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Inventis Limited

2014 Annual Report

Inventis Limited
ABN: 40 084 068 673

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DIRECTORS' REPORT

The Directors present their report together with the financial report of the Group, being Inventis Limited ("the Company") and its subsidiaries ("Inventis"), for the financial year ended 30 June 2014 and the auditor's report thereon.

SECTION 1:

1. DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Tony Noun MBA, FAIM, CFP, CIAM, A&CIPANZIP, Dip LI, AICD, JP
Executive Chairman (Part-time)

Tony Noun has more than 25 years professional and commercial experience with a proven track record of success. Tony's commercial experience, from both an investor and manager perspective, enables him to bring extensive financial and corporate experience to lead the Board and Management of Inventis Limited.

Tony is also an active director for a number of national and international companies that cover a broad range of industries and professional disciplines including financial services, health care, hospitality and manufacturing as well as sales and marketing.

Directorships held in other listed entities in the last 3 years - NIL.

Denis Pidcock MBA, BEng
Independent Non-Executive Director
21 June 2013 – 9 July 2013

Alternate Director

Denis has extensive experience in both senior level executive management and non-executive directorship roles across a wide range of industry fields in private, public and government corporations as well as considerable international involvement in Europe, the United States and South East Asia.

With a background in marketing, project design, financial and administrative management, compliance management and management of domestic and international merger and acquisition transactions, Denis brings a wealth of experience to Inventis Limited.

Directorships held in other listed entities in the last 3 years – Mariner Corporation Limited (15 June 2009 - 9 November 2010).

Alfred Kobylanski B.Bus, CPA, ACIS, ACSA, Tax Agent
Alternate Director

Alfred has more than 35 years' experience in finance and management within multinational organisations in Australia and in the United Kingdom. This experience includes manufacturing, information technology and financial services in both emerging and established markets.

Alfred's background in finance, general management, corporate governance as well as his knowledge of manufacturing and service organisations adds to the substantive body of knowledge at the Board and Senior Management level.

Directorships held in other listed entities in the last 3 years – NIL.

SECTION 1 (continued)

1. DIRECTORS (continued)

Peter Bobbin B.Com, LL.B, M.Tax, CTA
Non Executive Director

Peter has practised as a solicitor for more than 25 years and is also a former accountant who specialises in taxation strategy planning and commercial law. Clients that have employed his services range from personal businesses to multinational operations. Peter is a frequent guest speaker for a range of professional bodies and universities.

Peter has for the past 19 years been the managing principal of his legal practice which today employs almost 50 staff and is a subsidiary of an ASX listed public company. Peter is a director of the subsidiary company and holds a range of other directorships, including a role for a public charity.

Directorships held in other listed entities in the last 3 years – NIL.

Anthony Mankarios MBA, CFTP, FAICD
Non-executive Director Appointed on 9 July 2013

An Executive Director of Joyce Corporation Limited, Anthony is an experienced director and manager who has played a key role in Joyce's underlying business growth performance since 2010. He is also a non-executive director of KWB Group Pty Ltd, which is a fast growing kitchen connection and wallspan business; and Chairman of Man Investments and Consultants as well as being involved in a number of other private companies.

Anthony was the CEO of Oldfields Holdings Ltd, who led them on their path to growth success from 2003 (until 2010), that enabled them to become a market leader in both Aluminium scaffold and paint applications. He also played a key role in the restructuring of this group and completed numerous finance and capital raising exercises.

His experience over the last 27 years spans a number of different sectors ranging from retail, wholesale and distribution, manufacturing as well as furniture retail / Importing and Franchise businesses in Australia and in Asia.

Directorships held in other listed entities in the last 3 years – Joyce Corporation Limited.

2. COMPANY SECRETARY

Renuka Sharma Solicitor, ACIS, ACSA, ATI, JP
Company Secretary and In-house Counsel

Resigned 29 August 2014

Renuka has over the last 13 years held positions as Assistant Company Secretary, Company Secretary and Assistant to the Director, Finance and Administration of a number of companies in India, Australia and the United Kingdom.

Alfred Kobylanski B.Bus, CPA, ACIS, ACSA, Tax Agent
Chief Financial Officer & Company Secretary

Appointed 29 August 2014

SECTION 1 (continued)

3. DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

	Board Meetings		External Auditor and the Board[1]	
Director	**A**	**B**	**A**	**B**
T Noun	13	13	2	2
A Mankarios	13	13	2	2
P Bobbin	13	13	2	2

A – Number of meetings attended.
B - Number of meetings held during the time the director held office during the year.

[1] The external auditor met with the Board twice during the year together with management. With effect from 26 November 2008, following the restructure of the Board, the Board revoked the delegation of the Audit and Risk Management sub-committee as well as the Remuneration and Nomination sub-committee and undertook the tasks of these sub-committees itself.

4. DIRECTORS' INTERESTS

The relevant interest of each Director that held office during the year in the ordinary shares issued by Inventis Limited, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at 30 June 2014 is as follows:

		Number of Ordinary Shares			
Director	**30 June 2013**	**Acquired**	**Sale / Transfer**	**Cancelled**	**30 June 2014**
T Noun	21,447,500	28,596,660	-	-	50,044,160
A Kobylanski	12,700,000	16,933,320	-	-	29,633,320
P Bobbin	85,700,000	116,266,644	-	-	201,966,644
A Mankarios	-	86,429,862	-	-	86,429,862

5. CORPORATE GOVERNANCE STATEMENT INCLUDING REMUNERATION REPORT

The Directors of Inventis Limited are committed to achieving the highest standard of corporate governance. Except where specified in this statement, the recommendations set by the ASX Corporate Governance Council as outlined in *ASX Guidance Note 9A* have been followed.

The Company website has a dedicated section dealing with its corporate governance on which can be found its corporate governance charter and policies.

5.1 Board and Management

5.1.1 Role of the Board

The role of the Board is to provide strategic guidance for Inventis and effective oversight of its Management.

The Board meets regularly to discharge its duties. The main functions of the Board as stated in the Company's Board Charter are:

- Setting Inventis' vision and deciding upon its business strategies and objectives;
- Appointing the leadership to put the strategies into effect;
- Monitoring the operational and financial position and performance of Inventis;

SECTION 1 (continued)

5. CORPORATE GOVERNANCE STATEMENT (continued)

5.1 Board and Management (continued)

5.1.1 Role of the Board (continued)

- Identifying the principal risks faced by Inventis and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
- Ensuring that Inventis' financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- Ensuring that investors and the market are fully informed of all material developments, in a timely manner;
- Appointing, and where appropriate, removing the Chairman and the Managing Director, approving other key executive appointments and dismissals of those reporting to the Managing Director as well as planning for executive succession;
- Overseeing and evaluating the performance of the Chairman and the Managing Director and other senior executives in the context of Inventis' strategies and objectives;
- Approving budgets and business plans and monitoring the progress of major capital expenditures, capital management as well as acquisitions and divestures;
- Ensuring compliance with all relevant laws, government regulators and accounting standards; and
- Ensuring that the business of Inventis and its subsidiaries is conducted openly and ethically.

5.1.2 Board's Delegation of Authority

The Board has delegated the day to day functions of the business to be performed by the senior executives under the guidance of the Executive Chairman (Part-time).

The Board ensures that it receives monthly reports from each senior executive and updates from the Executive Chairman (Part-time) with regard to the delegated authority, as and when requested by the Directors.

5.1.3 Evaluation of performance of the Senior Executives

At the appointment stage, each senior executive is provided with their job description along with the appointment letter and key performance indicators are set for measuring their performance in the probation period as well for the year ahead.

The Remuneration and Nomination Committee has set up the performance of the Managing Directors and the Chief Financial Officer according to the business plans of their respective divisions and the achievement of the targets stated therein.

The respective Managing Directors and the Chief Financial Officer consult with the senior executives directly reporting to them and set the Key performance indicators (KPIs) for each of them.

In the financial year ended 30 June 2014, due to restructuring of the businesses, no performance reviews were conducted.

5.1.4 Board and its performance

(a) Composition of the Board and Board Processes

During the period and until the date of reporting, the Board comprised of an Executive Chairman (Part-time) and two non-executive directors.

Each director has the right to access all relevant company information and to the Company's executives and, subject to prior consultation with the Executive Chairman and after obtaining the approvals of the fee payable for the advice, may seek independent professional advice from a suitably qualified adviser

SECTION 1 (continued)

5. CORPORATE GOVERNANCE STATEMENT (continued)

5.1 Board and Management (continued)

5.1.4 Board and its performance (continued)

(a) Composition of the Board and Board Processes (continued)

at the Company's expense. A copy of the advice received by the Director is made available to all other members of the Board.

In case of conferring in the presence of the Executive Chairman, Mr Peter Bobbin has been appointed as a Lead director to ensure that in such discussions, the executive director does not influence the non-executive / Independent directors.

At the time of appointment of a director or a senior executive, such director or senior executive discloses all interests to the Board. The Board puts in place a plan for management in case of any conflicts of interests. All the directors and senior executives are then required to inform any change in their interests at every Board Meeting. This process assists the Board to determine the independence of a director. The Company has put in place processes to ensure timely disclosure to the market of any changes in a director's interest.

(b) The Chairperson

On 26 November 2008, the Board decided to change the structure of the Board to ensure the independence of the Board is maintained.

It was decided that for the time being the minimum number of directors comprise the Board.

The Independent non-executive directors appointed the then Managing Director Mr Tony Noun as the Chairperson. In fact Mr Noun is an Executive Chairman. The principle recommendations 2.2 and 2.3 are not adopted by the Company at this stage. The reason being Mr Tony Noun has been the Managing Director and has knowledge with regard to operations of each division of the Group and hence is competent to drive the Company into the right direction. Under the leadership of the Executive Chairman, the Technology Division has a senior executive who heads that Division and reports to the Executive Chairman. Mr Tony Noun is the senior executive for the Furniture division.

In addition, Mr Peter Bobbin has been appointed as a lead director to ensure the independence of the Board is maintained.

5.1.5 Evaluation of the Performance of the Board

Due to change in the composition of the Board, the Board will not be evaluating the performance of the Board.

5.2 Audit and Risk Management Committee

Since 26 November 2008, the Board has revoked the powers of its sub-committees and resolved that the Board as a whole will exercise the powers of Audit and Risk Management Committee.

The role of the Audit and Risk Management Committee is to provide advice and assistance to the Board to allow it to:

- Fulfil its audit, accounting and reporting obligations;
- Review the annual, half-year and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards (AASB's), and assessing whether the financial information is adequate for shareholder needs;
- Assess corporate risk assessment processes;
- Assess whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review;

SECTION 1 (continued)

5. CORPORATE GOVERNANCE STATEMENT (continued)

5.2 Audit and Risk Management Committee (continued)

- Provide advice to the Board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001;
- Assess the adequacy of the internal control framework and the Company's code of ethical standards;
- Organise, review and report on any special reviews or investigations deemed necessary by the Board;
- Assess potential fraud situations and ensure prompt and appropriate rectification of any deficiencies or breakdowns identified in systems;
- Monitor the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements;
- Address any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX and financial institutions; and
- Review the performance of the external auditors on an annual basis.

