

INNOVATION › TECHNOLOGY



« Inventing better ways. »

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Highlights of the year:

- > Acquired Impart Special Products Pty Limited;
- > Started a significant programme of Research and Development to develop 'own brand' electronic products;
- > Launched new mobile rugged PDA series;
- > Developed a number of add-on solutions for the ruggedised mobile computing range;
- > PNE Electronics, Opentec Solutions and Impart Special Products combined to form the new 'Inventis Technology Division';
- > Acquired Damba Furniture Pty Limited in Australia and the business of Damba Furniture Limited in New Zealand;
- > Rationalised the commercial furniture, sales and manufacturing processes;
- > Gregory Commercial Furniture and Damba Furniture combined to form the new Commercial Furniture Division;
- > Repositioned Vibe Furniture as a designer supplier of leading edge furniture solutions to customers through the A&D market;
- > Increased Group sales to \$30.8 million from \$17.4 million last year;

... 'And we're just getting started'.

Tony Noun
Managing Director



Better Ways To Do Business

› through organisational innovation

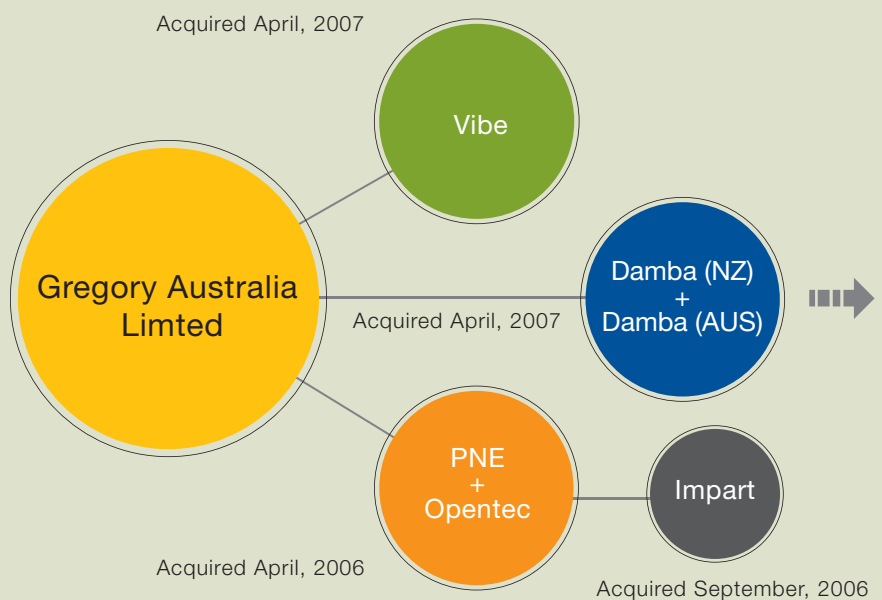
Creating optimal value through collective strengths

In 2006, having recognised Gregory Australia's limited scope for growth and wealth creation, the Board adopted a strategy of 'growth by acquisition'.

In early 2006, through the acquisition of PNE Industries Pty Limited and its subsidiary Opentec International Pty Limited, the Company diversified into two technology markets: control electronics; and rugged portable computer solutions. The technology revenue stream grew further, with the acquisition of Impart Special Products Pty Limited in September 2006. These three businesses have been combined to create the Inventis Technology Division, which today has a pre-eminent position in the Australian market for device and vehicle control electronics, as well as rugged portable computing solutions.

2006-2007

ACQUISITION



In April 2007, through the acquisition of Damba Furniture Pty Limited in Australia and the business of Damba Furniture Limited in New Zealand, the revenue stream of the Commercial Furniture Division was significantly strengthened, giving the Company a dominant position in the ergonomic and commercial seating markets, as well as the Architect and Designer markets.

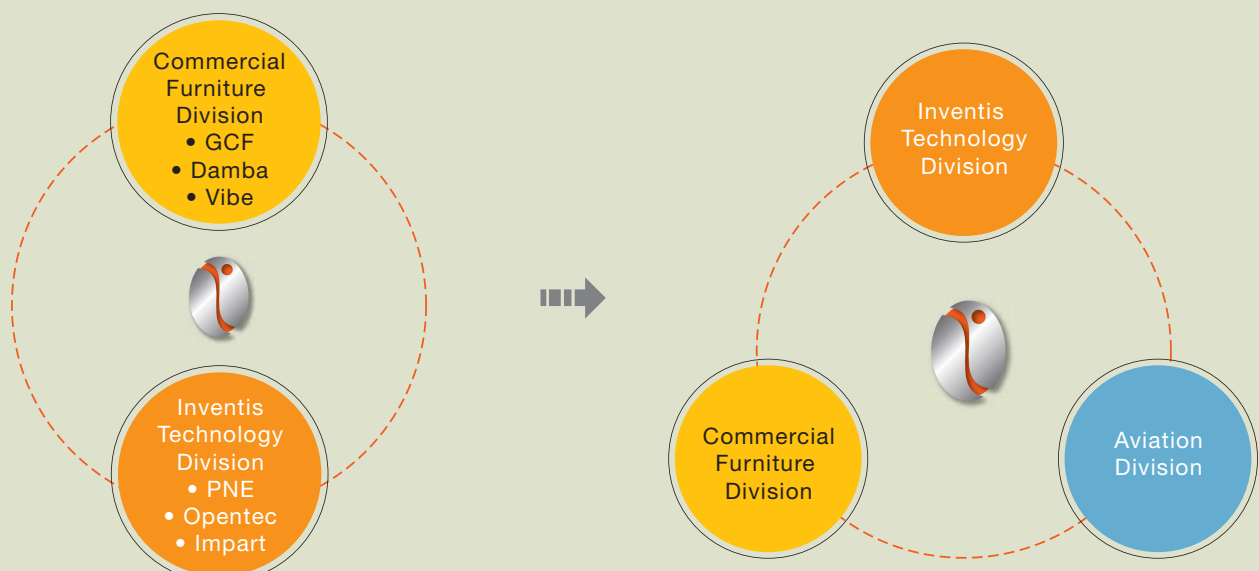
Consolidation

In April 2007, the Commercial Furniture Division was reorganised, with the Gregory and Damba businesses becoming the Commercial Furniture Division. Vibe was then independently repositioned to target the Architect and Designer commercial furniture market.

« Strength through synergies: In mid 2007, the business began to resolve itself into two distinct operational groups. The acquisition of Alpha Aviation Limited on 2 July 2007 created a third industrial division, that of Aviation. The result of these acquisitions has been the creation of an industrial and technology business within which significant inter-divisional synergies can be achieved. »

2007 →

CONSOLIDATION



Sustaining growth in three strategic market areas:

Inventis Technology Division

Operating as the Inventis Technology Division since mid-2007, PNE, Impart and Opentec are now developing synergies that are driving product development and taking the division into new markets and geographies. With initiatives including developing new 'Self Branded' PNE product ranges to repositioning Opentec as an end-to-end integrated solutions provider, Inventis Technology Division is the innovation hub of the Inventis Group of companies.

Commercial Furniture Division

Today, Gregory Commercial Furniture dominates the Australian and New Zealand ergonomic commercial furniture market, with Vibe extending the reach of the business from ergonomic seating into the Architect and Designer influenced sectors. The improved economies of scale, greater buying power, broader customer base and better product definition result in a stronger business, better placed to increase its market share and deliver innovative new designs.

Aviation Division

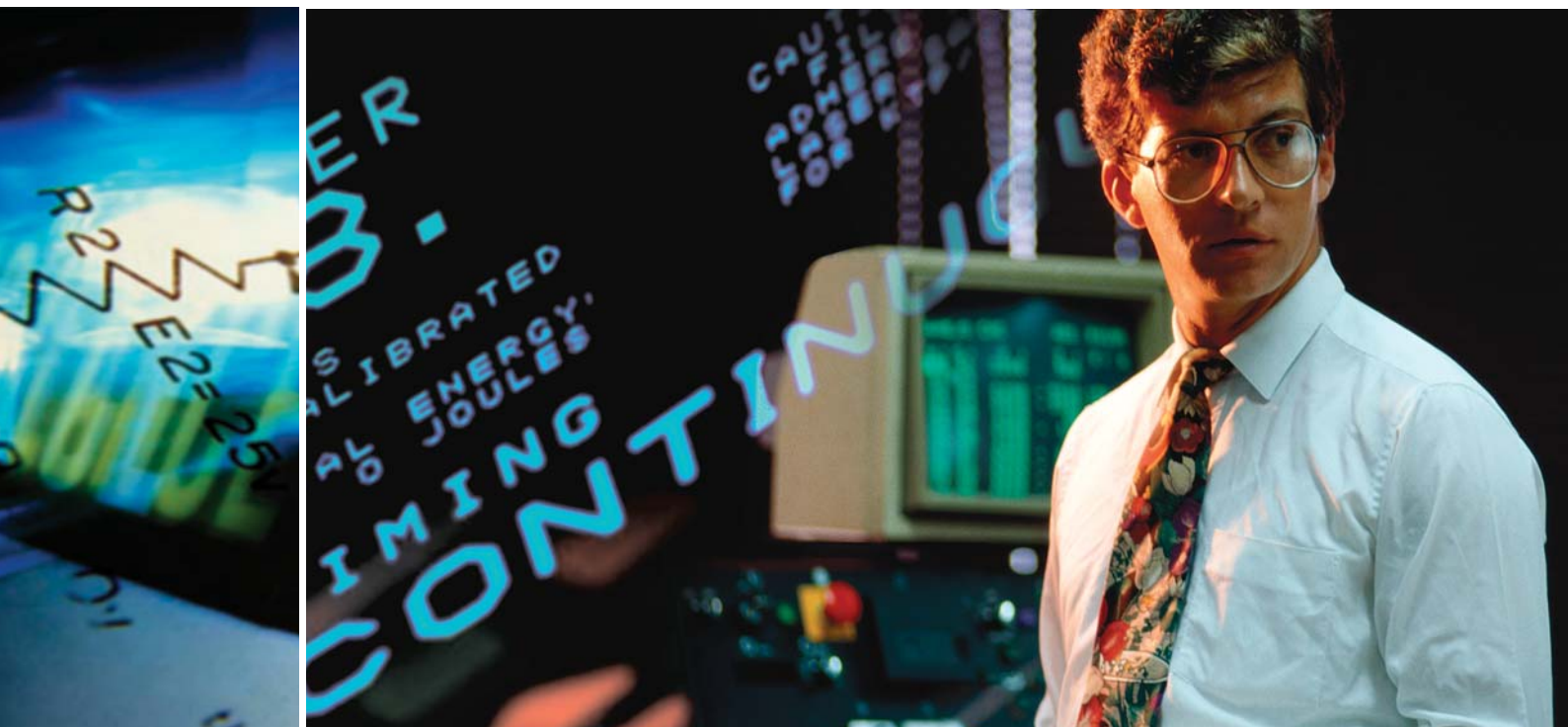
The latest division, acquired 2 July 2007 diversifies the Inventis Group into another high growth technology market, that of the manufacture of 2-seater aircraft. The superior 'cost of ownership' proposition offered by the Alpha range of aircraft is a timely addition, with the global market for low cost, reliable trainer aircraft set to expand rapidly to support the demand for commercial airline pilots. With negotiations under way with EADS to manufacture the Socata 4 seater range in Hamilton, the Aviation Division is set to emerge as a strong global player.

— Better Ways to Innovate

› by combining innovation with synergy

For the next decade, worldwide overcapacity will exist for most physical goods, raw materials, food, and manufactured goods. With abundant capital available worldwide, neither economies of scale nor access to cash will alone be sufficient to compete in today's inter-connected world. Companies will increasingly rely on speed, intellect and innovation for a competitive advantage. Companies will also need to generate the right processes and incentives to link knowledge, innovation and the speed with which products and services are taken to market.

Innovation based on science and technology research is creating new industries and transforming existing ones. While Australia has an enviable world reputation for the quality of its science and technology, (in fact Australian businesses, governments and individuals invest approximately \$9 billion per annum in research and development) Australia has been less successful in creating a culture of innovation in which discovery of intellectual property leads to the development of products and processes that generate wealth.



By encouraging increased innovation, investment and trade through the effective use of intellectual property, it is possible for a business such as Inventis to establish, and maintain international markets for new technology.

Innovation will no doubt have a different meaning to different people, but essentially, it is new ideas and new concepts and expanding possibilities and capabilities. For us at Inventis, innovation means complex and diverse things that make a difference. For example, it's developing microprocessors that control the environment in which we live in; developing designs of chairs with the best ergonomic properties; and building an aircraft that is a superior air trainer with unique aerobatic qualities. Innovation to us, as a company, also means simple things like increasing functionality, doing things with greater ease and at lower cost.

Innovation at Inventis is a core value, and it isn't just applied to research and product design, but also to standard operating procedures, such as how to improve production and performance, how to give better service to customers and how to diversify product lines. Research and technological innovation are fundamental drivers for the Inventis business and are the very essence of which will ensure our economic competitiveness in the future.

The Divisions of the Group appear to be vastly different one to the other at first glance. However, they are closely aligned because:

- > Each has innovative designs;
- > Each owns the innovative intellectual property it creates;
- > Each uses a manufacturing model that out-sources sub-assembly manufacturing; and
- > Each undertakes final assembly and marketing of the products that it has created.

Over the last two financial years, Inventis has gathered together a nucleus of innovative companies that meet the investment philosophy of the Group. These recent acquisitions have introduced synergies and created new opportunities that have never existed within the Group before.



These include:

- > Increasing the engineering and manufacturing capabilities of PNE Electronics through the acquisition of Impart Special Products Pty Limited which provides flow soldering and vacuum forming expertise that is now being used by both PNE Electronics and Alpha Aviation;
- > The amalgamation of the Damba Furniture and the GCF plants in Australia, which allowed us to rationalise both labour and plant, while enhancing the buying capacity of the Commercial Furniture Division for common parts;
- > The acquisition of new customers and the sharing of common customer bases throughout the Group. Examples include, Impart Special Products provided Opentec Solutions with access to its emergency sector customers and Damba provided GCF access to the New Zealand customer base; and
- > The combining of a number of corporate costs and Group services such as finance, which included the ability to fund and implement a new group-wide accounting system, and marketing into one efficient unit that now provides services to all companies within the Group.

These synergies, together with the underlying operational changes are at the heart of the increased value being unlocked for our shareholders. "Innovation" is the new multiplier and at Inventis we believe that this will be the factor that gives the greatest potential for growth of the Group in the coming years.

