		(196)	(253)
Income tax expense		-	-
Results from operating activities, net of income tax		(477)	244
(Loss) / profit for the period		(477)	244
Basic (loss) / earnings per share AUD		(0.3)c	0.2c
Diluted (loss) / earnings per share AUD		(0.3)c	0.2c
Cash flows used in discontinued operations			
Net cash used in operating activities		(33)	(135)
Net cash from investing activities		858	631
Net cash used in financing activities		(780)	(625)
Net cash used in discontinued operations		45	(129)

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2012

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 been completed and the expected settlement of the disposal group is 6 months from the date of this report.

In thousands of AUD	Notes	Consolidated Entity 2012	2011
Assets classified as held for sale – Les Bleus Group			
Cash and cash equivalents		51	6
Property, plant and equipment		-	1,242
		51	1,248
Liabilities classified as held for sale – Les Bleus Group			
Trade and other payables		2,801	2,775
Loans and borrowings		2,290	2,985
		5,091	5,760

b. Other assets classified for sale by the Group entities as at 30 June 2012 amount to $875,000 (2011: $875,000).

7. Expenses

a. Personnel expenses

In thousands of AUD	Consolidated Entity 2012	2011
Wages and salaries	6,020	6,847
Other associated personnel expenses	987	1,612
Contributions to defined contribution plans	529	689
Decrease in liability for annual leave	(36)	(24)
(Decrease) / Increase in liability for long-service leave	(212)	61
Termination benefits	281	28
	7,569	9,213

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

In thousands of AUD	Consolidated Entity 2012	2011
Depreciation	191	126
Amortisation	363	531
Research & development	1,425	1,709
Rental expense on operating leases: minimum lease payment	1,192	1,153
Impairment of financial assets	22	11
Net (loss) / profit on disposal of assets held for sale (continuing operations)	(17)	5
Net (loss) / profit on disposal of non-current assets (discontinued operations)	(404)	632

8. Capital and Reserves

i. Share Capital

	Ordinary Shares	
	2012	**2011**
On issue at the beginning of the year	103,983,735	103,983,735
Issued during the year	53,380,633	-
On issue at the end of the year – fully paid	157,364,368	103,983,735

During the year, the Company undertook a renounceable rights issue in the proportion of one new share to every existing share @ $0.012 per share.

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 (2011: $1,539,556) 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.

9. Reconciliation of Cash Flows from Operating Activities

In thousands of AUD	Notes	Consolidated 2012	2011
Cash flow from operating activities			
Loss after tax		(4,254)	(1,016)
Adjustment for non cash item:			
Depreciation		191	126
Amortisation of intangible assets		363	531
Net interest costs		480	500
Unrealised foreign exchange gains		(3)	(239)
Loss / (gain) on sale of property, plant & equipment		421	(638)
Income tax expense / (benefit)		1,404	(680)
Operating (loss) before changes in working capital		(1,398)	(1,416)
Decrease / (increase) in trade and other receivables		1,371	(599)
(Increase) / decrease in prepayment		(8)	133
Decrease in inventories		221	557
Decrease in assets held for sale		1,197	195
(Decrease) / increase in trade and other payables		(848)	1,441
Increase in employee benefits		182	248
Interest received		12	8
Interest paid		(295)	(255)
Net cash (outflow) / inflow from operating activities		(235)	313

10. Subsequent Events – Les Blues Group

On 10 July 2012, after the close of financial year 2012, the Receivers handed over the Les Bleus companies in liquidation and receivership to the Liquidators and the companies not in liquidation to the directors of those companies.

Inventis Limited has instructed the liquidation of the companies in liquidation which is expected to be concluded within the next six months. The net effect will be the deconsolidation of these companies decreasing liabilities held for sale by approximately $5.1 million and thereby increasing the Group's Net Assets by a similar amount.