5.2.1 Oversight of the Risk Management System

The Board oversees the establishment, implementation, and annual review of the Company's Risk Management System. Management has established and implemented a Risk Management System for assessing, monitoring, and managing operational, financial reporting, and compliance risks for the Group. The Executive Chairman (Part-Time) and the Chief Financial Officer have declared, in writing to the Board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. The operational and other risk management compliance and controls have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Group, and material associates and joint ventures.

5.2.2 Risk Profile

The Audit and Risk Management Committee reports quarterly on the status of risks through integrated risk management programmes aimed at ensuring risks are identified, assessed, and appropriately managed. Each business operational unit is responsible and accountable for implementing and managing the standards required by the programmes.

Major risks arise from such matters as actions by competitors, government policy changes, the impact of exchange rate movements on the price of raw materials and sales, difficulties in sourcing raw materials, environment, occupational health and safety, property, financial reporting, and the purchase, development and use of information systems.

The Audit and Risk Management Committee has direct access to any employee, the external auditors or any other independent experts and advisers as it considers appropriate in order to ensure that its responsibilities can be carried out effectively.

5.2.3 Risk Management, Compliance and Control

The Group strives to ensure that its products are of the highest standard. Towards this aim it has undertaken a program to achieve AS/NZS ISO 9001:2008 accreditation for each of its business segments.

The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

The Board's policy on internal control is comprehensive and comprises the Company's internal compliance and control systems, including:

Operating unit controls – Operating units confirm compliance with financial controls and procedures including information systems controls detailed in procedures manuals;

Functional speciality reporting – Key areas subject to regular reporting to the Board include Treasury Operations, Environmental, Legal and financial matters; and

SECTION 1 (continued)

5. CORPORATE GOVERNANCE STATEMENT (continued)

5.2 Audit and Risk Management Committee (continued)

5.2.3 Risk Management, Compliance and Control (continued)

Investment appraisal – Guidelines for capital expenditure include annual budgets, detailed appraisal and review procedures, levels of authority, and due diligence requirements where businesses are being acquired or divested.

Comprehensive practices have been established to ensure:

- Capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- Financial exposures are controlled, including the use of derivatives. Further details of the Company's policies relating to interest rate management, forward exchange rate management and credit risk management are included in the financial statements;
- Workplace health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- Business transactions are properly authorised and executed, monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly;
- Formal ethical standards appraisals are conducted for all employees to ensure that they are complying with the Company's Code of Ethics;
- A formal succession plan is also in place to ensure competent and knowledgeable employees fill senior positions when retirements or resignations occur;
- Financial reporting accuracy and compliance with the financial reporting regulatory framework; and
- Environmental regulation compliance.

5.3 Remuneration and Nomination Committee

On 26 November 2008, the Board revoked the powers of its sub-committees and resolved that the Board as a whole will exercise the powers of Remuneration and Nomination Committee.

The role of the Remuneration and Nominations Committee is to provide recommendations to the Board on matters including:

- Appropriate remuneration policies and monitoring their implementation with respect to executives, senior managers, non-executive Directors and other key employees;
- Incentive schemes designed to enhance corporate and individual performance;
- Retention strategies for executives and senior management;
- Composition of the Board and competencies of Board members;
- Appointment and evaluation of the executive Directors and senior executives;
- Succession planning for Board members and senior executives; and
- Processes for the evaluation of the performance of the Managing Director and Directors.

Currently, the selection process screening for appointment of new directors is done by a third party and the Committee based on the Report of the third party including its recommendation to the Board.

5.3.1 Principles used to determine the Nature and Amount of Remuneration

The remuneration policy of the Group has been designed to align director and executive objectives with shareholders and business objectives by providing a fixed remuneration component and in many cases offering incentives based on key performance areas affecting the Group's financial results.

SECTION 1 (continued)

5. CORPORATE GOVERNANCE STATEMENT (continued)

5.3 Remuneration and Nomination Committee (continued)

5.3.1 Principles used to determine the Nature and Amount of Remuneration (continued)

The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives, and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

5.3.2 Executive Directors and Senior Executives

The remuneration policy, setting terms and conditions for the Executive Directors and other senior executives, was developed by the Remuneration and Nominations Committee and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and performance incentives.

The Remuneration Committee reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. Executives are offered a competitive base salary that comprises the fixed component of remuneration and rewards. Reference to external remuneration reports provides analysis to ensure base salary is set to reflect the market for a comparable role.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise at its discretion in relation to approving incentives and bonuses and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

In some parts of the Group commissions are paid. The commission is based upon individual and team pre-determined targets set by the Managing Director of the company concerned and are payable quarterly. Using a predetermined target ensures variable reward is only available when value has been created for Shareholders and when it is consistent with the business plan. The incentive pool is leveraged for performance above the threshold to provide an incentive for executives to out-perform.

5.3.3 Non - Executive Directors

The Board policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment, and responsibilities. The Executive Directors' determine remuneration of the Non-executive Directors and review it annually, based on market practice, duties, and accountability. Independent external advice is sought where required. Fees for Non-executive Directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group.

5.3.4 Retirement Allowances

No retirement allowances exist for Directors. The executives and executive directors employed on a full time basis receive a superannuation guarantee contribution as required by the Federal Government, which is currently 9.5% (9.25% for year ended 30 June 2014), but do not receive any other retirement benefits. Some individuals have however chosen to sacrifice part of their salary to increase payments towards superannuation.

SECTION 1 (continued)

5. CORPORATE GOVERNANCE STATEMENT (continued)

5.4 Remuneration Report - audited

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Additional disclosures

A. Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group has been designed to align Director and executive objectives with shareholders and business objectives by providing a fixed remuneration component and offering incentive based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

Directors' fees

All remuneration paid to Directors is valued at the cost to the Group and expensed.

Executive pay

The executive pay and reward framework has three components:

- Base pay and benefits
- Short-term performance incentives
- Other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration. The Group approved its long-term equity linked performance incentives specifically for executives with effect from 1 July 2008.

Base pay and benefits

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. It includes Super Guarantee Charge at the rate prescribed by the Government from time to time.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. When required, external remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

Benefits

Executives receive benefits including car allowances.

Short-term performance incentives (STI)

If the Group achieves a predetermined profit target set by the Board, a short-term incentive (STI) pool is available to executives during the annual review. Cash incentives (bonuses) are payable on 30 September each year. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. The incentive pool is leveraged for performance above the threshold to provide an incentive for executives to out-perform.

The Group has a bonus incentive scheme for individual management employees. This is broadly based on the achievement of the Group profit objectives and the achievements of the individual KPIs.

SECTION 1 (continued)

5. CORPORATE GOVERNANCE STATEMENT (continued)

5.4 Remuneration Report - audited (continued)

A. Principles used to determine the nature and amount of remuneration (continued)

Other remuneration such as superannuation

The Directors and executives receive a superannuation guarantee contribution required by government, which is currently 9.5% (9.25% for year ended 30 June 2014), and do not receive any other retirement benefits. However, some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board considers the following indices in respect of the current financial year and the previous four financial years.

	2014	2013	2012	2011	2010
Net (Loss) / profit attributable to equity holders of the parent ($)	(1,818,745)	2,947,658	(4,525,798)	(1,016,340)	(1,993,035)
Basic (Loss) / earnings per share	(0.4)c	1.6c	(3.8)c	(1.0)c	(1.9)c

Dividends, share price and return on capital are not considered in setting STI. The overall level of key management personnel's compensation takes into account the performance of the Group over a number of years.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel of the Group are set out in the following tables.

For the year ended 30 June 2014, the key management personnel of the Group included the Directors listed in the Directors Report and the following executive officers:

Consolidated Entity:

Andrew Skaltsounis – Managing Director, Inventis Technology Pty Limited

Resigned 12 September 2014

Parent Entity:

Alfred Kobylanski – Chief Financial Officer.

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)

B. Details of remuneration (continued)

		Short-term					Post-employment	Other long term	Termination Pay		
		Salary & Fees	Other Benefits	Cash & Bonus	Non-monetary benefits	Total	Superannuation Benefits	Long service leave	Includes Unused Long Service Leave and unused Annual Leave	Total including benefits	Proportion of remuneration performance related
Company											
Non-Executive Directors		$	$	$	$	$	$	$	$	$	$
Mr. Peter Bobbin[1]	**2014**	**51,270**	**-**	**-**	**-**	**51,270**	**4,049**	**-**	**-**	**55,318**	**-**
	2013	7,334	-	-	-	**7,334**	1,315	-	-	8,649	-
Mr. Denis Pidcock [2]	**2014**	**29,105**	**-**	**-**	**-**	**29,105**	**168**	**-**	**-**	**29,273**	**-**
	2013	37,122	-	-	-	37,122	5,790	-	-	42,912	-
Mr. Charles Wright[3]	**2014**	**45,930**	**-**	**-**	**-**	**45,930**	**-**	**-**	**-**	**45,930**	**-**
	2013	60,222	-	-	-	60,222	-	-	-	60,222	-
Mr. Anthony Mankarios	**2014**	**48,000**	**-**	**-**	**-**	**48,000**	**-**	**-**	**-**	**48,000**	**-**
	2013	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Executive Directors											
Mr. Tony Noun [4]	**2014**	**282,735**	**-**	**-**	**-**	**282,735**	**23,217**	**-**	**-**	**305,952**	**-**
	2013	185,260	-	-	-	185,260	20,282	-	-	205,542	-
Other Key Management Personnel											
Mr. Alfred Kobylanski[5]	**2014**	**208,650**	**-**	**-**	**-**	**208,650**	**27,108**	**-**	**-**	**235,758**	**-**
Chief Financial Officer	2013	134,235	-	-	-	134,235	24,999	-	-	159,234	-

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)
B. Details of remuneration (continued)

		Short-term					Post-employment	Other long term	Termination Pay		
		Salary & Fees	Other Benefits	Cash & Bonus	Non-monetary benefits	Total	Superannuation Benefits	Long service leave	Includes Unused Long Service Leave and unused Annual Leave	Total including benefits	Proportion of remuneration performance related
Consolidated Entity											
Key Management Personnel											
Mr Andrew Skaltsounis Resigned 12 September 2014	**2014**	**139,643**	**20,800**	**-**	**-**	**160,443**	**11,921**	**-**	**-**	**172,364**	**-**
Managing Director with effect 1 August 2012	2013	118,975	17,846	-	-	136,821	3,962	-	-	140,747	-

Please Note:

1. The 2014 Gross pay of Peter Bobbin includes remuneration owed to him for the years 2012-2013 of $7,334.
2. The 2014Gross pay of Denis Pidcock includes remuneration owed to him for the years 2011-2013 of $27,274.
3. The 2014 Gross Fees of Charles Wright includes remuneration owed to him for the years 2011-2013 of $45,930.
4. The 2014 Gross Pay of Tony Noun includes remuneration owed to him for the years 2011-13 of $133,382.
5. The Gross Pay of Alfred Kobylanski includes remuneration owed to him for the years 2011-13 of $45,686.

The above amounts were previously accrued for by the Group in prior reporting periods, however, were only paid to Directors and Key Management Personnel during the current year.