Better Ways To Deliver Customer Satisfaction

› through comprehensive product solutions



Opentec Solutions



PNE Electronics

« Today, Inventis Limited comprises three divisions that lead the way in delivering product and service based solutions to our customers, across a diverse range of markets. »

Inventis Technology Division

Comprising:

PNE Electronics Pty Limited
Opentec Solutions Pty Limited
Impart Special Products Pty Limited

Major Brands:

- PNE
- Opentec

Products:

- Electronic Control Sub-systems
- Heating and Cooling System Controls
- Safety Warning Systems
- Power Management Systems
- Emergency Vehicle Light and Siren Controls
- Rugged Portable Computers
- Integrated Portable Computer-based Solutions

Markets:

- Electronics for OEMs
- Heating, Ventilation and Air Conditioning
- Government and Defence
- Mining and Power Utilities

Building lasting brand value

The companies in the Inventis Group have strong brands with good customer awareness that differentiates each company's products from the competitors and increases Group revenue and profits.



opentec

GREGORY





Gregory Commercial Furniture



Vibe Furniture



Alpha Aviation

Commercial Furniture Division

Comprising:

Gregory Commercial Furniture Pty Limited
Gregory Commercial Furniture (NZ) Limited
(formed by the merger of Gregory & Damba)
Vibe Furniture Pty Limited

Major Brands:

- Gregory
- Damba
- Pluto
- Atlas
- Vibe
- SoftCell*
- Atlas
- Boss Design*

* (made under licence)

Products:

- Ergonomic Task and Reception Seating
- Executive Seating
- Workstations and Desking Systems
- Lounges and Visitor Seating
- Tables and Storage Systems

Markets:

- Top 500 Companies
- Banking and Finance
- Government and Defence
- Hospitality
- Architects and Designers
- Aged and Healthcare
- Small Office Home Office (SOHO)

Aviation Division

Comprising:

Alpha Aviation Limited
• New Zealand Manufacturing Plant
• United Kingdom Distributor

Products:

- Alpha 120T Trainer Aircraft
- Alpha 160A Aerobatics-capable Trainer Aircraft
- Alpha 160Ai High Performance Aerobatics Tourer

Markets:

- Flight Schools
- Aero Clubs
- Private Owner Pilots

Award for excellence

Each division of the company has been recognised for their excellence. The Commercial Furniture Division holds an Australian Design Award, the Technology Division was highly commended in the category of 'Best Application of a Microprocessor' and Alpha Aviation won the 'Supreme Award' for New Zealand Engineering Excellence in 2006.



Dear Shareholders,

The Directors are very pleased to present this, the first annual report issued under the Inventis name which marks an important stage in the development of the Company, as your Board continues the process of transforming the Company from a lacklustre furniture business, into a market-leading technology-based manufacturing business.

As you are aware, the Board embarked on a strategy of acquisitions and the reorganisation of the existing companies to improve their income streams. The result is that Inventis now has three operating divisions.

Commercial Furniture

Gregory Commercial Furniture has had a complete turnaround and is now trading very satisfactorily as Management continues to consolidate its position as a leading supplier of ergonomic furniture. The recent acquisition of Damba Commercial Furniture in Australia and New Zealand consolidates the Company's position as the leading supplier of commercial furniture in Australia and provides a point of entry into the New Zealand market. This division is contributing strong cash flow and profits to the Group.

Inventis Technology

Our newly formed technology division has consolidated Inventis' three technology companies, PNE Electronics, Opentec Solutions and Impart Special Products into one new cutting edge technology division called "Inventis Technology".

PNE Electronics is the corner stone of Inventis Technology and continues to perform well and is expected to bring strong cash flow and profits to the Group for the 2008 financial year. Under the Impart brand, Inventis Technology manufactures a range of emergency light and sound systems for fire engines, ambulances and other emergency vehicles and is performing satisfactorily.

Opentec Solutions has developed a number of ruggedised computers and PDA's which use integrated mobile computing solutions also produced by that company. These are expected to meet the needs of a wide range of customers in addition to providing further innovative solutions to the Australian Defence Force, its largest customer. Opentec Solutions is still to prove that the strategy it has adopted is sound, however sales have so far this year, been promising.

Your Board considers the Inventis Technology Division as having unlimited potential in today's ever changing technological world and will focus on specific growth strategies that will develop and take our innovative products to Global markets.

Aviation

Alpha Aviation was a post balance sheet acquisition and therefore does not form part of the financial results reported upon. Alpha Aviation produces a two seat aluminium trainer aircraft that is certified to meet the worldwide requirement to train thousands of new pilots. Currently potential orders far exceed production capacity. The production of aircraft has not met Directors' expectations due to the issues surrounding sourcing of parts and the quality of the assets and drawings purchased from the French vendor.

The latter is the subject of litigation which has had to be heard in Dijon, France. The Board was extremely disappointed with the recent judgement handed down by the Dijon court and is mounting a vigorous appeal against the decision. Shareholders will be kept apprised of the situation through announcements to the ASX.

Accordingly, the Aviation Division is receiving the attention of both management and the Board to find solutions that will promptly resolve the issues.

Five Year Statistics

	2003	2004	2005	2006	2007
Net profit attributable to equity holders of the parent company (\$)	119,311	457,122	559,990	1,560,327	614,576
Basic EPS	0.9c	3.6c	1.4c	3.5c	0.91c
Dividends paid (\$)	125,259	-	125,259	-	657,029
Dividends per share	1c	-	1c	-	1c



« The Company is still in a period of consolidation which is expected to continue through the 2008 financial year, with the 2009 financial year seeing the first year's results of the Board's strategies. »

GRAEME EDWARDS - CHAIRMAN

As you can see from the above overview, while significant improvements have been achieved, the Company is still in a period of consolidation which is expected to continue through the 2008 financial year, with the 2009 financial year seeing the first year's results of the Board's strategies.

The 2007 financial year was an extremely eventful one and has taxed the resources of management significantly. I would like to thank all the senior management of the Company and the Board for their dedication and perseverance. In particular, I would like to express my sincere thanks to Tony Noun, our Managing Director who stepped into this position at short notice and who has, without complaint, done what needed to be done to achieve results.

Graeme Edwards
Chairman

—□— Managing Director's Report

Review of the year

I became the Managing Director of Inventis on 26 September 2006, two months before the last Annual General Meeting. At this time the Company had very recently, started to make changes to its business model precipitated by the acquisition of PNE Electronics and Opentec Solutions. In my report to the last Annual General Meeting I stated that "Growth" was the over-riding objective for the coming financial year so as to broaden the Company's customer base and product ranges and thereby diversify the business in order to minimise risk and enhance shareholder value.

TONY NOUN - MANAGING DIRECTOR



This objective has been aggressively pursued throughout this financial year as we worked through a number of Growth strategies:

- > Growth through Diversification;
- > Growth through Accountability;
- > Growth through Product Development; and
- > Growth through Acquisition.

The acquisition in the previous financial year of PNE Electronics and Opentec Solutions allowed Inventis to enter the exciting and rapidly expanding electronics industry with innovative products and significant intellectual property. This led to the acquisition of Impart Special Products on 6 September 2007 which expanded PNE Electronics' manufacturing capabilities and customer base and was the basis for the establishment of the Inventis Technology Division. This boosted the profitability of what was already a very profitable division of the Company.

A significant re-costing programme was carried out on every one of Gregory Commercial Furniture's product lines in order to rationalise the products and to improve profitability. This, together with strong financial accountability has significantly improved the profitability of Gregory Commercial Furniture so that now it is a major profit and cash flow contributor to the Group. In addition, on 16 April 2007, Gregory Commercial Furniture acquired the business of Damba Furniture in New Zealand and all the shares in Damba Furniture Pty Limited, here in Australia. The Damba Group was a manufacturer of commercial furniture operating in New Zealand and Australia with manufacturing plants in both places, and a range of products that increased Gregory Commercial Furniture's designs and product offerings. All of these companies now form the Commercial Furniture Division.

Finally on 2 July 2007, Inventis acquired Alpha Aviation Limited, which will in the next financial year form the Company's Aviation Division.

Inventis Corporate

The Company changed its name from Gregory Australia Limited to Inventis Limited on 16 April 2007 in line with the new strategic direction of the Company. Along with this name change, came a new Board.

Graeme Edwards and Ian Winlaw joined the Board as Non-Executive Directors and replaced Peter Gregory, and John Scutt. On 9 February 2007, Graeme Edwards was appointed Chairman and Richard Sealy who was the then Chairman, took up an executive position as my deputy. David Richards stepped down as a director of Inventis at the last Annual General Meeting to focus on the very important task of being General Manager of the Inventis Technology Division.

On 16 May 2007 Inventis embarked on a two stage capital raising programme and issued a Prospectus to the public. It was expected that capital raising programme would raise up to \$11.25 million before costs. Unfortunately the timing of the issue was such that it clashed with strong competition from the mining sector. However, despite this, the offer still raised \$6,571,339. We thank and welcome all those who participated in the issue and look forward to delivering shareholder value to them.

Financial Results

The consolidated results for the Inventis Group for the financial year ended 30 June 2007 are:

\$(000)	2006 Actual	2007 Actual	2007 Forecast
Sales	17,243	30,777	32,557
NPAT	1,560	614	971

The sales were 76.9% ahead of last year and included a full year of trading from PNE Electronics, ten months trading from Impart Special Products and three months of trading from Damba Furniture. Net Profit after Tax for the Group was \$945,000 less than the results for the last financial year and \$356,000 behind the projections given by the Directors in the recent Prospectus.

The Directors forecast the decrease in Net Profit after Tax on the 2006 financial year because of the expected costs of amalgamating all of the recent acquisitions and the impact of AIFRS on the amortisation of intangible assets. However, the main reason for the variation between the forecast, the actual sales results and the relative impact on Net Profit after Tax was attributable to an order for \$1.4 million received by Opentec Solutions, which could not be processed in time for close-off because of the inability to settle all the international financial requirements of the customer. It is anticipated that this order will be supplied this financial year.

The preliminary audited segmental information for the year ended 30 June 2007 was:

\$(000)		Sales	NPAT
Commercial Furniture Division	Actual	17,774	822
	Forecast	18,055	1,187
Inventis Technology Division	Actual	12,986	1,398
	Forecast	14,522	1,061
Corporate Costs	Actual	17	(1,605)
	Forecast	-	(1,573)

A detailed review of the activities of each Division may be found on page 13.

Managing Director's Report

Developments and future direction

The recently issued prospectus set out the growth prospects for the 2008 financial year where revenue is projected to reach \$62 million with Net Profits after Tax of \$754,000. The divisional contributions for the 2008 financial year are projected to be:

Projections \$(000)	Sales	NPAT
Commercial Furniture Division	28,000	1,701
Inventis Technology Division	22,254	2,814
Aviation Division	11,958	(1,525)
Corporate Costs	-	(1,677)
	\$62,212	\$754*

Note: The NPAT column does not add down as the total includes the taxation payable which takes into account various losses carried forward and the Alpha Aviation depreciation treatment.

- > **Inventis Technology Division:** Revenue is projected to increase \$7.7 million to a total of \$22 million due mainly to organic growth, the introduction self branded products and diversification of the OEM customer base. In addition, the product and customer development that has occurred in Opentec Solutions over the last two years is expected to come to fruition in 2008;
- > **Commercial Furniture Division:** Revenue is projected to grow by \$10 million due to the full year of revenue from Damba and organic growth. There is increasing awareness of OH & S issues in companies and the greater duty of care by employers to provide 'ergonomic solutions' for their employees and as the first truly ergonomic chair manufacturer in Australia the Gregory name still commands a premium. Customers increasingly favour products where the 'life cycle' is known at the time of purchase and products are acknowledged and externally verified as 'Green'. Our Commercial Furniture Division is rapidly attaining registrations such as GECA and ISO 14001; and
- > **Aviation Division:** Alpha Aviation will for the first time be included in the Group results for the 2008 financial year. Alpha Aviation is continuing with the scale up of its production output but will contribute a loss of \$1.5 million to the overall Inventis result for the 2008 financial year.

While organic growth through sourcing or creating new products within the Inventis Group is expected to provide significant income and profit growth in the coming years, acquisitions will still form a major part of the expansion and development of products and the move into new markets. Already your Directors have announced that discussions are occurring about prospective acquisitions for Inventis Technology Division.

In addition to thanking our shareholders and Board for their support during my tenure, I would like to extend a very special thank you to the staff of Inventis, for without you, there would be no innovation. Your hard-work and fine efforts are exemplary and an inspiration to both me and the entire executive team – Thank you!



Tony Noun
Managing Director

Review:
Inventis Technology Division

Review:
Commercial Furniture Division

Review:
Aviation Division*

* Alpha Aviation purchase agreement, July 2007

—□— Better Ways to Take Control

› Inventis Technology Division

Acquired: April, 2006

General Managers:

David Richards
(PNE Electronics)

Bruce Lehmann
(Opentec Solutions)

Overview:

One of the most significant initiatives in the 2007 financial year was the integration of PNE Electronics, Impart Special Products and Opentec Solutions to form the Inventis Technology Division. This amalgamation was undertaken to ensure that engineering, operations and sales and marketing synergies (which are considerable) were realised.

The Division's integrated marketing and engineering teams have already undertaken the assessment and development of several new 'self branded' products (ie finished goods that will be sold under the PNE brand, as opposed to sub-systems sold to other manufacturers that are integrated into their finished product and carry their brand name). Not only does this open up considerable new local and overseas markets, the initiative aims to ensure that the significant IP created in-house is applied across the Division with a view to creating new products that will in turn generate additional revenues.



One example of a finished product is the SafeZone in-road, flashing light alert system. Originally conceived as a more effective warning solution for school zones, recent RTA road trials have highlighted its effectiveness as an alert device, as well as its potential cost benefits compared to other in-road, over-road and roadside warning systems. Variants are now being developed for use as alert devices for pedestrian crossings, railways crossings, road edge markers for fog-prone areas, bollard markers and 'black spot' markers.