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)

C. Service agreements

It is the Group's policy that service contracts for key management personnel are unlimited in term but capable of termination on notice by either party. The Board has determined a notice period of three months for the Executive Chairman, the Chief Financial Officer and the Divisional Managing Directors.

The key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The service contracts outline the components of compensation paid to the key management personnel but do not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

Tony Noun is the Executive Chairman of the Group and receives remuneration in accordance with a contract of employment dated 1 January 2007, as amended from time to time.

Alfred Kobylanski is the Chief Financial Officer of the Group and receives remuneration in accordance with a contract of employment dated 1 October 2007, as amended from time to time.

Andrew Skaltsounis was the Managing Director of Inventis Technology Pty Limited and received remuneration for the year ended 30 June 2014, in accordance with a contract of employment dated 1 August 2012, as amended from time to time.

D. Additional disclosures

Directors' and Executive Officers' Compensation Parent Entity and Group

Details of the nature and amount of each major element of compensation of each Director of the Parent Company and the Group, the Chief Financial Officer and relevant Group executives as other key management personnel are set out in the tables on pages 13 and 14.

Non-Executive Directors

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2004 AGM, is not to exceed $250,000 per annum and is set based on advice from external advisors with reference to fees paid to other Non-Executive Directors of comparable companies. Directors' base fees are presently set at $48,000 per annum, with the Non-Executive Chairperson set at $98,000 per annum. As the current Chairperson is an Executive Director he is not being paid this additional fee.

Non-Executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of one committee. Currently there are no sub-committees to the Board.

In the event any non-executive director is required to do an executive role for a short period of time, a separate remuneration amount for the executive role is paid in addition to their director's remuneration.

Options

The Group has established an Employee Performance Option Plan (EPOP) to assist in the attraction, retention, and motivation of employees, senior executives and Executive Directors of the Group. The EPOP is not available to the Non-Executive Directors.

The EPOP is administered by the Board which may determine:

- Which executives and employees are eligible to participate;
- The criteria relevant to the selection of eligible executives and employees; and
- The ineligibility of an executive or employee to participate in the EPOP if in the Board's opinion participation by that executive or employee would constitute a breach of the rules of EPOP, or of the Company's Constitution, or of the ASX Listing Rules, or of any law of any jurisdictions.

SECTION 1 (continued)

5.4 Remuneration Report - audited (continued)

D. Additional disclosures (continued)

A person eligible for participation in the EPOP means either a person who is an employee of the Company or any of its associated entities as an executive or an employee on a full time or part time basis and is declared by the Committee to be eligible to participate in the EPOP.

The EPOP was approved with effect from 1 July 2008. No options have been granted in the period since activation, as at the date of this Report.

5.5 Ethical standards and policies

5.5.1 Code of Conduct and Ethics

All Directors, executives, and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The Board reviews the Code of Conduct and Ethics regularly and processes are in place to promote and communicate these policies.

The Code of Conduct and Ethics established by the Board deal with:

- maintaining appropriate legal and ethical standards in dealings with business associates, advisers and regulators, competitors, employees and any other stakeholders of Inventis;
- processes for the directors and senior executives to declare any conflict of interest when it arises and keeping the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest and Directors' must withdraw themselves from any discussion pertaining to any matter in which a Director has a material personal interest. Details of Director related entity transactions with the Company and the Group are set out in the Financial Statements;
- maintaining appropriate core Company values and objectives;
- processes on fulfilling responsibilities to shareholders by delivering shareholder value;
- ensuring the usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure;
- fulfilling responsibilities to clients, customers and consumers by maintaining high standards of product quality, service standards, commitments to fair value, and safety of goods produced;
- maintaining employment practices such as occupational health and safety, employment opportunity, the community activities, sponsorships and donations;
- maintaining employee privacy by the appropriate use of privileged or confidential information;
- avoiding conflicts of interest;
- preventing Directors and senior executives from taking advantage of property, information or position for personal gain;
- maintaining confidentiality of corporate information;
- ensuring that the Company, Directors and all employees are fair in their dealings;
- ensuring compliance with laws; and
- establishing a basis for reporting of unethical behaviour.

SECTION 1 (continued)

5.5 Ethical standards and policies (continued)

5.5.2 Share trading policy

Directors and senior executives may acquire or dispose of shares in the Company, but are prohibited from dealing in Company shares:

- Except between 3 and 21 days after either the release of the Company's half-year and annual results to the Australian Securities Exchange ('ASX'), the Annual General Meeting or any other major announcement; and
- Whilst in possession of price sensitive information not yet released to the market.

Directors and senior executives are required to:

- Raise the awareness of legal prohibitions including transactions with colleagues and external advisers;
- Provide details of intended trading in the Company's shares;
- Provide subsequent confirmation of the trade;
- Advise of any unusual circumstances where discretions may have been exercised in cases such as financial hardship; and
- Comply with insider trading provisions of the Corporations Act 2001.

If an order has been placed during the trade window and it has not been completely fulfilled, the Board has authority to approve the amount of unfulfilled order to remain in the market after the trading window for such time period as the Board thinks fit.

At each Board meeting, the Chairperson advises the members present including the senior officers, with regard to the Share Trading Policy.

These requirements also apply to all senior officers of the Group.

5.5.3 Environmental policy

The Group is committed to achieving a high standard of environmental performance. Environmental performance is monitored by the Board and as part of this the Board:

- Sets and communicates the environmental objectives and targets of the Company;
- Monitors progress against these objectives and targets; and
- Implements environmental management plans in areas which may have a significant environmental impact.

Based on the results of enquiries made, the Board is not aware of any significant environmental issues for the period covered by this report.

5.5.4 Equal Opportunity Policy:

The Company has implemented an Equal Opportunity Policy, the main objectives of this policy are to:

- Ensure all employees are treated with fairness and respect;
- Ensure no employee is discriminated against because of gender or race;
- Ensure all employees have equal access to opportunities that are available at work for enhancement of one's skills and position;
- Promote merit in employment.

The Company is committed to diversity and the Company's objective has and continues to be: to seek, appoint and promote based on skill, experience and capability not gender race or any other criteria.

At one stage the Company had the following as women senior executives:

- Head of the Furniture Division;
- Head of the Technology Division;
- Company Secretary and In-house Counsel; and
- The Human Resources Manager.

SECTION 1 (continued)

5.5 Ethical standards and policies (continued)

5.5.4 Equal Opportunity Policy (continued)

As at 30 June 2014, the Company had the following female staff:

Company Name	Female Staff	Total Staff	Percentage
Corporate Division	1	7	14%
Furniture Division	23	71	32%
Technology Division	14	38	37%

Currently, the Board positions have been restricted to three by the Board and Shareholders. For the year ended 30 June 2014, The Company Secretary and In-house Counsel was a female who attended all Board meetings.

5.6 Communication with shareholders

5.6.1 Timely and continuous disclosure

(a) Policies and processes in place with regard to continuous disclosure

The Company has the following processes in place to ensure continuous disclosure in a timely manner:

Director Disclosure Agreements – The Company has entered into Director Disclosure Agreements as per the Guidance Note 26 of ASX Listing Rules. Each Director understands that in case of change of any interest, he/she has to inform the Company within 3 business days of such change;

Monthly Disclosure – At each monthly Board meeting, the Directors are individually asked of any change in their interests to ensure that if there has been a breach of not informing the Company in time of any change, it is rectified at this stage;

Continuous Disclosure Checklist – There is a continuous disclosure checklist process implemented in the Quality System of the Company under the Corporate Governance Procedure. This checklist is comprehensive and enables the executives to check whether any event or happening of any event is to be disclosed to the market or not at any particular moment of time.

Training – A new measure of provision of training has been introduced to ensure that all executives know their responsibilities with regard to confidentiality, timely disclosure, insider trading, trading policy and other relevant corporate governance matters.

(b) Shareholder communication

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases.

In summary, the Continuous Disclosure Policy operates as follows:

- The Executive Chairman, the Chief Financial Officer and the Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX;
- All matters that are of a nature as to reasonably expect that they would affect the price of the Company's shares are advised to the ASX on the day they are discovered, and all senior executives must follow a 'Continuous Disclosure Discovery' process, which involves monitoring all areas of the Group's internal and external environment;
- The half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it. The full Annual Financial Report is available to all shareholders should they request it;
- Proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders;

SECTION 1 (continued)

5.6 Communication with shareholders (continued)

(b) Shareholder communication (continued)

- All announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX;
- The full texts of notices of meetings and associated explanatory material are placed on the Company's website; and
- The external auditor attends the Annual General Meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

All of the above information, including that of the previous three years, is made available on the Company's website within one day of public release.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as separate resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, the Remuneration Report, and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.

SECTION 2:

1. PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were the manufacture and sale of commercial furniture, electronic controllers and computers.

2. FINANCIAL REVIEW

	2014	2013	2012	2011	2010
Net (Loss) / profit attributable to equity holders of the parent ($)	(1,818,745)	2,947,658	(4,525,798)	(1,016,340)	(1,993,035)
Basic (loss) / earnings per share	(0.4)c	1.6c	(3.8)c	(1.0)c	(1.9)c

3. FINANCIAL CONDITION

Capital structure

As at the reporting date the number of shares on issue was 598,173,281 (2013: 246,428,257) and as of the date of filing this report the number of shares on issue were 598,173,281. At the reporting date the share capital of the Group stood at $32,579,575 (2013: $29,021,004) and net equity stood at $4,808,943 (2013: $3,593,094).

Liquidity and funding

As at the reporting date, cash and cash equivalents on hand of the Group stood at $173,417 (2013: $165,131).

Total current assets stood at $6,939,472 (2013: $8,165,260) and current liabilities stood at $6,755,437 (2013: $9,296,858) making the liquidity ratio 1.027 (2013: 0.878).

The Group has available to it $4.9 million in funding of which $1.6 million has been activated and as at the reporting date, $3.3 million was unused.

SECTION 2 (continued)

3. FINANCIAL CONDITION (continued)

Cash flows from operations

In the financial year net cash outflows of the Group from operating activities were ($1,720,828) (2013: ($1,813,436)).

Net cash outflows from investing activities during the financial year were ($96,000) (2013:$609,000 inflow) of which $96,000 was used (2013: $26,000) for purchase of plant and equipment.

In the financial year there was a net increase in cash and cash equivalents of $8,138 (2013: ($443,851)).

4. PRINCIPAL BUSINESSES

A commentary on the two operating divisions is set out below:

Technology Division:

The Technology Division's revenue for the year ended 30 June 2014 was $5.4m as compared to $8.0m for the previous financial year.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the year was a profit of $0.2m as compared to $0.8m for the same period last year. The decline in revenue is substantially attributable to 'end of life' products from the PNE range. However, despite this reduction in revenue, bottom line results, including 'one-off' costs associated with the restructuring is $0.6m below last year. This reflects the benefits derived from the restructuring to date and the strategy of focusing on 'direct-to-market' products from the EAS, SafeZone, Impart and Opentec range; enhanced supply chain; and partnership formation with quality local and overseas suppliers to enter new markets.