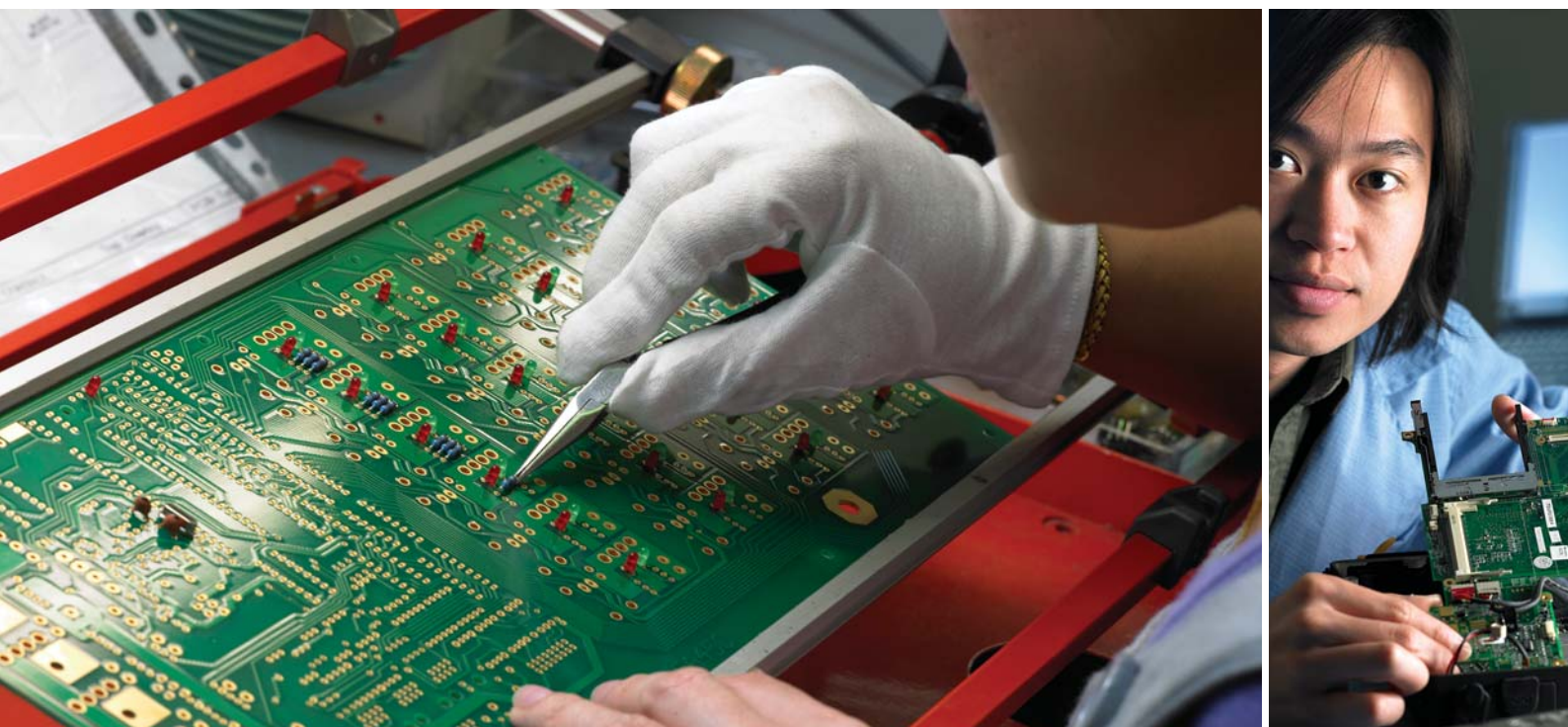
With Opentec already supplying self-branded products, the focus within this section of the Division during this financial year was to consolidate and strengthen their position as a supplier of world class rugged portable computers to Australian Defence Forces as well as within mining, utility and transport and logistics markets. However, to differentiate the business from a growing raft of 'would be' rugged computer providers, Opentec has successfully developed a series of strategic alliances with several innovative Australian and international companies, that take the business from that of a finished goods supplier, to a complete, end-to-end solutions provider. These teaming arrangements are already helping leverage Opentec and its partners into new markets in Australia and major export markets, where our integration expertise and the quality of our core products has been well received.

Together, these initiatives are radically altering the Inventis Technology Division's business and extending its role from being merely a supplier of electronic sub-systems to OEMs and a supplier of rugged computers to a limited range of customers, to include being a distributor of finished products and complete integrated computer and communications solutions. To assist in marketing these extended competencies locally and abroad, the marketing team created the "AUSortium" initiative, which is now being formalised as a means of promoting the capabilities of Australian technology businesses into major growth markets.

Highlights – Inventis Technology Division

Highlights – Opentec Solutions

- > Launch of new Mobile 5 OS rugged PDA in mid-2007; called the RPDA 5 Series, products has received considerable interest from fleet buyers, with major supply deals being negotiated.
- > New products developed since October 2006, which have provided access to new customers; products include barcode scanner, RFID scanner, digital compass and inclinometer and GPS modules for the RPDA 5 Series; plus launch of Advanced Ballistics Software (agency agreement with US supplier).
- > Created strategic alliances with innovative Australian SMEs that have resulted in a collective ability to deliver total solutions.
- > Exhibited as IDEX in Abu Dhabi in February 2007, with subsequent sales trips to Saudi Arabia and Kuwait to explore major supply deals for integrated solutions.



Highlights – PNE Electronics

- > Acquisition of Impart Special Products and integration into PNE Electronics.
- > Securing a number of blue chip customers with significant future sales potential as a result of that targeted sales and marketing campaign.
- > Significant expenditure on Research and Development resulting in new 'Own Brand' products, including:
 - SafeZone in-road, radio controlled flashing warning light system completed RTA trials, thereby successfully;
 - i-Start soft starter for single phase motors;
 - My-Zone intelligent, zoned air conditioning touchscreen control system, incorporating latest Digital Scroll compressor; and
 - FPGA (Field Programmable Gate Array) for faster development of complex products such as those fitted with colour LCDs (a high growth area in a range of markets).

—□— Better Ways to Stay Seated

› Commercial Furniture Division

General Managers:

Tim Whiteside
(Gregory Commercial Furniture)

Maree Draper
(Vibe Furniture)

Overview:

Significant activities in the financial year under review included the acquisition in April 2007 of Damba Furniture (Australia and New Zealand), incorporating Vibe Furniture. This almost doubled the size of the Commercial Furniture Division and provided a new sales channel for Gregory and other commercial furniture brands into New Zealand. Three months of trading from Damba Furniture is included in the 2007 financial results.

Following the acquisition of Damba Furniture, a full review was conducted that lead to significant improvements in gross margins through rationalisation of manufacturing facilities, components, suppliers and sales initiatives.



During the financial year, Management also refocused the commercial seating business into two revenue streams: one being high volume sales of ergonomic office seating products into SMEs and large corporate companies through Gregory Commercial Furniture; and the other being the sales of designer ranges (including Boss Design of the UK) of office and general commercial seating and desking solutions through Vibe Furniture. This has allowed the two businesses to better brand themselves within their respective target markets.

The majority of the Damba Furniture integration costs were incurred in the fourth quarter of the financial year and included the closure and relocation of the Damba Furniture Seven Hills factory, labour rationalisation, staff redundancies, reorganisation costs, and component stock and equipment rationalisation. Further costs are forecast in first quarter of the 2008 financial year to complete this integration.

Net Profit after Tax was \$365,000 behind the Director's projections due to some unexpected costs in integrating Damba Furniture and, in particular, an increased amortisation cost. However, the Division is well placed to improve results by virtue of its stronger market position, its greatly improved cost structure, its better focused sales and marketing programs, and the broader and better structured distribution channels.

◀◀ The merging of Gregory Commercial Furniture and Damba Furniture resulted in the creation of the Commercial Furniture Division, and the realisation of not only better economies, but also access to new markets and new accounts. It also results in the largest commercial seating manufacturing operation in Australasia, which gives considerable market presence and improved channels to market. ▶▶



Highlights – Commercial Furniture Division

- > Creating an integrated Gregory/Damba distribution network, with the business trading as Gregory Commercial Furniture.
- > Integrating manufacturing, component sourcing, freight, and thereby realising increased economies of scale; with the full benefit to be realised in the 2008 financial year, including increased revenues (as Australia and new Zealand's largest commercial seating supplier) and leaner operating costs.
- > ISO 9001 re-accreditation and embarking on gaining accreditation by GECA (Good Environmental Choice Australia) for 'best green manufacturing practices'.
- > Retention of licence agreement for the patented SoftCell™ seating system which was awarded an Australian Designmark®; SoftCell™ seating provided GCF with additional sales channels thus significantly increasing ergonomic furniture sales.
- > Repositioning Vibe Furniture as a supplier to customers through Architects and Designers; this differentiates the business from that of GCF, which has been very successful in the ergonomic seating market, but was not able to successfully position itself as a supplier of 'designer furniture'.
- > Repositioning the UK Boss Design™ range through Vibe Furniture, to reinforce Vibe's position as a supplier of designer commercial furniture.

—□— Better Ways to Take to the Air

› Aviation Division

General Manager:

Gretchen Jahn

Overview:

Alpha Aviation Limited was acquired on 2 July 2007 (after balance date). The business offers a unique opportunity to access a high growth market with significant export sales potential as it moves into full production of its 2-seater trainer range of aircraft.

Flight training is a high growth market, with more than 10,000 pilots being forecast as required over the next ten years, to fill the world's demand for commercial airline pilots. This has already created a demand for trainer aircraft, which the aging global fleet of trainer aircraft is unable to meet. Further, there is significant demand for cost effective, reliable, safe and fun-to-fly aerobatics capable 2-seaters. The Alpha 120 and 160 aircraft fill this demand, as well as meeting the requirements of most Flight Training Schools and Aero Clubs. Alpha has consequently experienced significant sales demand since being established.

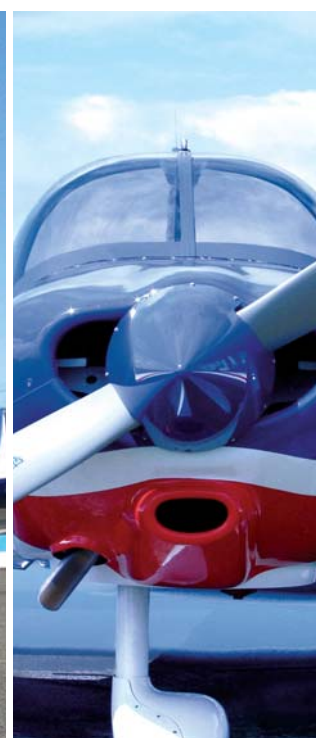


Alpha Aviation commenced the transition from start-up to commercialisation in September 2006. In the last financial year the Company delivered 10 aircraft and currently has 21 firm orders and a further 22 options. Alpha Aviation's scale-up of production is proving slower than expected because of issues associated with establishing the supply chain for component parts. Further, the quality and completeness of the designs and drawings supplied by the original French vendor is now the subject of litigation between Alpha Aviation and Société CEAPR of France. The case has been heard in Dijon France and is now the subject of an appeal by Alpha Aviation.

It should be noted that despite these hurdles, the reasons Inventis diversified into Aviation remain valid. Commercial aviation is forecast to experience strong and sustained growth over the next five to ten years, with a very strong demand already arising in Asia, which is alone forecast to require more than 8,000 new commercial pilots in the next five years.

Very simply, there are few certified 2-seat, all-metal trainer aircraft available in the General Aviation category to meet this demand. Further, Alpha is the only 2-seater trainer aircraft that has aerobatic capability. Alpha Aviation is therefore extraordinarily well positioned to take considerable market share in Australia, Asia and Europe. The primary goal of Management is, therefore, to ensure production output is increased significantly in as short a time as possible, to be able to fill this demand.

« Flight training is a high growth market, with more than 10,000 pilots being forecast as required over the next ten years, to fill the world's demand for commercial airline pilots. »



Highlights – Alpha Aviation

Alpha Aviation made significant progress in the 2007 financial year and the major accomplishments included:

- > Completing major product improvements, including certification of the Alpha 160Ai model;
- > Making numerous operational improvements to production methods, as well as to the factory layout and operation;
- > Adding new management skills with the appointment of a production specialist from the United States;
- > Delivering 10 aircraft;
- > Achieving new aircraft revenue of NZ\$2.06 million, leasing revenue of NZ\$331,000 and aftermarket spare parts revenue of NZ\$209,000;
- > Taking considerable sales orders with small investments in marketing, showing the strength of the demand for the aircraft; and
- > Establishing a culture of teamwork and accountability through project plans, goals and improved communication.

—□— Board of Directors and Senior Management

The current Board comprises one Non-Executive Director who is Chairman, one Independent Non-Executive Director and three Executive Directors. Details of each of the Directors and their biographies are provided below.



Graeme Edwards
Chairman
Non-Executive Director



Tony Noun
Managing Director
Executive Director

BOARD OF DIRECTORS

Graeme Edwards – Chairman and Non-Executive Director – MPS, PhC

Graeme Edwards is a prominent businessman who has been a director of a number of public and private companies involved in a variety of industries in Australia and New Zealand.

Graeme has a reputation for restructuring and establishing new companies by applying good business practices and motivating people so that the companies become successful and profitable.

Graeme has been instrumental in the success of a number of companies including: Argyle Properties and Prime Retail Group which owns and manages a number of major property investments including shopping centres throughout New Zealand and Alloy Yachts International Limited which is now a world leader in top line, luxury mega yachts, with a 10% share of the global market.

Graeme is Chairman of the Remuneration and Nominations Committee and a member of Audit, Corporate Governance and the Risk Management Committee.

Tony Noun – Managing Director – MBA, FAIM, AFPA, CFP, CIAM, A&CIPANZIP, Dip LI, FASFA

Tony Noun has more than 25 years professional and commercial experience with a proven track record of success in managing; start-up operations, small, medium and large national and international companies.

Tony's commercial experience, from both an investor and management perspective, spans a diverse range of industries including financial services, health care, hospitality, manufacturing as well as sales and marketing.

Tony is presently an active director for a number of national and international companies that cover a broad range of industries and professional disciplines and brings to the Board extensive financial and corporate expertise.

Tony is a member of the Remuneration and Nominations Committee.

Richard Sealy – Deputy Managing Director – CA, MAICD

Richard Sealy has over the last 25 years held positions as Financial Director, Managing Director or Chairman of a number of public and private companies in Australia, New Zealand and the United Kingdom

Richard brings to Inventis experience in financing and establishing new companies and projects. He has an in depth knowledge in the corporate and legal structuring of entities when embarking on fund-raising and acquisition activities and has been instrumental in numerous public and private debt and/or equity issues and mergers and acquisitions.

Richard was the Managing Director of Alpha Aviation for approximately 3 years.



Richard Sealy
Deputy Managing Director
Executive Director



Robyn Himmelberg
Director, Finance and Administration
Executive Director



Ian Winlaw
Independent Non-Executive
Director

Robyn Himmelberg – Director, Finance and Administration – NIA, MAICD

Robyn Himmelberg was a founding director of PNE Electronics and has over 25 years experience in the operation of electronics engineering and manufacturing, having helped to create and build a sustainable business model through an era of rapid technological and economic change.

Robyn's background is in finance, administration, and customer relations, along with a broad knowledge of operations within the manufacturing environment which is an essential strength required for the operations and strategic direction of Inventis.

Ian Winlaw – Independent Non-Executive Director – M.Com, FCA

Ian Winlaw is an accountant with his own practice in Sydney. In addition to this practice he has been a professional company director since 1973.

Important roles include joining the board of Cloncurry Mining Limited prior to its float in 1992 and seeing that company develop from the exploration stage to commissioning of one of the first SX/EW copper plants in Australia.

Ian is a former director of ASX listed Axiom Mining Limited and Integrated Research Limited and is chairman of Australian Alpaca Fleece Limited, an unlisted public company.

Ian is the Chairman of the Audit, Corporate Governance and the Risk Management Committee and member of the Remuneration and Nominations Committee.

SENIOR MANAGEMENT AND COMPANY SECRETARY

David Richards – General Manager of the Inventis Technology Division – BSc(Eng), MAICD

Tim Whiteside – General Manager of the Commercial Furniture Division – BE (Hons), MBA, FAIM, MIEAust

Gretchen Jahn – General Manager of the Aviation Division – BA, MA

Bruce Lehmann – General Manager Group Marketing – BSc

Renuka Bhardwaj – Company Secretary – ACIS, Associate Member of the Law Society of NSW

« The Board is responsible for ensuring corporate governance standards and practices are maintained, providing guidance and direction to executive management and to set the overall strategic direction of Inventis. »

The Directors of Inventis Limited are committed to achieving the highest standard of corporate governance.

Except where specified in this statement, the Company has adopted the ASX Guidelines. The Company website has a dedicated section dealing with its corporate governance on which can be found its corporate governance charter and policies.

THE BOARD AND COMMITTEES

Composition of the Board

The Board of five Directors comprises one Non-Executive Chairman, one independent Non-Executive Director and three Executive Directors. In line with good corporate governance policies it is the intention of the Directors to appoint one further independent Non-Executive Director.

The Board is responsible for ensuring corporate governance standards and practices are maintained, providing guidance and direction to executive management and to set the overall strategic direction of Inventis.

Each member of the Board brings an independent judgement that enables them to act in the best interests of Inventis. However, the Board also recognises the formal distinction drawn by the ASX Guidelines in respect of the Non-Executive Directors who are free of any business or other relationship that could, or could be perceived as, interfering with their independent judgement and those who are not.

The Chairman of Inventis, Graeme Edwards is a Non-Executive Director. Graeme has an interest (including indirect interests) of 6.74% which is more than the 5% level specified by the Company's guidelines for being independent. Graeme has been a significant shareholder of Inventis for in excess of 5 years and has considerable knowledge of the Company and also of PNE Electronics and Alpha Aviation.

Having regard to his previous involvement and the continued commitment to, and the investment by him in Inventis, the Board considers it appropriate that he remain as the Non-Executive Chairman.

As a team, the Board brings a broad range of qualifications with experience in management, finance, accounting, manufacturing, legal and public company affairs and corporate governance.

Non-Executive Directors are asked to commit no less than 20 days per year preparing for and attending Board and committee meetings and performing associated corporate activities. The Directors meet formally at least 11 times a year and at the Chairman's request, informally to discuss specific matters that may arise between scheduled meetings.

Role of the Board

The role of the Board is to provide strategic guidance for Inventis and effective oversight of its Management. While the Board retains ultimate authority over Management, it has set up a framework for delegation of authority over the day-to-day management to the Managing Director and other senior managers. These matters are set out in the Board Charter which may be found on the Company website.

The Board meets regularly to discharge its duties and each Director has signed an appointment letter setting out his or her rights and obligations as well as certain expectations.

Board processes

The agenda for Board meetings is prepared in conjunction with the Chairperson, Group Managing Director and Company Secretary. Standing items include the disclosure of interest, management reports, financial reports, compliance, and company secretarial matters. Submissions are circulated in advance. Executives are regularly involved in Board discussions and Directors have other opportunities, including visits to business operations for contact with a wider group of employees.

Each Director has the right of access to all relevant company information and to the Company's executives and subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the Company's expense. The Director must consult with an advisor suitably qualified in the relevant field and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

The Board has also established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards. To assist in the execution of its responsibilities, the Board has established two Board committees: a Remuneration and Nominations Committee; and an Audit, Corporate Governance and Risk Management Committee. These committees have written mandates and operating procedures which are reviewed on a regular basis.

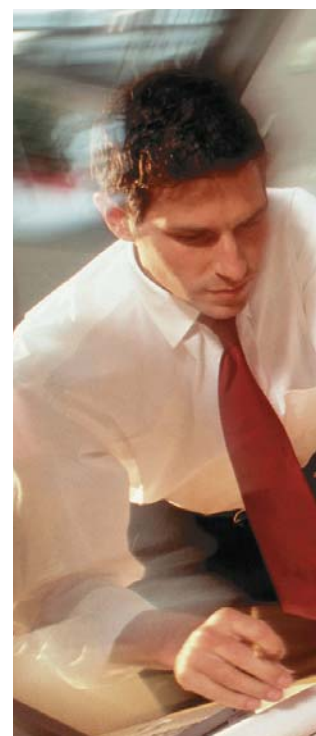
(a) Audit, Corporate Governance and Risk Management Committee

The Audit, Corporate Governance and Risk Management Committee is currently comprised of Ian Winlaw and Graeme Edwards, each of whom are Non-Executive Directors. Ian Winlaw is the Chairman of this committee and has a casting vote; therefore a majority of this committee is independent.

Both Ian Winlaw and Graeme Edwards have appropriate financial and business expertise to act effectively as members of the Audit, Corporate Governance and Risk Management Committee.

The role of the Audit, Corporate Governance 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;
- > 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;
- > Review the performance of the external auditors on an annual basis.



(a) Audit, Corporate Governance and Risk Management Committee cont.

(i) Oversight of the Risk Management System

The Board oversees the establishment, implementation, and annual review of the Company's Risk Management System. The Board has established and implemented the Risk Management System for assessing, monitoring, and managing operational, financial reporting, and compliance risks for the Group. The Managing Director 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.

(ii) Risk profile

The Audit, Corporate Governance and Risk Management Committee reports to the Board 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, Corporate Governance 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.

(iii) Risk management and 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 9001:2000 accreditation for each of its business divisions.

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
- > 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.

(iv) 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 Notes to the financial statements;
- > Occupational 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 at least annually for all employees to ensure that they are complying to the Companies' Code of Ethics;
- > A formal succession plan is in place to ensure competent and knowledgeable employees fill senior positions when retirements or resignations occur;
- > Financial reporting accuracy and compliance is in line with the financial reporting regulatory framework; and
- > Environmental regulation compliance (see page 27) is being adhered to.

(b) Remuneration and Nominations Committee

The Remuneration and Nominations Committee is currently comprised of Graeme Edwards as Chairman, Tony Noun, and Ian Winlaw.

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 Executive Directors, senior managers, Non-Executive Directors and other key employees;
- > Incentive schemes designed to enhance corporate and individual performance;
- > Retention strategies for Executive Directors and senior management;
- > Composition of the Board and competencies of Board members;
- > Appointment and evaluation of the Executive Directors and senior managers;
- > Succession planning for Board members and senior managers; and
- > Processes for the evaluation of the performance of the Group Managing Director and Directors.

The Executive Directors who are not on the Remuneration and Nominations Committee have a standing invitation to attend the Remuneration and Nominations Committee meetings. During the financial year ended 30 June 2007, the full Board was acting for and on behalf of Remuneration and Nominations Committee.

The remuneration of Executive Directors and Non-Executive Directors is described in section 10 of the Directors' Report on Page 37.

(i) 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.

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 managers of the Group is as follows:

Executive Directors and senior managers

The remuneration policy, setting terms and conditions for the Executive Directors and other senior managers, 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 in certain instances fringe benefits, 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.

(b) Remuneration and Nominations Committee cont.

(i) Principles used to determine the nature and amount of remuneration cont.

Executive Directors and senior managers cont.

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 Remuneration and Nominations 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 general manager 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.

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.

The current base remuneration for Non-Executive Directors was last reviewed with effect from 1 July 2007.

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%, but do not receive any other retirement benefits. Some individuals have however chosen to sacrifice part of their salary to increase payments towards superannuation.

Corporate Governance policies

(a) 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 is:

- > To establish and maintain appropriate legal and ethical standards in dealings with business associates, advisers and regulators, competitors, employees and any other stakeholders of Inventis;
- > For any Director to declare any conflict of interest when it arises. Directors must keep 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 Notes to the financial statements;
- > To maintain appropriate core Company values and objectives;
- > To fulfil responsibilities to shareholders by delivering shareholder value;
- > To ensure the usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure;

- > To fulfil responsibilities to clients, customers and consumers by maintaining high standards of product quality, service standards, commitments to fair value, and safety of goods produced;
- > To maintain employment practices such as occupational health and safety, employment opportunity, the community activities, sponsorships and donations;
- > To maintain employees privacy by the appropriate use of privileged or confidential information;
- > To avoid conflicts of interest;
- > To prevent Directors and senior managers from taking advantage of property, information or position for personal gain;
- > To maintain confidentiality of corporate information;
- > To ensure that the Company, Directors and all employees are fair in their dealings;
- > To ensure compliance with laws; and
- > To establish a basis for reporting of unethical behaviour.

(b) Share trading policy

Directors and senior managers may acquire shares in the Company, but are prohibited from dealing in Company shares:

- > Except between 3 and 14 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 major announcement;
- > Whilst in possession of price sensitive information not yet released to the market.

Directors and senior managers 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.

These requirements also apply to all senior officers of Inventis.

(c) Environmental policy

Inventis 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.

(d) Internal audit

As the Group has grown significantly over the past year and will continue to do so during the current financial year, the Company has recently introduced an internal audit function. The Company Secretary will carry out the internal audit function in ensuring compliance with internal controls and risk management programs by regularly reviewing the effectiveness of the above-mentioned compliance and control systems.

(e) Disclosure to shareholders

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 Managing Director, 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 managers must follow a 'Weekly Continuous Disclosure Discovery' process, which involves monitoring all areas of the Group's internal and external environment;
- > Concise reports are distributed to all shareholders (unless a shareholder has specifically requested not to receive the document), including relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments;
- > 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 Annual Report is sent to all shareholders;
- > Proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders;
- > 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 single 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.

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The Directors present their report together with the financial report of Inventis Limited (formerly known as Gregory Australia Limited) ("the Company") and of the Group, being the Company, its subsidiaries, and the Group's interest in associates and jointly controlled entities for the financial year ended 30 June 2007 and the auditor's report thereon.

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. Objectives

The Group's objectives for 2008 are to:

- > Increase the revenue of Inventis Technology Division through development of new products, acquisition of new customers, organic growth and acquisitions;
- > Improve the revenue and profitability of the Commercial Furniture Division through improved purchasing, manufacturing processes and organic growth; and
- > Acquire Alpha Aviation Limited and form the new Aviation Division of the Company. Scale up production while containing the losses of the Aviation Division to \$1.5 million.

3. Operating and financial review for last 5 years

	2007	2006	2005	2004	2003
Net profit attributable to equity holders of the Parent Company (\$)	614,576	1,560,327	559,990	457,122	119,311
Basic EPS	0.9c	3.5c	1.4c	3.6c	0.9c
Dividends paid (\$)	657,029	-	125,259	-	125,259
Dividends per share	1c	-	1c	-	1c

The amounts disclosed above for the years 2005-2007 have been extracted from financial statements, prepared under International Financial Reporting Standards (IFRS). The amounts disclosed for the years 2003-2004 have been extracted from financial statements prepared under previous Australian GAAP (AGAAP).

4. Review of financial condition

Capital structure

As at the balance date the number of shares on issue were 79,799,253 (2006: 65,702,865) and as of the date of filing of this report the number of shares on issue were 111,949,495. At balance date the share capital of the Consolidated Group stood at \$18,219,059 (2006: \$11,545,683) and net equity stood at \$20,833,941 (2006: \$14,207,698).

Liquidity

As at the balance date, cash and cash equivalents on hand of the Consolidated Group stood at \$1,444,968 (2006: \$5,040,718). Total current assets stood at \$20,277,529 (2006: \$13,765,093) and current liabilities stood at \$8,072,176 (2006: \$6,144,701) making the liquidity ratio 2.5 (2006: 2.2).

Cash flows from operations

In the financial year net cash outflows of the Consolidated Group from operating activities were \$1,270,580 compared to net cash inflows from operating activities in 2006 of \$1,897,573. Net cash outflows from investing activities during the financial year were \$3,165,653 (2006: Inflows \$723,893) of which \$2,143,993 were for acquisitions, \$471,316 for purchase of plant and equipment and \$600,849 was expended on development. In the financial year there was a net decrease in cash and cash equivalents of \$3,595,750 as compared to a net increase in 2006 of \$1,435,301.

5. Review of principal businesses

The acquisition in the previous financial year of PNE Electronics (formerly PNE Industries Pty Limited) and Opentec Solutions (formerly Opentec International Pty Limited) allowed Inventis to enter the rapidly expanding electronics industry with innovative products and significant intellectual property. This led to the acquisition of Impart Special Products Pty Limited on 6 September 2007 which expanded PNE Electronics' manufacturing capabilities, customer base and was the basis for the establishment of the **Inventis Technology Division**. This boosted the profitability of what was already a very profitable division of the Company.

A significant re-costing programme was carried out on every one of Gregory Commercial Furniture's product lines in order to rationalise the products and to improve profitability. This, together with strong financial accountability has significantly improved the profitability of Gregory Commercial Furniture so that now it is a major profit and cash flow contributor to the Group. In addition, on 1 April 2007 Gregory Commercial Furniture acquired the business of Damba Furniture in New Zealand and all the shares in Damba Furniture Pty Limited, a manufacturer of commercial furniture operating in New Zealand and Australia with manufacturing plants in both places, and a range of products that increased Gregory Commercial Furniture's designs and product offerings. All of these companies now form the **Commercial Furniture Division**.

Segmented operating results

The audited segmental information for the year ended 30 June 2007 was:

\$('000)		Sales	NPAT
Commercial Furniture Division	Actual	17,774	822
	Forecast	18,055	1,187
Inventis Technology Division	Actual	12,986	1,398
	Forecast	14,522	1,061
Corporate Costs	Actual	17	(1,605)
	Forecast	-	(1,573)

Sales for the Commercial Furniture Division were almost on budget. However, the Net Profit after Tax was \$365,000 behind the Directors' projections due to some unexpected costs in integrating Damba Furniture, in particular, an increase in the amortisation costs relating to the acquisition of Damba Furniture.

Sales for the Inventis Technology Division were \$1.5 million down on the Directors' projections due to being unable to process the order for \$1.4 million received by Opentec (see commentary below). However, despite the lower sales, Inventis Technology Division exceeded its projected Net Profit after Tax thereby reflecting the improved profitability and operating efficiencies achieved in the financial year under review.

Commentary on operating results

The consolidated results for the Inventis Group for the financial year ended 30 June 2007 are:

\$('000)	2006 Actual	2007 Actual	2007 Forecast
Sales	17,243	30,777	32,557
NPAT	1,560	614	971

The Sales were 78.5% ahead of last year and included a full year of trading from Gregory Commercial Furniture, PNE Electronics, Opentec Solutions, 10 months trading from Impart Special Products and three months of trading from Damba Furniture. Net Profit after Tax was \$946,000 less than the results for the last financial year and \$356,000 behind the projections given by the Directors in the recent Prospectus.

The Directors forecast the decrease in Net Profit after Tax on the 2006 financial year because of the expected costs of amalgamating all of the recent acquisitions and the impact of AIFRS on the amortisation of intangible assets. However, the main reason for the variation between the forecast and the actual sales results and the relative impact on Net Profit after Tax was attributable to an order for \$1.4 million received by Opentec Solutions, which could not be processed in time for close-off because of the inability to settle all the international financial requirements of the customer. It is anticipated that this order will be supplied this financial year.