The Board is of the view that the successful completion of its restructuring and streamlining program during the first half of the 2015 financial year will further strengthen the position and ongoing performance of the Technology Division

Furniture Division:

The Furniture Division's revenue for the year ended 30 June 2014 was $11.4m as compared to $12.4m for the previous financial year.

EBITDA is a loss of $1.2m as compared to a loss of $0.6m in the previous financial year.

The reduction in revenue and EBITDA loss is attributable to the New Zealand operations of the Furniture Division. As outlined previously, the Board is implementing a strategy to eliminate this negative impact on the group's cash-flow.

Our Gregory Commercial Furniture Division in Australia is improving with the period 1 January to 30 June 2014 showing substantive improvement over the previous year, in its bottom line result. Importantly, benefits are continuing to flow from increasing sales revenue and enhanced performance procurement, product rationalisation and cost control strategies, which have and will continue to improve bottom line results. This underlying growth and strengthening of the bottom line is underpinned by our ergonomic product strengths and capitalising on our European partnership with Sedus to consolidate and strengthen our market position for a better and brighter future.

Group Results Commentary:

During the year under review, the economic climate remained relatively unchanged; the expected uplift in local market conditions did not materialise post the Federal Government election and the release of the 2014 Federal budget; furthermore as previously advised the cash flow constraints resulting from delays and extensions pertaining to the capital raising, impacted sales, gross profit margin and the overall efficiency of the operations across both divisions. As a consequence, the Board undertook further foreshadowed streamlining of the operations to align the Company's expenditure with the trading environment. This has led to 'one off' and non-recurring expenses incurred this year, as part of the long term cost savings and back-office streamlining of Divisional and Group expenses.

The Board is now implementing the next phase of its strategy focused on generating additional sales revenue, across both the Furniture and Technology Divisions to ensure positive outcomes in the 2015 financial year. As part of this, both Australian Divisions are being consolidated operationally, so as to build depth and breadth across administrative, marketing, operational and support functions, without increasing expenditure. This should also lead to reduced occupancy costs and general overheads; and most importantly, enable the group to be managed by a single CEO, as opposed to the previous structure of two Managing Directors.

SECTION 2 (continued)

4. PRINCIPAL BUSINESSES (continued)

Group Results Commentary (continued)

The losses for the year under review, excluding 'one-off' and 'non-recurring' expenses, is attributable almost entirely to the poor performance of our New Zealand subsidiary. The Board has undertaken a thorough review of our New Zealand strategy and is working diligently to resolve the continuing impact on the group, as a matter of urgency.

Future Outlook for the Group:

The Board is implementing strategies to consolidate its operations under the leadership of a single CEO, at a single head office and manufacturing facility, which will not only improve and streamline the management of the business and permit leveraging to take place for greater growth, but is also expected to deliver a further cost saving of around $0.5m per annum; Divest non-performing and/or 'end-of-life' products; and create and procure new innovative technologies for both Furniture and Technology Divisions, to complement our current market offering.

The strategy to increase group sales with the appointment of additional key experienced individual Business Development Managers in zones across Australia to enhance our market share and to launch our innovative new products into 2014/15 is working to plan at present.

5. REVIEW OF OPERATIONS AND ACTIVITIES

Financial Review

The consolidated results for the financial year ended 30 June 2014 are:

$'000	2014	2013
Sales Continuing Operations	16,795	20,517
(Loss) from Continuing Operations after tax	(1,888)	(2,092)
Profit from Discontinued Operation after tax	69	5,040
(Loss) / profit after tax for the period	(1,819)	2,948

Segmented results

Segmental information for the year ended 30 June 2014 is:

Actuals	2014		2013	
$'000	Sales	EBITDA	Sales	EBITDA
Furniture Division	11,382	(1,156)	12,440	(609)
Technology Division	5,389	196	8,056	814
Corporate Division	24	(977)	21	(1,356)
Total Continuing Operations	16,795	(1,937)	20,517	(1,151)
Discontinued Operations	-	-	-	-
	16,795	(1,937)	20,517	(1,151)

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year up to the date of this Report.

7. DIVIDENDS

No dividend has been declared or paid relating to the current year. Dividends were paid to Convertible Preference Shareholders of $719.

SECTION 2 (continued)

8. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

9. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has agreed to indemnify the current Directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Auditor is not indemnified.

Insurance premiums

Since the end of the previous financial year the Company has paid insurance premiums of $15,838 (2013: $17,575) in respect of Directors' and Officers' liability insurance for current and former Directors and Officers of the Company. The insurance premiums relate to:

- Costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and

Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual Officers of the Company.

10. NON-AUDIT SERVICES

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of these non-audit services during the year by the auditor is compatible with, and did not compromise the auditor independence requirements of the Corporation Act 2001. Details of amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services are disclosed below:

(In thousands of AUD)	*Note*	2014	2013
Audit Services			
Auditors of the Company			
KPMG Australia:			
Audit and review of financial reports		144,943	138,000
KPMG overseas:			
Audit and review of financial reports		20,518	15,000
		165,461	153,000
Other services		6,500	13,000
Total Auditor's Remuneration		171,961	166,000

11. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility for and on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in or on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

SECTION 2 (continued)

12. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 23 and forms part of the Directors' Report for the financial year ended 30 June 2014.

13. ROUNDING

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the Directors:

Tony Noun Executive Chairman	Anthony Mankarios Director

Dated at Sydney this 30th day of September 2014

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Inventis Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Malcolm Kafer

Malcolm Kafer
Partner

Sydney

30 September 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

(In thousands of AUD)	*Note*	Consolidated 2014	2013
Continuing operations			
Revenue		16,795	20,517
Cost of sales		(9,656)	(11,555)
Gross Profit		7,139	8,962
Other income		-	20
Expenses			
Manufacturing & operations		(2,729)	(3,146)
Engineering & quality assurance		(1,125)	(1,215)
Administration		(3,120)	(3,812)
Sales & marketing		(2,406)	(2,285)
Results from operating activities	*8*	(2,241)	(1,476)
Finance income		758	380
Finance expense		(433)	(477)
Net finance expense	*9*	325	(97)
Loss before income tax		(1,916)	(1,573)
Income tax benefit / (expense)	*10*	28	(519)
Loss from continuing operations		(1,888)	(2,092)
Discontinued operation			
Profit from discontinued operation, net of income tax	*7*	69	5,040
(Loss) / profit for the period		(1,819)	2,948
Other comprehensive income			
Items that are or may be reclassified to the profit or loss			
Foreign currency translation differences for foreign operations - continuing operations		(518)	(656)
Foreign currency translation differences for foreign operations - discontinued operations		-	242
Other comprehensive income for the period, net of income tax		(518)	(414)
Total comprehensive (loss) / income for the period		(2,337)	2,534
(Loss) / earnings per share			
Basic (loss) / earnings per share	*23*	(0.4)c	1.6c
Diluted (loss) / earnings per share	*23*	(0.4)c	1.6c
Continuing operations			
Basic loss per share	*23*	(0.4)c	(1.1)c
Diluted loss per share	23	(0.4)c	(1.1)c

The notes on pages 31 to 65 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated	**Attributable to equity holders of the Company**				
(In thousands of AUD)	**Share capital**	**Revaluation reserve**	**Foreign currency retranslation**	**(Accumulated losses)**	**Total equity**
Balance at 1 July 2012	28,320	404	(1,227)	(27,182)	315
Reserve Transfer	-	(404)	-	404	-
Total comprehensive income for the period					
Profit for the period	-	-	-	2,948	2,948
Other comprehensive income					
Foreign currency translation differences for foreign operations - continuing operations	-	-	(656)	-	(656)
Foreign currency translation differences for foreign operations - discontinued operations	-	-	242	-	242
Total other comprehensive income	-	-	(414)	-	(414)
Total comprehensive income for the period	-	-	(414)	2,948	2,534
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	701	-	-	-	701
Other	-	-	-	43	43
Total contributions by and distributions to owners	701	-	-	43	744
Total transactions with owners	701	-	-	43	744
Balance at 30 June 2013	**29,021**	**-**	**(1,641)**	**(23,787)**	**3,593**

The notes on pages 31 to 65 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated	Attributable to equity holders of the Company				
(In thousands of AUD)	**Share capital**	**Revaluation reserve**	**Foreign currency retranslation**	**(Accumulated losses)**	**Total equity**
Balance at 1 July 2013	29,021	-	(1,641)	(23,787)	3,593
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,819)	(1,819)
Other comprehensive income					
Foreign currency translation differences for foreign operations - continuing operations	-	-	(518)	-	(518)
Total other comprehensive income	-	-	(518)	-	(518)
Total comprehensive loss for the period	-	-	(518)	(1,819)	(2,337)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	3,543	-	-	-	3,543
Issue of convertible preference shares	16	-	-	-	16
Dividends	-	-	-	(1)	(1)
Other	-	-	-	(5)	(5)
Total contributions by and distributions to owners	3,559	-	-	(6)	3,553
Total transactions with owners	3,559	-	-	(6)	3,553
Balance at 30 June 2014	**32,580**	**-**	**(2,159)**	**(25,612)**	**4,809**

The notes on pages 31 to 65 are an integral part of these consolidated financial statements.

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		Consolidated	
(In thousands of AUD)	*Note*	2014	2013
Assets			
Cash and cash equivalents	11	173	165
Trade and other receivables	12	3,145	4,233
Inventories	13	3,609	3,744
Prepayments		12	23
Total current assets		6,939	8,165
Non-current assets			
Property, plant and equipment	16	525	616
Other financial assets	14	72	44
Intangible assets	17	4,122	4,151
Total non-current assets		4,719	4,811
Total assets		11,658	12,976
Liabilities			
Trade and other payables	18	4,002	4,760
Interest-bearing liabilities	19	1,576	3,311
Employee benefits	21	1,177	1,226
Total current liabilities		6,755	9,297
Non-current liabilities			
Employee benefits	21	94	86
Total non-current liabilities		94	86
Total liabilities		6,849	9,383
Net assets		4,809	3,593
Equity			
Share capital	22	32,580	29,021
Reserves	22	(2,159)	(1,641)
Accumulated losses		(25,612)	(23,787)
Total equity		4,809	3,593

The notes on pages 31 to 65 are an integral part of these consolidated financial statements

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated	
(In thousands of AUD)	*Note*	2014	2013
Cash flows from operating activities			
Receipts from customers		19,563	23,946
Payments to suppliers and employees		(20,969)	(25,309)
Cash generated from operations		(1,406)	(1,363)
Interest received		6	5
Interest paid		(321)	(456)
Net cash used in operating activities	*31*	(1,721)	(1,814)
Cash flows from investing activities			
Purchase of fixed assets		(96)	(26)
Proceeds from sale of fixed assets and assets held for sale		-	635
Net cash (used by) / from investing activities		(96)	609
Cash flows from financing activities			
Proceeds from rights offer		3,559	713
Proceeds from borrowings		-	1,056
Repayment of borrowings		(1,734)	(1,008)
Net cash from financing activities		1,825	761
Net increase / (decrease) / in cash and cash equivalents		8	(444)
Cash and cash equivalents at 1 July		165	609
Cash and cash equivalents at 30 June	*11*	173	165

The notes on pages 31 to 65 are an integral part of these consolidated financial statements

Contents

NOTE 1 REPORTING ENTITY

Inventis Limited (the "Company") is a company domiciled in Australia and incorporated in Australia. The current address of the Company's registered office is Building 1A, Greystanes Park East, 1-5 Butu Wargun Drive, Pemulwuy NSW 2145. The Financial Statements of the Company as at and for the year ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a "for profit" entity and a manufacturer of products and services including ergonomic office furniture, electronic control systems and ruggedised computing products (see Note 6 – 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 of 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.

The actual number of shares on issue as disclosed in Note 22 is that of the Company.

NOTE 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. The Financial Statements were authorised for issue by the Board of Directors on 30 September 2014.

These consolidated financial statements have been prepared in accordance with and in compliance with IFRS.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

The methods used to measure fair values are discussed further in Note 4.

(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.

NOTE 2 BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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:

- Note 15(i) and (ii) – Tax assets and liabilities
- Note 17 – Intangible assets

(e) Going concern

The financial report has been prepared on the going concern basis of accounting, which assumes, the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2014, the Group recorded a full year loss of $1.9m. The Group also incurred net cash outflows from operating activities of $1.7m for the year ended 30 June 2014. As at 30 June 2014, the Group's current assets exceeded its current liabilities by $0.2m an improvement of $1.3m over the previous year.

In relation to the Directors' assessment of the ability of the Group to continue as a going concern, and therefore, the basis of preparation of this financial report, the directors have considered the following:

- The Directors have reviewed the cash flow forecasts for the Group and believe that there will be sufficient cash inflows and facilities available to enable the Group to fund its operations for at least 12 months from the date these financial statements have been approved;
- Management have forecast to generate a profit and positive cash flows for the year ended 30 June 2015 and for the year ended 30 June 2016 and the Directors believe this will be the case;
- Management has restructured the Group's businesses, which has lowered its cost base for FY 2015 and future years. Included in 2014 expenses are costs associated with the restructure, which will not recur in 2015.
- The Board has undertaken a thorough review of our New Zealand strategy and is working diligently to resolve the continuing impact on the Group, as a matter of urgency;
- The Group has a strong pipeline of sales. Further, year to date sales and improving gross profit margins have been achieved in the Australian operations for the period subsequent to the end of the financial year;
- The Directors are confident that the Group has sufficient facilities in place to meet the Group's requirements for 2015. Further, finance facilities available to the Group are in the sum of AUD 4.0m and NZD 1.0m, which are available subject to achieving sales. A further finance facility with a related party is available to the Group in the sum of $0.75m. The facilities are drawn to $1.93m at the date of this report and the Group is in compliance with these facilities terms; and
- The Directors are aware of the importance of achieving the budget for 2015, the impact of the New Zealand operations on the Group being adequately resolved and current Group finance and funding being both available and maintained.

The Directors have concluded that it is appropriate to prepare the financial report on a going concern basis, as they are confident the Group will be able to pay its debts as and when they become due and payable through positive cash flows from operations and finance facilities. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTE 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 applied the recognition and disclosure requirements of AASB 10 'Consolidated Financial Statements' for the first time this reporting period. AASB 10 introduces a new definition of control which has been disclosed in Note 3 (a) (iii) below. The application of this new requirement did not result in any changes to the controlled entities consolidated into the Group financial report.

(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 2014 and the results of all subsidiaries for the year then ended. Inventis Limited and its subsidiaries together are referred to in these Financial Statements 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.

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 achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the company controls an investee if and only if the company has all the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure of rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 July 2009

For acquisitions 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
- 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 part of the cost of the acquisition.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the translation reserve in equity.

(c) Financial instruments

i. Non-derivative financial instruments

The Group initially recognises trade and other receivables at the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provision of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, trade and other receivables, and other financial assets. Cash and cash equivalents comprise cash balances and call deposits. Accounting for finance income and expense is discussed in Note 3(o).

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

ii. Non-derivative financial liabilities

All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise interest bearing liabilities and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

iii. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends are recognised as a liability in the period in which they are declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(d) Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised through profit or loss.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis, for assets acquired after 2008 and diminishing value prior to 2008, over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

iii. Depreciation (continued)

Depreciation Rates calculated under the straight line method (unless otherwise stated) for the current and comparative periods are as follows:

Leasehold improvements 2.5%
Plant and equipment 9% -50%

Furniture and fittings 11.25% -40%
Motor vehicles 22.5%

Leased plant and equipment 20% -33%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Intangible assets

i. Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3(a) (iii).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs (see note 3(d)(i)). Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

iii. Intellectual property, customer relationships, patents and trademarks

Intellectual property, customer relationships and brands have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over their estimated useful lives, which vary from 2 to 6 years.

The Group, on the acquisition of Opentec Solutions Pty Limited, Impart Special Products Pty Limited, Damba Furniture Pty Limited and the restructure of Gregory Commercial Furniture Pty Limited, undertook purchase price allocations and valuation of each company's intangible assets at the date of acquisition or restructure. As a result the Group determined various amortisation lives of intellectual property, customer relationships and brand names associated with the acquisition of these companies.

The amortisation lives used in the Financial Statements are:

Customer relationships 5 years

iii. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

iv. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

v. Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's Statement of Financial Position. Costs incurred under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

(g) Inventories

Raw materials and stores, work in progress and finished goods are measured at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Impairment

i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

Loans and receivables

The Group considers evidence of impairment for trade and other receivables and other financial assets at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment (continued)

ii. Non-financial assets (continued)

largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU.

Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Non-current assets and liabilities held for sale

Non-current assets and liabilities or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

ii. Long service leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the reporting date. Consideration is given to expected future salaries and wage levels, experience of employee departures and periods of service.

Expected future payments are discounted using national government bond rates at reporting date with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii. Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of reporting date are recognised in respect of employees' services rendered up to reporting date and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of other payables and liabilities for annual leave are included as part of employee benefits provision.

iv. Bonus plans

The Group recognises an expense and a liability for bonuses when the entity is contractually obliged to make such payments or where there is past practice that has created a constructive obligation.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Employee benefits (continued)

v. Employee performance option plan

The Group has an Employee Performance Option Plan ("EPOP") available to assist in the attraction, retention, and motivation of employees, senior executives and Executive Directors of the Group. The EPOP is not available to the Non-Executive Directors of the Group. This plan has been approved with effect from 1 July 2008. No options have been granted to date.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue

A sale is recorded when the goods have been delivered to the customer which is when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing managerial involvement and the amount of revenue can be measured reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, and amounts collected on behalf of third parties.

Revenue from services rendered is recognised in the profit or loss once the service has been rendered.

(m) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(n) Finance income and finance expenses

Finance income comprises interest income on funds invested and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets, and foreign currency losses that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(o) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax (continued)

levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group with effect from 29 April 2006. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Inventis Limited.

(p) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(q) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (refer Note 3(i)), if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(s) 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; and
- Technology Division. The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

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 in Note 6. 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.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Presentation of financial statements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- AASB 9: Financial Instruments (December 2010); and
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and de-recognition requirements for financial instruments.

The key changes made to accounting requirements which may be relevant to Inventis Limited, include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. Inventis Limited has already been presenting information about financial instruments in Note 3 (c) accounting policies applied on Financial Instruments, Note 5 Financial Risk Management and Note 24 Financial Instruments.

NOTE 4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

i. Intangible assets

The fair value of Identifiable Intangibles are based on the criteria set out in Note 17.

ii. Inventories

The fair value of inventories is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

iii. Trade and other receivables

These amounts represent liabilities for goods and services provided by the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

iv. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

NOTE 5 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- currency risk
- interest rate risk

This Note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim.

The Group does not require collateral in respect of trade and other receivables.

The Group holds Credit Risk insurance to limit the exposure to any customer and provide protection against bad debts.

The Group has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains sufficient cash, and the availability of funding through an adequate amount of committed credit facilities including invoice factoring facilities totalling $4.9m and as at the reporting date $1.58m, was used. The Group also has access to short term loan funding from a related party (refer Note 26(iii)).

NOTE 5 FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group does not have a significant exposure to equity price risk.

The Group does not enter into derivatives. All market risk transactions are carried out within guidelines set by the Board.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian dollar (AUD), but also the New Zealand dollar (NZD) and US dollar (USD). The currencies in which these transactions primarily are denominated are AUD and NZD.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's Technology Division both purchases and sells internationally in USD. International sales and purchases are operated through USD bank accounts. This provides a limited natural hedge against foreign exchange risk. The Group's Furniture Division operates in the New Zealand market and thus has exposure to foreign exchange risk.

Interest rate risk

The Group's fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in short-term receivables and payables are not exposed to interest rate risk.

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the result from operating activities divided by total shareholders' equity.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor the Group are subject to externally imposed capital requirements.

NOTE 6 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; and
- Technology Division. The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

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.

NOTE 6 SEGMENT REPORTING (continued)

Information about reportable segments

(In thousands of AUD)	Furniture Division 2014	Furniture Division 2013	Technology Division 2014	Technology Division 2013	Division (discontinued) 2014	Division (discontinued) 2013	Total 2014	Total 2013
Total revenue	11,649	12,458	5,388	8,056	-	-	17,037	20,514
Inter-segment revenue	(267)	(18)	-	-	-	-	(267)	(18)
Total external revenue	11,382	12,440	5,388	8,056	-	-	16,770	20,496
Interest revenue	4	5	-	-	-	-	4	5
Interest expense	214	241	89	177	-	-	303	418
Depreciation and amortisation	86	93	176	185	1	-	263	278
Capital expenditure	45	9	51	17	-	-	96	26
Reportable segment (loss) /profit before income tax	(733)	(1,612)	(179)	225	97	5,040	(815)	3,653
Other material non-cash items:								
Related party loan impairment	-	238	111	-	(111)	-	-	238
Reportable segment assets	4,566	7,192	4,520	6,112	-	-	9,086	13,304
Reportable segment liabilities	(6,493)	(7,341)	(824)	(1,786)	-	-	(7,317)	(9,127)

Other items 2014

In thousands of AUD	Reportable segment totals	Corporate / Eliminations	Consolidated totals
Interest revenue	(4)	(2)	(6)
Interest expense	303	18	321
Capital expenditure	96	-	96
Depreciation and amortisation	263	10	273

Other items 2013

In thousands of AUD	Reportable segment totals	Corporate / Eliminations	Consolidated totals
Interest revenue	(5)	-	(5)
Interest expense	418	38	456
Capital expenditure	26	-	26
Depreciation and amortisation	278	42	320
Intercompany loan impairment	238	(238)	-

NOTE 6 SEGMENT REPORTING (continued)

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

(In thousands of AUD)	2014	2013
Revenues		
Total revenue for reportable segments	17,037	20,514
Elimination of inter-segment revenue	(267)	(18)
Corporate Revenues	25	21
Consolidated revenue from continuing operations	16,795	20,517
Profit or loss		
Total (loss) / profit for reportable segments	(815)	3,653
Elimination of inter-segment profits/(loss)	-	-
Elimination of discontinued operations	(97)	(5,040)
Elimination of related party loan impairment	-	238
Unallocated amounts: other corporate expenses	(1,004)	(424)
Consolidated loss before income tax from continuing operations	(1,916)	(1,573)
Assets		
Total assets for reportable segments	9,086	13,304
Eliminations and other corporate assets	2,572	(328)
Consolidated total assets	11,658	12,976
Liabilities		
Total liabilities for reportable segments	(7,317)	(9,127)
Eliminations and other corporate liabilities	468	(256)
Consolidated total liabilities	(6,849)	(9,383)