5. Review of principal businesses cont.

Strategy and future performance

The recently issued Prospectus set out the growth prospects for the 2008 financial year where revenue is projected to reach \$62 million with profits of \$754,000. The divisional contributions for the 2008 Financial Year are projected to be:

Projections \$(000)	Sales	NPAT
Commercial Furniture Division	28,000	1,701
Inventis Technology Division	22,254	2,814
Aviation Division	11,958	(1,525)
Corporate Costs	-	(1,677)
	\$62,212	\$754*

Note: The NPAT column does not add down as the total includes the taxation payable which takes into account various losses carried forward and the Alpha Aviation depreciation treatment.

- > **Inventis Technology Division:** Revenue is projected to increase \$7.7 million to a total of \$22 million due mainly to organic growth, the introduction of self branded products and diversification of the OEM customer base. In addition, the product and customer development that has occurred in Opentec Solutions over the last two years is expected to come to fruition in 2008.
- > **Commercial Furniture Division:** Revenue is projected to grow by \$10 million due to the full year of revenue from Damba and organic growth. There is increasing awareness of OH & S issues and the greater duty of care by employers to provide 'ergonomic solutions' for their employees and as the first truly ergonomic chair manufacturer in Australia the Gregory name still commands a premium. Customers increasingly favour products where the 'life cycle' is known at the time of purchase and products are acknowledged and externally verified as 'Green'. Our Commercial Furniture Division is rapidly attaining registrations such as 'GECA' and ISO 14001.
- > **Aviation Division:** Alpha Aviation will for the first time be included in the Group results for the 2008 financial year. Alpha Aviation is continuing with the scale up of its production output and will therefore contribute a loss of \$1.5 million to the overall Inventis result for the 2008 financial year.

While organic growth through sourcing or creating new products within the Inventis Group is expected to provide significant income and profit growth in the coming years, acquisitions will form a major part of the expansion and development of products and the move into new markets. Already the Directors have announced that discussions are occurring about prospective acquisitions for Inventis Technology Division.

6. Directors

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

Graeme Edwards MPS, PhC

Non-Executive Director

(Appointed as a director on 14 December 2006)

(Appointed Chairperson on 5 February 2007)

Graeme Edwards is a prominent businessman who has been a director of a number of public and private companies involved in a variety of industries in Australia and New Zealand.

Graeme has a reputation for restructuring and establishing new companies by applying good business practices and motivating people so that the companies become successful and profitable.

Graeme has been instrumental in the success of a number of companies including: Argyle Properties and Prime Retail Group which owns and manages a number of major property investments including shopping centres throughout New Zealand; and Alloy Yachts International Limited which is now a world leader in top line, luxury mega yachts with a 10% share of the global market.

Graeme is the Chairman of the Remuneration and Nominations Committee and a member of Audit, Corporate Governance and Risk Management Committee.

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

6. Directors cont.

Tony Noun MBA, FAIM, AFPA, CFP, CIAM, A&CIPANZIP, Dip LI, FASFA
Managing Director

Tony Noun has more than 25 years professional and commercial experience with a proven track record of success in managing start-up operations as well as small, medium and large national and international companies.

Tony's commercial experience, from both an investor and management perspective, spans a diverse range of industries including financial services, health care, hospitality, manufacturing as well as sales and marketing.

Tony is presently an active director for a number of national and international companies that cover a broad range of industries and professional disciplines and brings to the Board extensive financial and corporate expertise.

Tony is a member of the Remuneration and Nominations Committee.

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

Richard Sealy CA, MAICD
Deputy Managing Director

Richard Sealy has over the last 25 years held positions as Financial Director, Managing Director or Chairman of a number of public and private companies in Australia, New Zealand and the United Kingdom.

Richard brings to Inventis experience in financing and establishing new companies and projects. He has an in depth knowledge in the corporate and legal structuring of entities when embarking on fund-raising and acquisition activities and has been instrumental in numerous public and private debt and/or equity issues and mergers and acquisitions.

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

Robyn Himmelberg NIA, MAICD
Director, Finance and Administration

Robyn Himmelberg was a founding director of PNE Electronics and has over 25 years experience in the operation of electronics engineering and manufacturing, having helped to create and build a sustainable business model through an era of rapid technological and economic change.

Robyn's background is in finance, administration, and customer relations, along with a broad knowledge of operations within the manufacturing environment which is an essential strength required for the operations and strategic direction of Inventis.

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

Ian Winlaw M.Com, FCA
Independent Non-Executive Director
(Appointed on 16 April 2007)

Ian Winlaw is an accountant with his own practice in Sydney. In addition to this practice he has been a professional company director since 1973.

Important roles include joining the board of Cloncurry Mining Limited prior to its float in 1992 and seeing that company develop from the exploration stage to commissioning of one of the first SX/EW copper plants in Australia.

Ian is a former director of ASX listed Axiom Mining Limited and Integrated Research Limited and is the Chairman of Australian Alpaca Fleece Limited, an unlisted public company.

Ian is the Chairman of the Audit, Corporate Governance and Risk Management Committee and member of the Remuneration and Nominations Committee.

Directorships held in other listed entities in the last 3 years:

- > Integrated Research Limited October 2000 - December 2006; and
- > Axiom Mining Limited August 2006 – April 2007.

6. Directors cont.

David Richards BSc(Eng), MAICD

Executive Director

(Resigned as director on 17 April 2007)

(Appointed Alternate Director to Robyn Himmelberg and Tony Noun)

David Richards obtained his degree in Electrical Engineering in 1983. He was an electronics development engineer with General Electric before becoming Engineering Manager in an associated company set up to undertake design and manufacture of electronic controls in appliances utilising the latest microcomputer technology.

This gave the basis for David to form PNE based upon carrying out the design and marketing in Australia, manufacturing in Singapore and later Malaysia. David was a founding member of PNE and has been Managing Director of PNE since its inception. David has many years of design and manufacturing experience in electronics and electromechanical devices both here in Australia and overseas, particularly Asia. David has developed a highly technical marketing skill that enables PNE to obtain opportunities to develop and supply to many of the top Australian OEM manufacturers.

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

Barry Colman QSM

Alternate Director

(Appointed as Alternate Director to Graeme Edwards on 21 June 2007)

Barry Colman, is the Chairman and Owner of the Liberty Press Group which includes The National Business Review and a number of specialised business directories and newsletters covering law, food and commercial property. Liberty's original publishing business has now expanded to include major interests in property, technology, manufacturing, medical equipment, venture capital and wine production.

Barry is currently a director and major shareholder of Forsyth Barr (stockbrokers), Vavasour and Goldwater Wines Limited (Marlborough wine producers), TASK Transactions Limited (suppliers of high tech installations operating bank ATM's and service station swipe card pumps) and Medic Life Vent Limited (high tech resuscitation equipment).

Barry is a member of the NZ Business Roundtable, Otago University Business Advisory Council and Amnesty International's Freedom Foundation and a major sponsor of the arts including the New Zealand Opera Company, the NZ Arts Foundation, the New Zealand Symphony Orchestra, and Otago's Southern Symphonia.

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

John Scutt B Com (Hons), FAICD, FCPA, FAIM

Executive Director

(Resigned on 31 July 2006)

John Scutt joined Inventis Limited in May 2004 and resigned on 31 July 2006. John has over 30 years of strong business building skills with particular emphasis on sales and finance. Prior to joining Inventis Limited John worked for large Australian and multinational organisations including Austen & Butta Limited, Young & Rubicam Australia Pty Limited, DFS Australia Pty Limited, Allders International Pty Limited, TVSN Limited, Ezishop.net.au Limited (own company) and CiTR Pty Limited.

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

Peter Gregory B.Sc Dip Phyt

Non-Executive Director

(Resigned on 15 July 2006)

Peter Gregory, a qualified physiotherapist and original founder of Gregory Australia Limited (now known as Inventis Limited), resigned on 15 July 2006. Peter has valuable experience and expertise gained over many years in the Company's core business of designing, manufacturing and distributing commercial furniture and in particular our well known range of ergonomic chairs.

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

7. Company Secretary

Ross Carman CA

Resigned as Company Secretary on 21 July 2006.

Robyn Himmelberg NIA, MAICD

Held the role of Company Secretary from 21 July 2006 to 17 April 2007.

Renuka Bhardwaj ACIS, Associate Member of Law Society of NSW

Renuka Bhardwaj was appointed to the position of Company Secretary in April 2007. Renuka has over the last 10 years held positions as Assistant Company Secretary, Company Secretary and Assistant to the Director, Finance & Administration of a number of companies in India, Australia and the United Kingdom. Prior to this she practised as an Advocate at Delhi High Court and the Supreme Court of India for 5 years.

Renuka brings to Inventis experience in corporate secretarial, legal and financial management, and considerable experience of the creation of quality systems to ISO 9001:2000 Standards.

8. 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 are:

Directors	Board Meetings		Audit, Corporate Governance & Risk Management Committee Meetings		Remuneration & Nominations Committee Meetings*	
	A	B	A	B	A	B
G Edwards ¹	9	9	-	1	-	-
I Winlaw ²	3	3	1	1	-	-
T Noun	16	16	-	-	-	-
R Sealy ³	16	16	-	-	-	-
R Himmelberg	16	16	-	-	-	-
D Richards	16	16	-	-	-	-
J Scutt	2	2	-	-	-	-
P Gregory	-	-	-	-	-	-

A Number of meetings attended

B Number of meetings held during the time the Director held office during the year

The external auditor met with the Audit, Corporate Governance and Risk Management Committee and the Board of Directors once during the year without Management being present.

¹ G Edwards was the Chairman of 8 Board meetings and is the Chairman of the Remuneration and Nominations Committee

² I Winlaw was the Chairman of the Audit, Corporate Governance and Risk Management Committee

³ R Sealy was the Chairman of 8 Board meetings

* During the year, the full Board performed the functions of Remuneration and Nominations Committee at its meeting held on 5 February 2007.

9. 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 the date of this report is as follows:

Directors	2006	Number of Ordinary Shares		2007
		Acquired	Sold	
Graeme Edwards	2,183,333	5,168,315	-	7,351,648
Tony Noun	11,265,833	9,742,560	-	21,008,393
Richard Sealy	1,888,150	2,645,655	-	4,533,805
Robyn Himmelberg	10,259,973	-	-	10,259,973
Ian Winlaw	-	50,000	-	50,000
David Richards	10,259,983	-	-	10,259,983
John Scutt	1,118,000	23,000	(100,000)	1,041,000
Peter Gregory	4,800,000	-	-	4,800,000
Barry Colman	3,333,000	11,166,383	-	14,499,383

10. Remuneration Report

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

- Principles used to determine the nature and amount of remuneration (audited)
- Details of remuneration (audited)
- Service agreements (audited)
- Additional disclosures

The information provided under headings (a-c) includes remuneration disclosures that are required under Accounting Standard AASB 124-*Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section d are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited.

a. Principles used to determine the nature and amount of remuneration (audited)

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

- > The remuneration policy, setting terms and conditions for the Executive Directors and other senior managers, 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, fringe benefits and performance incentives. The Remuneration and Nominations 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;
- > 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 are linked to predetermined performance criteria. The Board may, however, exercise 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; and

10. Remuneration Report cont.

a. Principles used to determine the nature and amount of remuneration (audited) cont.

> 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 payments to the Non-Executive Directors and review their remuneration 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 Non-Executive Directors are encouraged to hold shares in the Group.

Directors' fees

The current base remuneration was last reviewed with effect from 1 July 2007.

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

Retirement allowances for Directors

No retirement allowances exist for Directors.

Executive pay

The executive pay and reward framework has three components:

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

The combination of these comprises the executive's total remuneration. The Group intends to activate its long-term equity linked performance incentives specifically for executives during the year ending 30 June 2008.

Base pay

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.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. 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 managers 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 managers' contracts.

Benefits

Executives receive benefits including car allowances.

Retirement benefits

The Directors and executives received a superannuation guarantee contribution required by government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Short-term incentives

If the Group achieves a pre-determined profit target set by the Remuneration and Nominations Committee, 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 Inventis Group has a bonus incentive scheme for individual senior managers. This is broadly based on the achievement of the Group profit objectives and the achievements of the individual KPIs.

10. Remuneration Report cont.

b. Details of remuneration (audited)

Amounts of remuneration

Details of the remuneration of the Directors and the senior managers of the Company are set out in the following tables.

The senior managers of the Group include the Directors as set out on pages 33 to 35 and the following executive officers, who are also the highest paid executives of the entity:

Consolidated Entity:

- > David Richards – General Manager, PNE Electronics Pty Limited
- > Tim Whiteside – General Manager, Gregory Commercial Furniture Pty Limited
- > Bruce Lehmann – General Manager, Opentec Solutions Pty Limited
- > Jules Res – Engineering and Quality Manager, PNE Electronics Pty Limited

Parent Entity:

- > Renuka Bhardwaj – Company Secretary

Non-Executive Directors		Short Term Employment Benefits				Post-Employment	Other Long Term	Total Including Benefits
		Salary & Fees	Other Benefits	Cash & Bonus	Non-Monetary Benefits			
		\$	\$	\$	\$	\$	\$	\$
Graeme Edwards (Chairperson) Appointed on 14/12/2006	2007	6,500	-	-	-	6,500	-	6,500
	2006	-	-	-	-	-	-	-
Ian Winlaw Appointed on 16/04/2007	2007	13,359	-	-	-	13,359	752	14,111
	2006	-	-	-	-	-	-	-
Barry Colman (Alternate Director to G Edwards) Appointed on 21/06/2007	2007	-	-	-	-	-	-	-
	2006	-	-	-	-	-	-	-
Executive Directors								
Tony Noun Appointed as Managing Director on 26/09/2006	2007	195,963	43,848	-	-	239,811	17,637	257,448
	2006	65,443	-	-	-	65,443	5,889	71,332
Richard Sealy Appointed as Deputy Managing Director on 24/11/2006	2007	141,892	-	-	-	141,892	-	141,892
	2006	87,100	-	-	-	87,100	7,300	94,400
David Richards - Inventis Limited Ceased to be Director and appointed as Alternate Director on 17/04/2007	2007	87,193	17,288	-	7,266	111,747	6,992	125,014
	2006	84,907	19,574	-	7,267	111,748	6,993	125,016
David Richards - PNE Electronics Pty Ltd	2007	140,848	5,923	35,000	8,978	190,749	15,750	208,833
	2006	153,430	14,590	-	8,774	176,794	13,625	203,313
Robyn Himmelberg	2007	121,373	1,385	30,000	10,961	163,719	13,500	179,219
	2006	58,987	-	20,000	8,226	87,212	10,171	97,384
John Scutt Resigned on 31/07/2006	2007	148,292	4,619	10,000	4,440	167,351	65,180	232,531
	2006	-	-	-	-	-	-	-