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 geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	2014		2013	
(In thousands of AUD)	Revenues	Non-current assets	Revenues	Non-current assets
Australia	13,957	4,564	17,580	4,694
New Zealand	2,838	155	2,937	117
Total	16,795	4,719	20,517	4,811

NOTE 7 DISCONTINUED OPERATION

(In thousands of AUD)	Consolidated 2014	2013
Results of discontinued operations		
Results from operating activities	-	-
Profit on de-recognition (i)	69	5,040
Profit for the year	69	5,040
Basic earnings per share	-	2.6c
Diluted earnings per share	-	2.6c
Cash flows used in discontinued operations		
Net cash used in operating activities	-	-
Net cash from investing activities	-	-
Net cash used in financing activities	-	-
Net cash used in discontinued operations	-	-

Note i. In 2014 the amount relates to the deregistration of dormant companies while in 2013 the amounts relate to liquidation of the Les Bleus Group (formerly "Alpha Aviation")

NOTE 8 EXPENSES

(i) Personnel expenses

(In thousands of AUD)	Consolidated 2014	2013
Wages and salaries	5,037	5,520
Other associated personnel expenses	915	944
Contributions to defined contribution plans	436	492
(Decrease) / increase in liability for annual leave	(9)	356
(Decrease) / increase in liability for long-service leave	(3)	143
	6,376	7,455

(ii) Profit / (loss) includes the following specific expenses

(In thousands of AUD)	Consolidated 2014	2013
Depreciation	128	178
Amortisation	144	145
Research & development	896	954
Rental expense on operating leases: minimum lease payment	1,297	1,199
Impairment of financial assets	1	20
Net loss on disposal of assets held for sale (continuing operations)	(45)	(219)

NOTE 9 FINANCE INCOME AND FINANCE EXPENSES RECOGNISED IN PROFIT OR LOSS

(In thousands of AUD)	Consolidated 2014	2013
Interest income on bank deposits	5	5
Net foreign exchange gain	753	375
Finance income	758	380
Interest expense on financial liabilities measured at amortised cost	(321)	(456)
Net foreign exchange loss	(112)	(21)
Finance expense	(433)	(477)
Net finance income / (expense)	325	(97)

NOTE 10 INCOME TAX BENEFIT / EXPENSE

	Consolidated	
(In thousands of AUD)	2014	2013
Current tax benefit		
Current period	28	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Tax losses and temporary differences derecognised for prior years	-	(519)
Income tax benefit / (expense)	28	(519)

Numerical reconciliation between tax (benefit)/expense and pre-tax net (loss)/profit

	Consolidated	
(In thousands of AUD)	2014	2013
Total income tax expense		
Loss from continuing operations excluding income tax	(1,916)	(1,573)
Profit / (loss) from discontinued operations excluding income tax	97	5,040
Profit / (loss) excluding income tax	(1,819)	3,467
Income tax using the Company's domestic tax rate of 30%	(546)	1,040
Australian tax losses not recognised	355	-
Foreign jurisdictions losses not recognised	163	336
Non-deductible expeses / non-taxable income	-	(1,380)
Derecognition of tax losses and temporary differences for prior periods	-	523
Tax (benefit) expense	(28)	519

Income tax recognised directly in equity

	Consolidated	
(In thousands of AUD)	2014	2013
Income tax on income and expense recognised directly in equity	-	-
Total income tax recognised directly in equity	-	-

NOTE 11 CASH AND CASH EQUIVALENTS

	Consolidated	
(In thousands of AUD)	2014	2013
Bank balances	173	165
Cash and cash equivalents in the statement of cash flows	173	165

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24.

NOTE 12 TRADE AND OTHER RECEIVABLES

	Consolidated	
(In thousands of AUD)	2014	2013
Current		
Trade receivables	2,868	4,105
Provision for impairment loss	(36)	(72)
Other receivables	313	200
	3,145	4,233

NOTE 12 TRADE AND OTHER RECEIVABLES (continued)

Bad and Doubtful Trade Receivables

The Group maintains trade receivables insurance which has an excess of $5,000 per claim and the provision for impairment loss is discussed at Note 24 which includes specific impairment provisions for bad and doubtful debt.

Other Receivables

Other receivables amounts primarily comprise GST recoverable and certain balances generally arising from transactions outside the usual operating activities of the Group. Interest and /or security are not normally obtained.

Effective interest rates and credit risk

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 24.

Other receivables are non interest-bearing.

Receivables denominated in currencies other than the functional currency comprise $654,114 of trade receivables denominated in NZ Dollars (2013: $471,894) and $618 of trade receivables denominated in US Dollars (2013: $10,396).

NOTE 13 INVENTORIES

(In thousands of AUD)	2014	2013
Raw materials and consumables	2,998	2,939
Work in progress	189	165
Finished goods	411	637
Stock in transit	11	3
Inventories stated at lower of cost and net realisable value	3,609	3,744

In the 2014 financial year raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to $9,334,460 (2013: $11,119,807). An increase in the provision for impairment of $32,598 (2013: 109,424) has been recognised in relation to certain obsolete inventories.

NOTE 14 OTHER FINANCIAL ASSETS

	Consolidated	
(In thousands of AUD)	2014	2013
Non-current		
Rental deposits	67	39
Other investments	5	5
	72	44

NOTE 15 TAX ASSETS AND LIABILITIES

i. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

(In thousands of AUD)	Consolidated	
	2014	2013
NZ tax losses – GCF(NZ)	2,029	1,866
Tax losses – Australian entities	1,817	1,462
Temporary differences	470	581
	4,316	3,909

The deductible tax losses and temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

ii. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated	Assets		Liabilities		Net	
(In thousands of AUD)	2014	2013	2014	2013	2014	2013
Tax losses	-	-	-	-	-	-
Net tax assets	-	-	-	-	-	-

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

(In thousands of AUD)	2014					2013				
	Leasehold improvements	**Plant and equipment**	**Fixtures and fittings**	**Motor vehicles**	**Total**	**Leasehold improvements**	**Plant and equipment**	**Fixtures and fittings**	**Motor vehicles**	**Total**
	Cost	**Cost**	Cost	**Cost**		Cost	**Cost**	Cost	**Cost**	
Balance at 1 July	13	442	122	39	616	32	583	160	45	820
Additions	-	74	22	-	96	-	16	-	-	16
Depreciation for the year	(13)	(62)	(46)	(6)	(127)	(19)	(115)	(38)	(6)	(178)
Disposals	-	(36)	(23)	(1)	(60)	-	(42)	-	-	(42)
Balance at 30 June	-	418	75	32	525	13	442	122	39	616
At 30 June										
Cost or fair value	33	2,627	435	94	3,189	71	2,691	511	92	3,365
Accumulated depreciation	(33)	(2,209)	(360)	(62)	(2,664)	(58)	(2,249)	(389)	(53)	(2,749)
Carrying amount	-	418	75	32	525	13	442	122	39	616
Carrying amounts										
At beginning of financial year	13	442	122	39	616	32	583	160	45	820
At end of financial year	-	418	75	32	525	13	442	122	39	616

NOTE 17 INTANGIBLE ASSETS

(In thousands of AUD)	2014					2013				
	Goodwill	Patents and trademarks	Customer Relationships	Development costs	Total	Goodwill	Patents and trademarks	Customer Relationships	Development costs	Total
Balance at 1 July	3,061	71	132	887	4,151	3,061	71	132	1,032	4,296
Capitalisation of Project expenses	-	-	-	128	128	-	-	-	-	-
Amortisation for the year	-	(16)	-	(142)	(158)	-	-	-	(145)	(145)
Balance at 30 June	3,061	55	132	873	4,121	3,061	71	132	887	4,151
At 30 June 2013										
Cost	3,137	1,775	1,087	1,713	7,712	3,137	1,775	1,087	1,585	7,584
Accumulated amortisation and impairment	(76)	(1,720)	(955)	(840)	(3,591)	(76)	(1,704)	(955)	(698)	(3,433)
Carrying amount	3,061	55	132	873	4,121	3,061	71	132	887	4,151
Carrying amounts										
At beginning of financial year	3,061	71	132	887	4,151	3,061	71	132	1,032	4,296
At end of financial year	3,061	55	132	873	4,121	3,061	71	132	887	4,151

NOTE 17 INTANGIBLE ASSETS (CONTINUED)
Amortisation and impairment charge

The amortisation is allocated as an expense to Administration expense.

Any impairment loss is recognised through profit or loss and is allocated to Administration expenses for continuing operations.

Valuation of identifiable intangibles at acquisition (at fair value)

- Customer Relationships – This was valued on a discounted cash flow basis, taking into account future revenues and likely "churn" rates in customer turnover. The discount rate was based on a weighted average cost of capital for the Company; and
- Patents and Trademarks – These were also based on a notional royalty basis and were discounted using a weighted average cost of capital for the Company.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments reported in Note 6.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

(In thousands of AUD)	2014	2013
Gregory Commercial Furniture Pty Limited	2,565	2,565
Impart Special Products Pty Limited	496	496
	3,061	3,061

For the following entities, the recoverable amount of the cash generating unit of each business was based on its value in use:-

- Gregory Commercial Furniture Pty Limited ("GCFAu")
- Impart Special Products Pty Limited ("Impart")

No impairment losses were incurred in the current or prior years.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

2014 Value in use assumptions:

Cash flows were projected based on the Management approved forecasts for the financial year ending 30 June 2015 and 30 June 2016, cash flows for further 4 year period to 30 June 2020 were extrapolated using a constant growth rate.

	Gregory Commercial Furniture Pty Limited	**Inventis Technology Pty Limited**
Revenue growth in approved forecast for year ended 30 June 2015	35.6%	(2.0%)
Revenue growth in approved forecasts for year ended 30 June 2016	15.0%	26.6%
Annual revenue growth per annum 2017 – 2020	5.1%	3.9%
Inflation per annum	4.2%	4.2%
Price growth per annum	5.1%	4.2%
Cost growth per annum	3.1%	1.8%
Pre-tax discount rate	12.11%	12.11%

NOTE 17 INTANGIBLE ASSETS (CONTINUED)

2013 Value in use assumptions:

Cash flows were projected based on the Management approved forecast for the financial year ending 30 June 2014 and 30 June 2015. Cash flows for further 4 year period to 30 June 2018 were extrapolated using a constant growth rate.

	Gregory Commercial Furniture Pty Limited	**Inventis Technology Pty Limited**
Revenue growth in approved forecast for year ended 30 June 2014	20.8%	9.2%
Revenue growth in approved forecasts for year ended 30 June 2015	10.0%	0.0%
Annual revenue growth per annum 2016 – 2020	3.0%	1.7%
Inflation per annum	3.0%	3.0%
Price growth per annum	6.6%	3.3%
Cost growth per annum	3.0%	3.0%
Pre-tax discount rate	12.9%	13.8%

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data).

Management has performed sensitivity analysis of the value in use impairment models. Assuming other inputs remain constant, the minimum annual growth rates in revenue required over the period 2015-2020 are 8.9% for Gregory Commercial Furniture Pty Limited and 1.8% for Inventis Technology Pty Limited at which the intangible assets and other assets are not impaired.

NOTE 18 TRADE AND OTHER PAYABLES

(In thousands of AUD)	2014	2013
Trade payables	2,738	3,174
Other trade payables	236	312
GST Payable	119	392
Non-trade payables and accrued expenses	909	882
	4,002	4,760

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 24.

NOTE 19 INTEREST BEARING LIABILITIES

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 24.

	Consolidated	
(In thousands of AUD)	2014	2013
Current liabilities		
Loan from related party (Note 26(iii))	-	1,056
Debtors finance facility	1,576	2,255
	1,576	3,311

NOTE 19 INTEREST BEARING LIABILITIES (continued)

Terms and debt repayment schedule
Terms and conditions of outstanding loans were as follows:

Consolidated				2014		2013	
(In thousands of AUD)	Currency	Interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Unsecured Loan	NZD	9.46%-10.24%	2014	-	-	1,056	1,056
Debtors financing facility	NZD	10.95%	2014	379	379	342	342
Debtors financing facility	AUD	9.25%-9.48%	2014	1,197	1,197	1,913	1,913

The secured loan for the comparative period was secured by a mortgage over the Group's land and buildings.

NOTE 20 OPERATING LEASES

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

(In thousands of AUD)	2014	2013
Within one year	1,210	1,410
Later than one year but not later than five years	1,198	2,195
	2,408	3,605

The Group leases a number of warehouse, factory facilities and offices under operating leases. The leases run for a period of between 2 and 5 years, with varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Some leases have an option to renew the lease after the expiry date. Lease payments are increased every year to reflect market rent.

During the year ended 30 June 2014 $1,297,493 (2013: $1,198,856) was recognised as an expense in the statement of profit or loss and other comprehensive income in respect of operating leases.

NOTE 21 EMPLOYEE BENEFITS

	Consolidated	
(In thousands of AUD)	2014	2013
Current		
Liability for annual leave	408	417
Liability for long service leave	225	235
Other employee benefits	544	574
Total employee benefits - current	1,177	1,226
Non-current		
Liability for long service leave	94	86
Total employee benefits - non-current	94	86

NOTE 22 CAPITAL AND RESERVES

Share capital
Equity Share Capital

	Ordinary shares		Non-redeemable preference shares	
In thousands of shares	2014	2013	2014	2013
In issue at 1 July	246,428,257	157,364,368	-	-
Issued for cash	36,964,230	89,063,889	105,467,028	-
Reclassification - converted to ordinary shares	314,780,794	-	(104,927,129)	-
In issue at 30 June	598,173,281	246,428,257	539,899	-

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

NOTE 22 CAPITAL AND RESERVES (Continued)

Ordinary shares (continued)

The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Non-redeemable preference shares

Holders of these shares receive a non-cumulative dividend at a rate of 8.50% per annum at the Company's discretion, or whenever dividends to ordinary shareholders are declared. They do not have rights to participate in any additional dividends declared for ordinary shareholders. These shares do not carry the right to vote.

No share options have been issued.

Translation reserve

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

Dividends

The following dividends were declared and paid by the Company for the year.

in AUD Dollars	2014	2013
0.0 cents per qualifying ordinary share (2013:0.0 cents)	-	-
0.0013 cents per non-redeemable preference share (2013: 0.0 cents)	719	-
	719	-

After the reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences.

0.0 cents per qualifying ordinary share (2013:0.0 cents)	-	-
0.0 cents per non-redeemable preference share (2013: 0.0 cents)	-	-
	-	-

In AUD Dollars	2014	2013
Dividend franking account		
Amount of franking credits available to shareholders of Inventis Ltd for subsequent financial years	1,539,248	1,539,556

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 $1,539,248 (2013: $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:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and

(d) Franking credits that the entity may be prevented from distributing in subsequent years.

NOTE 23 EARNINGS/(LOSS) PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss) / earnings per share at 30 June 2014 was based on the earnings attributable to ordinary shareholders of $1,818,745 (2013: $2,947,658) and a weighted average number of ordinary shares outstanding of 429,017,998 (2013: 178,716,621). The calculation of basic loss per share for continuing operations at 30 June 2014 was based on the losses attributable to ordinary shareholders for continuing operations of $1,887,855 (2013: $2,092,567) and the same weighted average number of shares.

NOTE 23 EARNINGS/(LOSS) PER SHARE (CONTINUED)

Weighted average number of ordinary shares

	Consolidated 2014	2013
Issued ordinary shares at beginning of the period	246,428,257	157,364,368
Weighted average number of ordinary shares at the end of the period	429,017,998	178,716,621

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2014 was based on the earnings attributable to ordinary shareholders of $1,818,745 (2013: $2,947,658) and a weighted average number of ordinary shares outstanding of 429,017,998 (2013: 178,716,621) The calculation of diluted loss per share for continuing operations at 30 June 2014 was based on the losses attributable to ordinary shareholders for continuing operations of $1,887,855 (2013: losses of $2,092,567) and the same weighted average number of shares.

Profit / (loss) attributable to ordinary shareholders (diluted)

(In thousands of AUD)	Consolidated 2014	2013
Net (loss)/profit attributable to ordinary shareholders (basic)	(1,819)	2,948
Net (loss)/profit attributatble to ordinary shareholders (diluted)	(1,819)	2,948

Profit / (loss) attributable to ordinary shareholders – continuing operations (diluted)

(in thousands of AUD)	Consolidated 2014	2013
Net loss from continuing operations attributable to ordinary shareholders (basic)	(1,888)	(2,092)
Net loss from continuing operations attributable to ordinary shareholders (diluted)	(1,888)	(2,092)

Weighted average number of ordinary shares (diluted)

	Consolidated 2014	2013
Weighted average number of ordinary shares (basic)	429,017,998	178,716,621
Effect of share options on issue	-	-
Weighted average number of ordinary shares (diluted) at 30 June	429,017,998	178,716,621

There were no options outstanding which have a diluted effect on the weighted average number of ordinary shares.

NOTE 24 FINANCIAL INSTRUMENTS

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:

(In thousands of AUD)	*Note*	Consolidated 2014	2013
Cash and cash equivalents	*11*	173	165
Trade and other receivables	*12*	3,145	4,233
		3,318	4,398

NOTE 24 FINANCIAL INSTRUMENTS (CONTINUED)

The Group's maximum exposure to credit risk for trade receivables at the reporting date by geographical region was:

		Consolidated	
(In thousands of AUD)	*Note*	2014	2013
Australia		2,260	3,633
New Zealand		608	472
	12	2,868	4,105

The Group's maximum exposure to credit risk for trade receivables at the reporting date by customer type was:

		Consolidated	
(In thousands of AUD)	*Note*	2014	2013
End user customer		2,129	2,052
Distributors		20	515
Government		719	1,538
	12	2,868	4,105

Impairment Losses

The Group's receivable aging at the reporting date was as follows:

Consolidated *(In thousands of AUD)*	Gross 2014	Impairment 2014	Gross 2013	Impairment 2013
Current	1,678	-	2,115	-
Past due 30 days	869	-	1,659	-
Past due 60 days	241	-	173	-
Past due 90 days and over	80	36	158	72
	2,868	36	4,105	72

The movement in the allowance for impairment in respect of trade receivables in the consolidated group during the year was as follows:

(In thousands of AUD)	*Note*	2014	2013
Balance 1 July		72	57
Impairment (reversal) / loss recognised		(36)	15
Balance at 30 June		36	72

The impairment loss provision of $35,690 (2013: $71,802) has been determined after specific review of all outstanding amounts greater than 90 days taking into account any likely debtors insurance claims.

The Group believes that no further impairment allowance is necessary in respect of trade receivables than that already identified and provided for.

NOTE 24 FINANCIAL INSTRUMENTS (CONTINUED)

Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk at reporting date was as follows, based upon notional amounts:

		Consolidated	
(In thousands of AUD)	*Note*	$NZD	$USD
30 June 2014			
Trade receivables		604	1
Trade payables		(494)	(564)
Net exposure		110	(563)
Estimated forecast sales		5,749	300
Estimated forecast purchases		(717)	(8,945)
Gross Exposure		5,142	(9,208)
30 June 2013			
Trade receivables		560	10
Trade payables		(556)	(614)
Net exposure		4	(604)
Estimated forecast sales		5,299	150
Estimated forecast purchases		(1,208)	(6,604)
Gross Exposure		4,095	(7,058)

The following significant rates applied during the year:

	Average rate		Reporting date spot rate	
	2014	2013	2014	2013
NZD 1.00 = AUD	0.9098	0.8010	0.9293	0.8424
USD 1.00 = AUD	1.0868	0.9749	1.0616	1.0782

Sensitivity Analysis

A 10 percent strengthening of the Australian dollar against the New Zealand dollar at 30 June would have increased/ (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2013.

Consolidated	30-Jun-14		30-Jun-13	
(In thousands of AUD)	Equity	Profit or loss	Equity	Profit or loss
NZD	1,367	53	1,281	902

A 10 percent weakening of the Australian dollar against the New Zealand dollar as at 30 June would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTE 24 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

		Consolidated Carrying Amount	
(In thousands of AUD)	*Note*	2014	2013
Fixed rate instruments			
Finanical assets			
Cash and cash equivalents	*11*	173	165
		173	165
Financial liabilities			
Loan from related party		-	(1,056)
		-	(1,056)
		173	(891)
Variable rate instruments			
Financial liabilities			
Debtors financing facility		(1,576)	(2,255)
Secured Loan		-	-
		(1,576)	(2,255)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through the profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would not have increased or decreased the Group's equity.

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points on the interest rates charged would have increased / (decreased) the profit and loss by the amounts shown below which is also the net cash flow effect. The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

(In thousands of AUD)	*Note*	Increase 100bp $	Decrease 100bp $
30 June 2014			
Variable rate instruments		(17)	17
30 June 2013			
Variable rate instruments		(46)	46

NOTE 24 FINANCIAL INSTRUMENTS (continued)

Effective interest rates and repricing analysis

In respect of interest-bearing financial liabilities, the following tables indicate their average effective interest rates at the reporting date and the periods in which they mature or, if earlier, re-priced.

Consolidated	2014							2013						
(In thousands of AUD)	Average interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Average interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Variable rate														
Debtors financing facility	9.89%	1,576	1,576	-	-	-	-	10.23%	2,255	2,255				
Loan from related party		-	-	-	-	-	-	9.85%	1,056	1,056	-	-	-	-
Carrying amount		1,576	1,576	-	-	-	-		3,311	3,311	-	-	-	-

NOTE 24 FINANCIAL INSTRUMENTS (continued)

Effective interest rates and repricing analysis

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	2014		2013	
(In thousands of AUD)	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	3,145	3,145	4,233	4,233
Cash and cash equivalents	173	173	165	165
Debtors financing facility	(1,576)	(1,576)	(2,255)	(2,255)
Trade and other payables	(4,002)	(4,002)	(4,760)	(4,760)

Estimation of fair values

The methods used in determining fair values of financial instruments are disclosed in Note 4.