10. Remuneration Report cont.

b. Details of remuneration (audited)

Other Key Management Personnel		Short Term Employment Benefits					Post-Employment	Other Long Term	Total Including Benefits
		Salary & Fees	Other Benefits	Cash & Bonus	Non-Monetary Benefits	Total	Super-annuation Benefits	Long Service Leave	
Tim Whiteside Appointed as General Manager GCF on 22/05/07		\$	\$	\$	\$	\$	\$	\$	\$
	2007	24,870	1,697	-	-	26,566	2,087	-	28,653
	2006	-	-	-	-	-	-	-	-
Bruce Lehmann - Inventis Limited	2007	65,502	-	20,000	-	85,502	4,962	-	90,428
Bruce Lehmann - Opentec Solutions Pty Limited Appointed as General Manager Opentec on 23/10/2006	2007	65,503	-	-	-	65,503	4,822	-	70,325
	2006	115,604	8,077	14,486	-	138,167	9,000	-	147,167
Jules Res – Inventis Limited	2007	38,076	3,386	-	-	41,462	3,233	-	44,695
Jules Res – PNE Electronics Pty Limited Engineer and Quality Manager, PNE Electronics Pty Limited	2007	44,500	3,387	-	-	47,887	3,234	-	51,121
	2006	50,241	3,330	-	-	53,571	3,923	-	57,494
Renuka Bhardwaj Appointed as Company Secretary on 17/04/2007	2007	50,125	1,296	-	-	51,421	4,471	-	55,892
	2006	-	-	-	-	-	-	-	-
Consolidated Entity	2007	1,030,807	105,066	40,000	31,533	1,207,404	78,943	25,444	1,311,792
	2006	728,901	23,334	89,486	24,379	866,100	120,542	4,335	990,997
Company	2007	811,027	80,408	40,000	24,266	955,700	61,807	19,169	1,036,677
	2006	300,835	4,619	10,000	4,400	319,894	78,369	-	398,263

1. None of the Directors or other key management personnel received termination benefits or share based payments.
2. John Scutt's bonus relating to the previous financial year, was paid in July 2007.
3. As the Company did not meet its stated objectives for the year ended 30 June 2007, no bonus was paid to the Executive Directors.
4. Graeme Edwards was paid through Mozart Holdings Limited.
5. Richard Sealy was paid through Sealy Consulting Services Limited.
6. David Richards, Bruce Lehmann and Jules Res were employees of the Company for part of the year and were employees of consolidated entity for the rest of the year.

c. Service agreements (audited)

Tony Noun is the Managing Director of Inventis Limited and received remuneration in accordance with a contract of employment. As at the date of this Report the salary package is set at \$340,000 per annum and the agreement is subject to three months' notice period either way.

David Richards is the General Manager of the Inventis Technology Division and is an Alternate Director to Tony Noun and Robyn Himmelberg and receives remuneration in accordance with a contract of employment dated 24 February 2006. As at the date of this Report the salary package is \$200,000 per annum with a further performance based bonus of \$100,000 and the contract is subject to three months' notice period either way.

10. Remuneration Report cont.

c. Service agreements (audited) cont.

Robyn Himmelberg is the Chief Financial Officer and an Executive Director of Inventis Limited and receives remuneration in accordance with a contract of employment dated 24 February 2006. As at the date of the Report the salary package is \$180,000 per annum with a further performance based bonus of \$100,000 and the contract is subject to three months' notice period either way.

Richard Sealy is a consultant to Inventis Limited and his consulting company, Sealy Consulting Services Limited receives a consulting fee of \$22,083.33 per month pursuant to a consulting contract dated 1 March 2007 and the contract is subject to three months' notice period either way. The consulting contract provides for relocation expenses from New Zealand to Australia to be paid by Inventis Limited.

d. Additional disclosures

Directors' and Executive Officers' compensation Parent Entity and Group (Audited)

Details of the nature and amount of each major element of compensation of each Director of the Parent Company and the Group and each of the five named Company executives and relevant Group executives who receive the highest remuneration and other key management personnel are set out on page 39 and 40.

Non-Executive Directors (unaudited)

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 \$40,000 per annum. The Chairperson receives \$60,000 per annum.

Non-Executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of one committee. Non-Executive Directors who sit on more than one committee receive an additional payment of \$800 per day for meetings attended.

Options (unaudited)

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

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 jurisdiction.

To date, no shares have been issued under the EPOP.

11. Significant changes in the state of affairs

During the year, the Company changed its name from Gregory Australia Limited to Inventis Limited.

12. Dividends

A fully franked final dividend relating to the 2006 year was paid by the Company on 16 October 2006. No dividend has been declared or recommended to be paid relating to the current year.

13. Events subsequent to reporting date

Subsequent to the Balance Sheet date;

Purchase of Alpha Aviation Limited

On 2 July 2007 the Company purchased all the shares of Alpha Aviation Limited and its subsidiary companies. The consideration for the purchase was the issue of 27,547,133 shares in the capital of the Company at 40 cents per share pursuant to the approval given in the Extraordinary General Meeting of the Company held on 16 April 2007.

Issue of shares

On 13 July 2007 the Company completed a two stage capital raising and issued 14,603,109 shares in the capital of the Company at 45 cents each raising \$6,571,399.05. Ten million shares of the capital raising, amounting to \$4,500,000 was raised and included in the share capital at the Balance Sheet date.

14. 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.

Insurance premiums

Since the end of the previous financial year the Company has paid insurance premiums of \$17,065 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.

15. Non-audit services

With effect from 16 April 2007, KPMG was appointed as the Company's Auditor and replaced BDO, the previous auditor. During the year KPMG performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- > All non-audit services were performed prior to KPMG being appointed as auditors of the Company; and
- > The services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

15. Non-audit services cont.

Details of the amounts paid to the auditors of the Company for audit and non-audit services provided during the year are set out below. In addition, amounts paid to other auditors for the statutory audit have been disclosed:

	Consolidated Entity	
	2007	2006
	\$	\$
Audit services:		
Auditors of the Company		
- audit and review of financial reports (KPMG Australia)	111,715	-
- audit and review of financial reports (BDO)	59,234	11,829*
- audit and review of financial reports of PNE (PWC)	-	48,500
Other services:		
Due Diligence services (KPMG Australia)	75,845	-
Due Diligence services (PWC)	72,220	-
IFRS advice (BDO)	-	700*

*These costs relate to the period 29 April 2006 to 30 June 2006 only due to the accounting for the business combination (reverse acquisition).

16. Proceedings on behalf of the Company

Alpha Aviation Limited which is now a wholly owned subsidiary has been engaged in litigation with, the vendor of the Alpha aircraft design and assets, C.E.A.P.R. Alpha Aviation alleged that C.E.A.P.R. failed to provide a number of the critical drawings and tools necessary to build the aircraft, thereby causing Alpha Aviation to incur significant additional costs in order to commence production.

Alpha Aviation had an obligation to pay the second tranche of the purchase price amounting to 742.500 € on 8 October 2006 and refused to do so, citing the costs that Alpha Aviation had incurred as a result of the alleged failure on the part of C.E.A.P.R.

C.E.A.P.R. issued proceedings against Alpha Aviation seeking to enforce payment of the second tranche of the purchase price and made a further claim for damages of 150.000 €. Alpha Aviation counter claimed for relief from the payment of the second tranche of the purchase price and in addition claimed damages of 1.931.772 €. The case was heard in the Commercial Court of Dijon, France on 10 May 2007 and the judgement was handed down on 6 September 2007 and served on the Company's solicitors on 13 September 2007 and Alpha Aviation was ordered to pay the second tranche of the purchase price plus interest. C.E.A.P.R. failed in its action for damages, as did Alpha Aviation.

Alpha Aviation has advised the Appeal Court in Dijon that it will appeal this decision and the application for leave to appeal must be lodged with the Appeal Court by 13 December 2007. In addition, the Company will apply to the First President of the Dijon Appeal Court for the adjournment of the enforcement procedure and this application needs to be lodged prior to 13 October 2007.

17. Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 44 and forms part of the Directors' Report for Financial Year ended 30 June 2007.

This report is made in accordance with a resolution of the Directors:



Graeme Edwards
Chairman



Tony Noun
Managing Director

Dated at Sydney this 28 day of September 2007



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 2007 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.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to read 'Carlo Pasqualini'.

Carlo Pasqualini
Partner

Sydney

28 September 2007

Income Statement for the year ended 30 June 2007
Inventis Limited and its Controlled Entities

Continuing Operations (In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue	7	30,777,597	17,243,424	446,861	14,044,103
Cost of sales		(16,819,111)	(11,419,770)	-	(7,670,119)
Gross profit		13,958,486	5,823,654	446,861	6,373,984
Other income	8	26,488	68,802	-	908,748
Less expenses:					
Manufacturing and operations		(5,068,385)	(1,266,208)	-	(1,942,430)
Engineering and quality assurance		(543,450)	(1,126,301)	(1,338)	-
Administration		(4,897,198)	(1,144,713)	(2,420,412)	(4,437,631)
Sales and marketing		(3,232,026)	(338,278)	(4,850)	(485,875)
Total expenses		(13,741,059)	(3,875,500)	(2,426,600)	(6,865,936)
Results from operating activities		243,915	2,016,956	(1,979,739)	416,796
Financial income		112,020	156,764	33,098	51,795
Financial expenses		(46,642)	-	(35,057)	(60,966)
Net financing income/(costs)	10	65,378	156,764	(1,959)	(9,171)
Profit before income tax		309,293	2,173,720	(1,981,698)	407,625
Income tax benefit/(expense)	11	305,283	(613,393)	656,604	135,819
Profit/(loss) after income tax		614,576	1,560,327	(1,325,094)	543,444
Earnings per share:	23				
Basic earnings per share		0.9c	3.5c		
Diluted earnings per share		0.9c	3.5c		

The notes on pages 50 to 95 are an integral part of these consolidated financial statements.

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	12	1,444,968	5,040,718	147,294	2,139,084
Trade and other receivables	13	8,186,107	5,296,805	14,307,635	6,155,580
Inventories	14	5,642,159	3,427,570	-	-
Other financial assets	15	4,895,543	-	4,895,543	-
Current tax assets	16(i)	108,752	-	146,618	-
Total current assets		20,277,529	13,765,093	19,497,090	8,294,664
Non-current assets					
Property, plant and equipment	17	2,581,120	2,124,640	19,690	-
Other financial assets	15	-	-	14,686,570	14,686,568
Deferred tax assets	16(iii)	1,803,566	1,312,506	614,451	510,389
Intangible assets	18	6,964,122	4,019,097	-	-
Total non-current assets		11,348,808	7,456,243	15,320,711	15,196,957
Total assets		31,626,337	21,221,336	34,817,801	23,491,621
Liabilities					
Trade and other payables	19	5,531,935	5,257,625	6,447,383	2,759,929
Loans and borrowings	20	985,435	10,510	974,839	-
Employee benefits	21	1,554,806	778,362	214,518	-
Current tax payable	16(i)	-	98,204	-	64,928
Total current liabilities		8,072,176	6,144,701	7,636,740	2,824,857
Non-current liabilities					
Loans and borrowings	20	1,812,093	33,352	1,800,379	-
Employee benefits	21	123,193	298,687	7,542	-
Deferred tax liabilities	16(iii)	784,934	536,898	15,124	-
Total non-current liabilities		2,720,220	868,937	1,823,045	-
Total liabilities		10,792,396	7,013,638	9,459,785	2,824,857
Net assets		20,833,941	14,207,698	25,358,016	20,666,764
Equity					
Share capital		18,219,059	11,545,683	27,155,488	20,482,112
Reserves		399,238	403,918	-	-
Retained earnings		2,215,644	2,258,097	(1,797,472)	184,652
Total equity	22	20,833,941	14,207,698	25,358,016	20,666,764

The notes on pages 50 to 95 are an integral part of these consolidated financial statements.

—□— **Statement of Recognised Income and Expense** for the year ended 30 June 2007
 Inventis Limited and its Controlled Entities

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Foreign currency translation differences for foreign operations		(4,680)	-	-	-
Gain on revaluation of land and buildings (net of tax)		-	223,318	-	-
Income and expense recognised directly in equity		(4,680)	223,318	-	-
Profit/(loss) for the year		614,576	1,560,327	(1,325,093)	543,444
Total recognised income and expense for the period		609,896	1,783,645	(1,325,093)	543,444

The notes on pages 50 to 95 are an integral part of these consolidated financial statements.

— Statement of Cash Flows for the year ended 30 June 2007
Inventis Limited and its Controlled Entities

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers (including GST)		31,642,170	20,541,019	-	15,737,820
Cash paid to suppliers and employees (including GST)		(32,851,229)	(18,067,854)	(2,177,806)	(15,107,817)
Interest paid	10	(46,642)	-	(35,057)	(60,966)
Interest received	10	112,020	156,764	33,098	51,795
Income taxes paid		(126,899)	(732,356)	356,121	(1,835)
Net cash (outflow)/inflow from operating activities	30	(1,270,580)	1,897,573	(1,823,644)	618,997
Cash flows from investing activities					
Dividends received		273	115	-	-
Acquisition of subsidiaries, net of cash acquired	6	(2,143,993)	866,203	-	-
Proceeds/payment for other financial assets		-	122,500	-	(341,564)
Purchase of property, plant and equipment		(471,316)	(272,067)	(21,171)	(206,622)
Development expenditure paid		(600,849)	-	-	-
Proceeds from sale of fixed assets		50,232	7,142	-	19,228
Net cash (outflow)/inflow from investing activities		(3,165,653)	723,893	(21,171)	(528,958)
Cash flows from financing activities					
Proceeds from issue of shares		111,400	36,000	111,400	3,023,015
Transaction costs of share issue		(248,550)	-	-	-
Proceeds from/(repayment of) borrowings		1,656,386	(5,188)	398,654	(1,003,881)
Lease liability payment		(21,724)	-	-	-
Dividends paid	22	(657,029)	(1,216,977)	(657,029)	-
Net cash (outflow)/inflow from financing activities		840,483	(1,186,165)	(146,975)	2,019,134
Net (decrease)/increase in cash and cash equivalents		(3,595,750)	1,435,301	(1,991,790)	2,109,173
Cash and cash equivalents at the beginning of the year		5,040,718	3,605,417	2,139,084	29,911
Cash and cash equivalents at end of year		1,444,968	5,040,718	147,294	2,139,084

The notes on pages 50 to 95 are an integral part of these consolidated financial statements.

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Note 1: Reporting entity

Inventis Limited ("the Company") is a company domiciled in Australia. The address of the Company's registered office is Block A, Unit 40, 1-3 Endeavour Road, Caringbah, NSW 2229. The consolidated financial statements of the Company as at and for the year ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a diverse manufacturer of products and services including ergonomic office furniture, electronic control systems, ruggedised computing products (see Note 5 – Segment Reporting).

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

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

- > Inventis Limited is the legal Parent Entity of the Group and presents consolidated financial information; and
- > PNE, 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 PNE, including the Company, and the results of these entities for the period from which those entities are accounted for as being acquired by PNE.

Issued capital

Issued capital is shown on the basis that the acquisition of PNE at 28 April 2006 by the Company was accounted for as a reverse acquisition. Issued share capital comprises the share capital of PNE 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 is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 28 September 2007.

(b) Basis of measurement

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

- > Property is measured at fair value;
- > Financial instruments at fair value through profit or loss are measured at fair value; and
- > Available for sale financial assets are measured at fair value.

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Note 2: Basis of preparation cont.

(d) Use of estimates and judgements cont.

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

In particular, information about 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 described in the following Notes:

- > Note 6 – Acquisition of subsidiaries
- > Note 18 – Intangible Assets

Note 3: Significant accounting policies

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

Certain comparative amounts have been reclassified to conform to the current year's presentation (see Notes 17 and 18).

(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 2007 and the results of all subsidiaries for the year then ended. Inventis Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies.

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

(ii) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Business combinations

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

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

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

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

Note 3: Significant accounting policies cont.

(b) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange 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 the Income Statement.

(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 directly in equity.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. 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.

Accounting for finance income and expense is discussed in Note 3(1).

Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest rate, less any impairment losses.

(ii) Share capital

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

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 balance date.

Note 3: Significant accounting policies cont.

(d) Property, plant and equipment

(i) Recognition and measurement

Land and Buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical costs less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Income Statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

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

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.

(ii) Revaluation of property

Increases in the carrying amounts arising on revaluation of Land and Buildings are credited, net of tax, to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in the profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Income Statement.

(iii) Subsequent costs

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

(iv) Depreciation

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Leasehold improvements		2.5%
Plant and equipment	9% -	50%
Furniture, fittings and equipment	11.25% -	40%
Vehicles		22.5%
Leased plant and equipment	20% -	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is not amortised. Instead goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

When the excess is negative (negative goodwill) it is recognised immediately in profit or loss.

Note 3: Significant accounting policies cont.

(e) Intangible assets (continued)

(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 when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure for technology self-branded products 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. Other development expenditure is recognised in profit or loss when incurred.

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

(iii) Intellectual property, customer relationships and brands

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 Company, on the acquisition of Opentec, Impart and the restructure of GCF, undertook a purchase price allocation and valuation of each company's intangible assets. As a result the Company has determined various amortisation lives of intellectual property, customer relationships and brand name associated with the acquisition of these companies.

The amortisation lives used in the financial report are:

Gregory Commercial Furniture Pty Limited

Brand name "Gregory"	6 years
Intellectual property	2 years

Opentec Solutions Pty Limited

Intellectual property	6 years
Customer relationships	6 years

Impart Special Products Pty Limited

Intellectual property	5 years
Customer relationships	5 years

(iv) Other intangible assets

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

(v) 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 when incurred.

(vi) 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 cont.

(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.

The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under a finance lease is depreciated over the shorter of the assets' useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

(g) Inventories

Raw materials and stores, work-in-progress and finished goods are stated 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) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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 original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, 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 lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Note 3: Significant accounting policies cont.

(h) Impairment cont.

(ii) Non-financial assets cont.

The recoverable amount of an asset or cash-generating 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.

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) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(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 Balance Sheet date. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service.

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

(iii) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of Balance Sheet date are recognised in respect of employees' services rendered up to Balance Sheet date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual leave are included as part of Employee Benefit Provisions.

(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.

(v) Employee Performance Option Plan

The Group has an Employee Performance Option Plan available to assist in the attraction, retention, and motivation of employees, senior managers and Executive Directors of Inventis and its subsidiaries. The EPOP is not available to the Non-Executive Directors of Inventis. To date the plan has not been activated.

(j) Provisions

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

(k) Revenue

A sale is recorded when the goods have been delivered to the customer. 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.

Interest income is recognised on a time proportion basis using the effective interest method.

Note 3: Significant accounting policies cont.

(l) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income 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 using the balance sheet method, providing for 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 goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference 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 taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 29th April 2006 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Inventis Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer next page). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

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

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

Note 3: Significant accounting policies cont.

(m) Income tax cont.

(ii) Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivable/(payable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(o) 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 Balance Sheet.

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.

(p) 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 for the effects of all dilutive potential ordinary shares.

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

(r) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2007, but have not been applied in preparing this financial report:

AASB 7 Financial Instruments: Disclosures (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the Group's financial instruments and share capital.

Note 3: Significant accounting policies cont.

(r) New standards and interpretations not yet adopted cont.

AASB 2005-10 *Amendments to Australian Accounting Standards (September 2005)* makes consequential amendments to AASB 132 *Financial Instruments: Disclosure and Presentation*, AASB 101 *Presentation of Financial Statements*, AASB 114 *Segment Reporting*, AASB 117 *Leases*, AASB 133 *Earnings Per Share*, AASB 139 *Financial Instruments: Recognition and Measurement*, AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts arising from the release of AASB 7*. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007 and is expected to impact only disclosures contained within the consolidated financial report.

AASB 8 *Operating Segments* replaces the presentation requirements of segment reporting in AASB 114 *Segment Reporting*. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009 and is not expected to have an impact on the financial results of the Company and the Group as the standard is only concerned with disclosures.

AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* makes amendments to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 6 *Exploration for and Evaluation of Mineral Resources*, AASB 102 *Inventories*, AASB 107 *Cash Flow Statements*, AASB 119 *Employee Benefits*, AASB 127 *Consolidated and Separate Financial Statements*, AASB 134 *Interim Financial Reporting*, AASB 136 *Impairment Assets*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 *Operating Segments*. This standard is only expected to impact disclosures contained within the financial report.

Interpretation 10 *Interim Financial Reporting and Impairment* prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. Interpretation 10 will become mandatory for the Group's 2008 financial statements, and will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date that the Group first applied the measurement criteria of AASB 136 and AASB 139 respectively (i.e. 1 July 2004 and 1 July 2005, respectively).

Interpretation 11 *AASB 2 Share-based Payment – Group and Treasury Share Transactions* addresses the classification of a share-based payment transaction (as equity or cash settled), in which equity instruments of the parent or another group entity are transferred, in the financial statements of the entity receiving the services. Interpretation 11 will become mandatory for the Group's 2008 financial report. Interpretation 11 is not expected to have any impact on the financial report. The potential effect of the Interpretation on the Company's financial report has not yet been determined.

AASB 2007-1 *Amendments to Australian Accounting Standards arising from AASB Interpretation II* amends AASB 2 *Share-based Payments* to insert the transitional provisions of AASB 2, previously contained in AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. AASB 2007-1 is applicable for annual reporting periods beginning on or after 1 March 2007 and is not expected to have any impact on the consolidated financial report. The potential impact on the Company has not yet been determined.

AASB 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12* makes amendments to AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 120 *Accounting for Government Grants and Disclosures of Government Assistance*, AASB 121 *The Effects of Changes in Foreign Exchange Rates*, AASB 127 *Consolidated and Separate Financial Statement*, AASB 131 *Interest in Joint Ventures*, and AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 2007-2 is applicable for annual reporting periods beginning on or after 1 January 2008 and must be applied at the same time as Interpretation 12 *Service Concession Arrangements*.

AASB 2007-2 *Amendment to Australia Accounting Standards* also amends references to "UIG Interpretation" to Interpretations. This amending standard is applicable to annual reporting periods ending on or after 28 February 2007.

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. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

The fair value of land and buildings not acquired is determined as disclosed in Note 3(d)(i).

(ii) Intangible assets

The fair value of Identifiable Intangibles acquired in a business combination are based on the criteria set out in Note 18.

(iii) Inventory

The fair value of Inventory acquired in a business combination 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 inventory.

(iv) 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.

Note 5: Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets, and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment property) and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The Consolidated Entity is organised into the following divisions by product and service type:

- > Manufacture and marketing of office furniture; and
- > Design and manufacture of electronic products.

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. Segment information is prepared in conformity with the accounting policies of the Group as disclosed in Note 1 and Accounting Standard AASB 114 *Segment Reporting*.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors and employee benefits provisions.

Note 5: Segment reporting cont.

(i) Business segments – Operating results

(In AUD)	Office Furniture	Electronic Products	Unallocated Expenses	Eliminations	Consolidated
	\$	\$	\$	\$	\$
2007					
Total external revenues	17,774,076	12,985,819	17,702	-	30,777,597
Intersegment revenue	184,375	570,395	-	(754,770)	-
Other revenue/income	19,105	7,383	-	-	26,488
Total segment revenue	17,977,556	13,563,597	17,702	(754,770)	30,804,085
Results from operating activities	1,097,551	1,213,145	(2,001,403)	-	2,310,696
Unallocated expenses	-	-	-	-	2,001,403
Income tax expense	(275,430)	185,213	395,500	-	305,283
Profit for the period	822,121	1,398,358	(1,605,903)	-	614,576
2006					
Total external revenues	3,167,160	14,009,373	66,891	-	17,243,424
Intersegment revenue	-	-	-	-	-
Other revenue/income	-	68,802	-	-	68,802
Total segment revenue	3,167,160	14,078,175	66,891	-	17,312,226
Results from operating activities	85,497	2,490,413	-	-	2,575,910
Unallocated expenses	-	-	(402,190)	-	(402,190)
Income tax expense	-	-	(613,393)	-	(613,393)
Profit for the period	85,497	2,490,413	(1,015,583)	-	1,560,327

(ii) Business segments – Assets and liabilities

(In AUD)	Office Furniture	Electronic Products	Unallocated Expenses	Eliminations	Consolidated
	\$	\$	\$	\$	\$
2007					
Assets	13,301,920	10,737,662	7,586,755	-	31,626,337
Segment liabilities	(4,435,302)	(2,765,785)	(3,591,309)	-	10,792,396
Depreciation and amortisation	743,350	433,511	1,482	-	1,178,343
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	223,905	185,309	21,171	-	430,385
2006					
Assets	12,505,175	9,196,462	-	-	21,671,636
Segment liabilities	(4,974,534)	(2,489,404)	-	-	7,463,938
Depreciation and amortisation	101,982	64,564	-	-	166,546
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	3,971,749	1,527,761	-	-	5,499,510

Note 5: Segment reporting cont.

(ii) Geographical segments

(In AUD)	Australia	New Zealand	Unallocated	Eliminations	Consolidated
	\$	\$	\$	\$	\$
2007					
Total external revenues	29,416,694	1,343,201	17,702	-	30,777,597
Intersegment revenue	754,770	-	-	(754,770)	-
Other revenue/income	10,520	15,967	-	-	26,488
Total segment revenue	30,181,984	1,359,168	17,702	(754,770)	30,804,085
Results from operating activities	2,471,784	(161,087)	-	-	2,310,697
Unallocated expenses	-	-	(2,001,403)	-	(2,001,403)
Income tax expense	(153,612)	63,395	395,500	-	305,283
Profit for the period	2,318,172	(97,692)	(1,605,903)	-	614,576
Assets	21,382,136	2,657,449	7,586,754	-	31,626,339
Segment liabilities	6,421,785	779,302	3,591,310	-	10,792,397
Depreciation and amortisation	1,163,367	13,494	1,482	-	1,178,343

Note: No comparatives are presented as the New Zealand business was acquired during the year ended 30 June 2007.

Note 6: Acquisitions of subsidiaries

Business combination

(i) Impart Special Products Pty Limited

On 6 September 2006, the Group member PNE Electronics Pty Limited acquired all of the shares in Impart Special Products Pty Limited for \$1,672,890 in cash. The Company manufactures and distributes electronic control systems for the emergency vehicles industry. If the acquisition had occurred on 1 July 2006, management estimates that consolidated revenue would have been higher by \$316,191 and consolidated profit for the period would have been higher by \$60,457.

The acquisition of Impart Special Products Pty Limited had the following effect on the Group's assets and liabilities on acquisition date:

(In AUD)	Pre-acquisition Carrying Amounts	Fair Value Adjustments	Recognised Values on Acquisition
	\$	\$	\$
Property, plant and equipment	72,935	-	72,935
Intangible assets	-	988,000	988,000
Inventories	249,294	-	249,294
Trade and other receivables	283,377	-	283,378
Deferred tax assets	79,506	-	79,506
Cash and cash equivalents	226,270	-	226,270
Deferred tax liabilities	(197)	(135,300)	(135,497)
Employee benefits	(258,562)	-	(258,562)
Trade and other payables	(285,236)	-	(285,236)
Net identifiable assets and liabilities	367,387	852,700	1,220,087
Goodwill on acquisition			495,676
Consideration paid, satisfied in cash*			1,715,763
Cash acquired			226,270
Net cash outflow			1,489,493

* Consideration paid:

	\$
Cash	1,672,890
Shares	-
Transaction costs	42,873
Total purchase consideration	1,715,763

Note 6: Acquisitions of subsidiaries cont.

Business combination cont.

(ii) Damba Furniture Pty Limited and the business of Damba Furniture Limited (NZ)

On 1st April 2007, the Group member Gregory Commercial Furniture Pty Limited acquired all of the shares in Damba Furniture Pty Limited in Australia and the business and net assets and certain liabilities of Damba Furniture Limited in New Zealand for a total consideration amount of \$2,324,383. The New Zealand business has been placed into a wholly owned subsidiary Gregory Commercial Furniture (NZ) Limited. The Damba companies manufacture a complimentary range of commercial office furniture to that produced by Gregory Commercial Furniture Pty Limited. If the acquisition had occurred on 1 July 2006, management estimates that consolidated revenue would have been higher by \$7,61,927 and consolidated profit for the period would have been lower by \$827,499.

The acquisition of Damba Furniture Pty Limited had the following effect on the Group's assets and liabilities on acquisition date:

(In AUD)	Pre-acquisition Carrying Amounts	Fair Value Adjustments	Recognised Values on Acquisition
	\$	\$	\$
Property, plant and equipment	29,351	-	29,351
Inventories	611,664	-	611,664
Prepayments	9,217	-	9,217
Trade and other receivables	803,514	-	803,514
Deferred tax assets	50,247	-	50,247
Deferred tax liabilities	(1,607)	-	(1,607)
Employee benefits	(66,390)	-	(66,390)
Trade and other payables	(1,765,600)	-	(1,765,660)
Net identifiable assets and liabilities	(329,663)	-	(329,663)
Goodwill on acquisition			1,535,216
Consideration paid *			1,205,552
Consideration paid in cash			86,743
Cash acquired			-
Net cash outflow			86,743

* Consideration paid:

	\$
Shares	1,118,809
Transaction costs	86,743
Total purchase consideration	<u>1,205,552</u>

The initial accounting for the business combination has been determined provisionally as permitted by AASB 3 *Business Combinations*.