Interest rates used for determining fair value

The interest rates used to discount eliminated cash flows, where applicable, are based on the government yield curve at 30 June 2014 plus an adequate constant credit spread, and are as follows:

	2014	2013
Loans and borrowings	9.25%-10.95%	9.46%-10.24%

NOTE 25 CAPITAL AND OTHER COMMITMENTS

		Consolidated	
(In thousands of AUD)	Note	2014	2013
Capital expendiutre commitments within twelve months		-	-

NOTE 26 RELATED PARTIES

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors	Executive Directors
Denis Pidcock (Up to 9 July 2013)	Tony Noun
Peter Bobbin	Alfred Kobylanski (Alternate Director)
Anthony Mankarios (From 9 July 2013)	

Executives	
Alfred Kobylanski (Chief Financial Officer)	Renuka Sharma (Company Secretary)
Tony Noun (Managing Director) Furniture Division	Andrew Skaltsounis (Managing Director) Technology Division

NOTE 26 RELATED PARTIES (continued)

i. Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see Note 8(i)) is as follows:

(In thousands of AUD)	*Note*	2014	2013
Short term employee benefits		570,017	424,173
Other long term benefits		-	-
Post-employment benefits		59,985	52,386
Termination benefits		-	-
Share-based payments		-	-
		630,002	476,559

ii. Individual directors and executives compensation disclosures

Information regarding individual directors and executive's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report section of the Directors' report on pages 12 to 16.

The Company paid interest of $54,922 (2013: $42,327), information technology services $35,448 (2103: nil) and repaid a loan of $1,056,000 to an entity associated with Tony Noun.

The Company at the time of entering into the initial contract of employment with Tony Noun, acknowledged that he has considerable involvement in the management of other businesses including, but not limited to, the following companies: THN, Cancer Care Associates, Riverina Cancer Care Centre and Northern Cancer Institute; and gave its consent for the use of IVT premises as the registered office for the aforesaid and other related entities, as well as the accommodation of Tony Noun's personal staff, which may be employed by any of the aforesaid entities for part of the financial year.

The company paid fees for capital raising during the year of $12,198 to an entity associated with Anthony Mankarios.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

iii. Loans from key management personnel and their related parties

Loan amounts owed to an entity associated with Tony Noun as at the reporting date were nil (2013: $1,056,000). Subsequent to the reporting date, the Group secured access to approved loan funding up to $750,000 with an entity associated with Tony Noun.

iv. Other key management personnel transactions

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

v. Movements in shares

The movement during the reporting period in the number of ordinary shares in Inventis Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2013	Holding at the date of appointment	Purchases	Sales / transfers	Held at 30 June 2014
Directors					
Tony Noun	21,447,500	-	28,596,660	-	50,044,160
Peter Bobbin	85,700,000	-	116,266,644	-	201,966,644
Anthony Mankarios	-	-	86,429,862	-	86,429,862
Executives					
Alfred Kobylanski	12,700,000	-	16,933,320	-	29,633,320

NOTE 26 RELATED PARTIES (continued)

v. Movement in shares (continued)

	Held at 1 July 2012	Holding at Date of Appointment	Purchases	Sales / transfers	Held at 30 June 2013
Directors					
Tony Noun	12,401,500	-	9,846,000	(800,000)	21,447,500
Peter Bobbin	-	85,700,000	-	-	85,700,000
Executives					
Alfred Kobylanski	6,400,000	-	6,300,000	-	12,700,000

Changes in shares held by key management personnel in the period after the reporting date and prior to the date when the financial report is authorised for issue:

	Held at 1 July 2014	Purchases	Sales / transfers	Held at 31 August 2014
Directors				
Tony Noun	50,044,160	-	-	50,044,160
Peter Bobbin	201,966,644	-	-	201,966,644
Anthony Mankarios	86,429,862	-	-	86,429,862
Executives				
Alfred Kobylanski	29,633,320	-	-	29,633,320

NOTE 27 GROUP ENTITIES

Significant subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

Parent Entity	Significant Subsidiaries	Country of Entity	% Interest 2014	% Interest 2013
Inventis Limited	Gregory Commercial Furniture Pty Limited	Australia	100	100
	Inventis Technology Pty Limited (formerly PNE Electronics Pty Limited)	Australia	100	100
	Opentec Solutions Pty Limited	Australia	100	100
	Inventis (NZ) Limited	New Zealand	100	100
	Gregory Commercial Furniture (NZ) Limited	New Zealand	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

NOTE 28 PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2014 the parent company of the Group was Inventis Limited.

		Company	
(In thousands of AUD)	*Note*	2014	2013
Results of the parent entity			
Income / (loss) for the period		63	190
Other comprehensive income			-
Total comprehensive income for the period		63	190
Financial position of parent entity at year end			
Current assets		5,310	3,472
Total assets		20,011	18,241
Current liabilities		566	766
Total liabilities		596	1,292
Total equity of the parent entity comprising of:			
Share capital		41,522	37,963
Accumulated losses		(22,107)	(21,013)
Total equity		19,415	16,950

NOTE 29 SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

NOTE 30 AUDITOR'S REMUNERATION

		Consolidated	
(In AUD)	*Note*	2014	2013
Audit Services			
Auditors of the Company			
KPMG Australia:			
Audit and review of financial reports		144,943	138,000
KPMG overseas:			
Audit and review of financial reports		20,518	15,000
		165,461	153,000
Other services		6,500	13,000
Total Auditor's Remuneration		171,961	166,000

NOTE 31 RECONCILIATION OF (LOSS) AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
(In thousands of AUD)	2014	2013
Cash flow from operating activities		
(Loss) / profit after tax	(1,819)	2,948
Adjustments for non-cash items:		
Depreciation	128	175
Amortisation of intangible assets	144	145
Net interest costs / (income)	315	451
Unrealised foreign exchange gains	(753)	(328)
Loss on sale of property, plant and equipment	45	219
Income tax expense	(28)	519
Profit on de-recognition of discontinued operations	(69)	(5,040)
Operating loss before changes in working capital	(2,037)	(911)
Decrease in trade and other receivables	1,088	771
Decrease/(increase) in prepayments	11	60
(Increase)/decrease in inventories	135	(72)
Decrease in trade and other payables	(562)	(597)
(Decrease)/increase in employee benefits	(41)	(614)
Interest received	6	5
Interest paid	(321)	(456)
Net cash outflow from operating activities	(1,721)	(1,814)

DIRECTORS' DECLARATION

1. In the opinion of the directors of Inventis Limited ('the Company'):

    a. the financial statements and notes set out on pages 31 to 65 and the Remuneration report in section 5.4 of the Directors' report, are in accordance with the Corporations Act 2001, including:

        i. giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date; and

        ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

    b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2014.

3. The directors draw attention to note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Tony Noun Executive Chairman	Anthony Mankarios Director

Dated at Sydney this 30th day of September 2014

Independent auditor's report to the members of Inventis Limited

Report on the financial report

We have audited the accompanying financial report of Inventis Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 31 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in paragraph 5.4 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Inventis Limited for the year ended 30 June 2014, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Malcolm Kafer

Malcolm Kafer
Partner

Sydney

30 September 2014

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below:

1. Shareholdings (as at 30 June 2014)

Substantial Shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number Held
REN Nominees Pty Limited and Associates	199,733,320
Richtoll Pty Ltd	43,124,931
Toveken Properties Pty Ltd	43,124,931
Tony Hassan Noun and Associates	40,710,832
David Rex George Littlejohn and Associates	30,333,328

2. Voting rights

Ordinary shares

Every ordinary share is entitled to one vote when a poll is called, otherwise each member present t at the meeting or by proxy has one vote on a show of hands.

Distribution of equity security holders

Category	Ordinary Shares
1 -1,000	13,748
1,001 – 5,000	404,058
5,001-10,000	525,541
10,0001-100,000	4,126,437
100,001-9,999,999,999	593,107,497
Rounding Total	**598,173,281**

The number of shareholders holding less that a marketable parcel of ordinary shares is 252 as at 31 August 2014.

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.0070 per unit	71,429	252	2,769,144

3. Unquoted equity securities

Securities Exchange

The Company is listed on the Australian Securities Exchange. The home exchange is Sydney.

Other information

Inventis Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. All ordinary shares are listed on the Australian Securities Exchanges.

On-market buy-back

There is no current on-market buy back.

4. Twenty largest shareholders

Rank	Name	Units at 31 Aug 2014	% of Units
1	REN Nominees Pty Ltd <EN Family A/c>	99,866,660	16.70
2	REN Nominees Pty Ltd <RN Famly A/c>	99,866,660	16.70
3	Richtoll Pty Ltd	43,124,931	7.21
4	Toveken Properties Pty Ltd	43,124,931	7.21
5	Mr Tony Hassan Noun	40,710,832	6.81
6	Dr David Rex George Littlejohn	30,333,328	5.07
7	Baseline Professional Services Pty Limited <Kobylanski Super Fund A/c>	29,166,656	4.88
8	Falafel Investments Pty Limited <Grant Super Fund A/c>	17,498,592	2.93
9	Nicholas P S Olissoff	15,000,000	2.51
10	Russell Roy Maloney	12,499,998	2.09
11	Mr Paul Anthony Floro	9,799,992	1.64
12	Baldman Investments Pty Ltd <Richards Family A/C>	8,101,883	1.35
13	Seyone Partners Pty Ltd <Seyone Super Fund A/C>	8,031,328	1.34
14	M & D Littlejohn Pty Limited <M & D Littlejohn S/F A/c>	7,466,660	1.25
15	Himmeleberg Investments Pty Limited <Himmelberg Super Fund A/C>	7,124,693	1.19
16	Falcon Fire Protection P/L <Falcon Fire Protect S/F A/C>	6,600,000	1.10
17	Draycom Investments Pty Limited	5,882,449	0.98
18	Wongala Superannuation Pty Limited <Littlejohn Super Fund A/C>	5,599,992	0.94
19	Brian Paul Hermann + John Charles Erkkila	5,285,550	0.88
20	Mr Donald James Miller	5,000,000	0.84
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES	**500,085,135**	**83.60**
	Total Remaining Holders Balance	**98,088,146**	**16.40**

5. Offices and Officers

Tony H Noun, Executive Chairman

Anthony Mankarios, Non-Executive Director

Peter Bobbin, Non-Executive Director

Alfred Kobylanski, Chief Financial Officer

Andrew Skaltsounis, Managing Director, Technology Division

6. Company Secretary

Renuka Sharma

INVENTIS LIMITED AND ITS CONTROLLED ENTITIES
CORPORATE DIRECTORY

Principal Registered Office

Inventis Limited

Building 1A, Greystanes Park East

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Location of Share Registries

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Telephone: +61 2 8234 5400

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Auditors

KPMG

10 Shelley Street

Sydney NSW 2000

Solicitors

DLA Piper

Level 22, No.1 Martin Place

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And

HWL Ebsworth Lawyers

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