The goodwill of both Damba Furniture Pty Limited and the business of Damba Furniture Limited (NZ) are attributable to the range of products, the skills of the acquired workforce and the synergies expected to arise from the integration of the businesses into the relevant subsidiaries of the Company.

Note 6: Acquisitions of subsidiaries cont.

Business combination cont.

(ii) Damba Furniture Pty Limited and the business of Damba Furniture Limited (NZ) cont.

The acquisition of business of Damba Furniture Limited by Gregory Commercial Furniture (NZ) Limited had the following effect on the Group's assets and liabilities on acquisition date:

(In AUD)	Pre-acquisition Carrying Amounts	Fair Value Adjustments	Recognised Values on Acquisition
	\$	\$	\$
Property, plant and equipment	270,401	-	270,401
Intangible assets	-	-	-
Inventories	1,018,588	-	1,018,588
Prepayments	11,681	-	11,681
Trade and other receivables	586,272	-	586,272
Employee benefits	(66,309)	-	(66,309)
Trade and other payables	(758,626)	-	(758,626)
Net identifiable assets and liabilities	1,062,008	-	1,062,008
Goodwill on acquisition			201,940
Consideration paid *			1,263,948
Consideration paid in cash			567,757
Cash acquired			-
Net cash outflow			567,757

*Consideration paid:

	\$
Cash	513,780
Shares	696,191
Transaction costs	53,977
Total purchase consideration	1,263,948

The initial accounting for the business combination has been determined provisionally as permitted by AASB 3 *Business Combinations*.

(iii) Acquisition during year ended 30 June 2006: PNE Electronics Pty Limited (formerly known as PNE Industries Pty Limited)

On 28 April 2006, Inventis Limited (formerly Gregory Australia Pty Limited) acquired 100% of the issued share capital of PNE Industries Pty Limited and its wholly owned subsidiaries.

As set out in Note 1, PNE Industries Pty Limited obtained control of Inventis Limited as part of the business combination and the acquisition has been accounted for as a reverse acquisition.

The acquired business (Inventis Limited) contributed revenues of \$3,304,673 and net profit of \$85,497 to the Group for the period 29 April 2006 to 30 June 2006. If the acquisition had occurred on 1 July 2005, consolidated revenue and consolidated profit for the year ended 30 June 2006 would have been \$27,981,198 and \$478,540 respectively. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2005, together with the consequential tax effects.

Note 6: Acquisitions of subsidiaries cont.

Business combination cont.

(iii) Acquisition during year ended 30 June 2006: PNE Electronics Pty Limited (formerly known as PNE Industries Pty Limited) cont.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

(In AUD)	Pre-acquisition Carrying Amounts	Fair Value Adjustments	Recognised Values on Acquisition
	\$	\$	\$
Cash and cash equivalents	1,837,203	-	1,837,203
Property, plant and equipment	742,726	-	742,726
Patents	-	775,000	775,000
Brands	-	923,000	923,000
Inventories	1,493,345	-	1,493,345
Receivables	2,655,680	-	2,655,680
Payables	(2,077,990)	-	(2,077,990)
Employee benefit liabilities (including superannuation)	(378,673)	-	(378,673)
Borrowings	(182,490)	-	(182,490)
Net deferred tax assets	882,371	(276,856)	605,515
Net identifiable assets acquired	4,972,172	1,421,144	6,393,316
Goodwill on acquisition			1,381,758
Consideration paid *			7,775,074
Consideration paid in cash			-
Cash acquired			1,837,203
Net cash inflow			1,837,203

* Consideration paid:

	\$
Cash	-
Shares	7,758,000
Transaction costs	17,074
Total purchase consideration	<u>7,775,074</u>

Calculation for final fair value adjustments

(IN AUD)	As Previously Reported	Adjustment	Final Adjustment
	\$	\$	\$
Patents	775,000	-	775,000
Brands	923,000	-	923,000
Net deferred tax assets	(517,156)	240,300	(276,856)

The goodwill is attributable to Inventis Limited's strong position and future profitability in trading in the office furniture and equipment market and corporate cost synergies expected to arise after the business combination.

Note 6: Acquisitions of subsidiaries cont.

Business combination cont.

(iv) Acquisition during year ended 30 June 2006: Opentec Solutions Pty Limited (formerly known as Opentec International Pty Limited)

On 3 March 2006, PNE Electronics Pty Limited (formerly known as PNE Industries Pty Limited) acquired the business of Opentec, via its wholly owned subsidiary Opentec Solutions Pty Limited.

The acquired business contributed revenues of \$1,553,147 and net profit of \$681,181 to the Group for the period 3 March 2006 to 30 June 2006. No details are available in relation to what the contribution to profit would have been if the acquisition had occurred on 1 July 2005.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

(In AUD)	Pre-acquisition Carrying Amounts	Fair Value Adjustments	Recognised Values on Acquisition
	\$	\$	\$
Patents	-	513,985	513,985
Customer relationships	-	440,124	440,124
Other net assets	17,071	-	17,071
Net deferred tax liabilities	-	(76,232)	(76,232)
Net identifiable assets acquired	17,071	877,877	894,948
Goodwill on acquisition			76,232
Consideration paid *			971,180
Consideration paid in cash			971,180
Cash acquired			-
Net cash outflow			971,180

* Consideration paid:

	\$
Cash	971,180
Shares	-
Transaction costs	-
Total purchase consideration	<u>971,180</u>

(IN AUD)	As Previously Reported	Adjustment	Final Adjustment
	\$	\$	\$
Patents	513,985	-	513,985
Customer relationships	440,124	-	440,124
Net deferred tax liabilities	(286,232)	210,000	(76,232)

The goodwill is attributable to Opentec's strong position and future profitability in trading in the electronic products market and corporate cost synergies.

Note 7: Revenue

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Sales of goods		30,777,597	17,243,424	446,861	14,044,103
Total revenues		30,777,597	17,243,424	446,861	14,044,103

The comparative amounts above have been changed from the amounts previously reported to be consistent with current year treatment. Interest revenue for 2006 of \$156,764 for the consolidated entity and \$51,975 for the Company has been reclassified and included in financial income.

Note 8: Other income

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Net gain on sale of business		-	57,500	-	903,724
Net gain on sale of fixed asset		19,105	-	-	5,024
Foreign exchange gain		7,383	11,302	-	-
Total other income		26,488	68,802	-	908,748
Net (profit) on disposal of non-current assets		-	(1,153)	-	(5,024)

Note 9: Expenses

(i) Personnel expenses

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Wages and salaries		6,983,586	4,660,816	812,708	1,564,791
Other associated personnel expenses		714,667	870,787	142,858	646,103
Contributions to defined contribution superannuation funds		811,046	294,423	148,583	52,380
Increase in liability for annual leave		379,825	331,346	96,030	301,696
Increase in liability for long-service leave		46,291	164,307	26,590	134,183
		8,935,415	6,321,679	1,226,769	2,699,153

Note 9: Expenses cont.

(ii) Profit/(loss) before income tax includes the following specific expenses:

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Depreciation	17	301,686	75,546	1,482	211,876
Amortisation	18	876,656	91,000	-	13,392
Research and development		1,550,976	1,052,597	-	74,975
Rental expense on operating leases:					
Minimum lease payment		650,435	218,917	-	585,093
Net loss on disposal of non-current assets		19,105	-	-	-

Note 10: Finance income and expense

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Interest income on bank deposits		112,020	156,764	33,098	51,795
Finance income		112,020	156,764	33,098	51,795
Interest expense on financial liabilities measured at amortised cost		(46,642)	-	(35,057)	(60,966)
Finance expense		(46,642)	-	(35,057)	(60,966)
Net finance income/(expense)		65,378	156,764	(1,959)	(9,171)

As explained in Note 7, the comparative amounts above have been restated.

Note 11: Income tax expense

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Current tax expense					
Current period		(635,508)	(829,359)	-	163,902
Adjustment for prior periods		85,459	3,933	89,679	(30)
		(550,049)	(825,426)	89,679	163,872
Deferred tax expense					
Recognition of temporary differences on new entities entering tax consolidated group		334,702	-	-	-
Origination and reversal of temporary differences		520,630	212,033	566,925	(28,053)
Income tax benefit / (expense)		305,283	(613,393)	656,604	135,819
Numerical reconciliation between tax-expense and pre-tax net profit					
Total income tax expense					
Profit excluding income tax		309,293	2,173,720	(1,981,698)	407,625
		309,293	2,173,720	(1,981,698)	407,625
Income tax using the Company's domestic tax rate of 30%		92,788	652,116	(594,509)	122,289
Effect of tax rates in foreign jurisdictions*		6,384	-	-	-
Non-taxable sale of assets		-	-	-	(270,994)
Non-deductible expenses		103,379	44,215	27,588	44,901
Tax incentives (Research and Development)		(87,673)	(78,945)	-	(12,900)
Under (over) provided in prior periods		(85,459)	(3,993)	(89,679)	30
Prior year tax losses now recognised		-	-	-	(19,145)
Recognition of temporary differences on new entities entering tax consolidated group		(334,702)	-	-	-
Tax (benefit)/expense		(305,283)	613,393	(656,604)	(135,819)
* The subsidiary acquired in 2007 (see Note 6) operates in a tax jurisdiction with higher tax rates.					
Income tax recognised directly in equity					
Income tax on income and expense recognised directly in equity (share issue costs)		142,936	104,484	7,636	9,927
Total income tax recognised directly in equity		142,936	104,484	7,636	9,927

Note 12: Cash and cash equivalents

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Bank balances:					
Cash and cash equivalents		1,444,968	5,040,718	147,294	2,139,084
Cash and cash equivalents in the Statement of Cash Flows		1,444,968	5,040,718	147,294	2,139,084

Note 13: Trade and other receivables

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Current					
Trade receivables		7,410,984	4,824,583	1,911	-
Provision for impairment loss		(32,418)	(16,917)	-	-
Receivables due from subsidiaries		-	-	13,965,013	5,820,593
Pre-payments		723,745	140,913	340,711	-
Other receivables		83,796	348,226	-	334,987
		8,186,107	5,296,805	14,307,635	6,155,580

(i) Bad and doubtful trade receivables

The Group has recognised a loss of \$14,300 (2006: \$6,781) in respect of bad debts during the year ended 30 June 2007. The loss has been included in 'administration expenses' in the Income Statement.

(ii) 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 is not normally obtained.

(iii) Effective interest rates and credit risk

Information concerning the credit risk of current receivables is set out in Note 24. The Group has cash on deposit which earns interest at the rate of 6.5%. Inter-company receivables are interest free and repayable in cash at call. Other receivables are non interest-bearing.

Receivables denominated in currencies other than the functional currency comprise \$744,000 of trade receivables denominated in NZ Dollars (2006: \$ nil).

Note 14: Inventories

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Raw materials and consumables		3,101,810	2,347,322	-	-
Work in progress		723,864	468,736	-	-
Finished goods		1,703,910	257,144	-	-
Stock In Transit (SIT)		112,575	354,368	-	-
Inventories stated at lower of cost and net realisable value		5,642,159	3,427,570	-	-

In the 2007 financial year raw materials, consumables and changes in finished goods and work-in-progress recognised as cost of sales amounted to \$16,819,111 (2006:\$11,419,770). In 2007 the write-down of inventories to net realisable value amounted to \$14,000 (2006: \$65,000).

Note 15: Other financial assets

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Current					
Loan to Alpha Aviation Limited (at call)	26 (vii)	4,895,543	-	4,895,543	-
Non-current					
Shares in subsidiaries-at cost		-	-	14,686,570	14,686,568
		4,895,543	-	19,582,113	14,686,568

Note 16: Tax assets and liabilities

(i) Current tax assets and liabilities

The current tax asset for the Group of \$108,752 (2006: liability of (\$98,204)) and for the Company of \$146,618 (2006: liability of \$64,928) represents the amount of income taxes recoverable in respect of prior periods and that arise from the payment of tax in excess of the amounts due to the relevant tax authority.

The Company tax asset includes the income tax paid by all members for the tax consolidated group.

(ii) Unrecognised deferred tax assets

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

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Tax losses		301,957	-	301,957	-

Note 16: Tax assets and liabilities cont.

(iii) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(In AUD)	Assets		Liabilities		Net	
	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$
Consolidated Entity						
Property, plant and equipment	2,613	89,862	(227,133)	(173,663)	(224,520)	(83,801)
Intangible assets	574,474	228,481	(542,481)	(318,032)	31,993	(89,551)
Inventories	84,553	46,500	-	-	84,553	46,500
Employee benefits	498,493	319,977	-	-	498,493	319,977
Bad and doubtful debts	9,725	5,075	-	-	9,725	5,075
Accruals	7,500	11,400	-	-	7,500	11,400
Other items	193,739	203,927	(15,320)	(45,203)	178,419	158,724
Tax loss carry-forwards	432,470	407,284	-	-	432,470	407,284
Tax assets/(liabilities)	1,803,566	1,312,506	(784,934)	(536,898)	1,018,633	775,608
Net tax assets/(liabilities)	1,803,566	1,312,506	(784,934)	(536,898)	1,018,633	775,608
Company						
Other	181,981	103,105	(15,124)	-	166,857	103,105
Tax loss carry forward	432,470	407,284	-	-	432,470	407,284
Tax assets/(liabilities)	614,451	510,389	(15,124)	-	599,327	510,389

(iv) Movement in unrecognised deferred tax assets and liabilities during the year

(In AUD)	Balance 1 July 05	Balance 30 June 06	Additional	Balance 30 June 07
	\$	\$	\$	\$
Consolidated Entity				
Tax losses*	-	-	301,957	301,957
	-	-	301,957	301,957
Company				
Tax losses*	-	-	301,957	301,957
	-	-	301,957	301,957

*Unrecognised deferred tax asset on Damba Furniture Pty Limited's pre-consolidation losses of \$1,006,523 (30% of \$1,006,523 = \$301,957).

Note 17: Property, plant and equipment

(In AUD)	Land & Buildings	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$
	Fair Value	Cost	Cost	Cost	Cost	
Consolidated Entity						
Balance at 1 July 2005						
(Opening net book value)	555,974	45,277	103,442	30,620	121,493	856,806
Revaluation surplus	319,026	-	-	-	-	319,026
Additions	-	155,564	108,526	23,332	-	287,422
Additions from business combinations	-	-	742,691	-	-	742,691
Depreciation for the year	-	(2,867)	(51,612)	(12,961)	(8,106)	(75,546)
Others	-	-	1,383	-	-	1,383
Disposals	-	-	(7,142)	-	-	(7,142)
Balance at 30 June 2006	875,000	197,974	897,288	40,991	113,387	2,124,640
At 30 June 2005						
Cost or fair value	555,974	52,639	360,410	85,334	250,871	1,305,228
Accumulated depreciation	-	(7,362)	(256,968)	(54,714)	(129,378)	(448,422)
Carrying amount	555,974	45,277	103,442	30,620	121,493	856,806
At 30 June 2006						
Cost or fair value	875,000	208,203	1,205,868	108,666	250,871	2,648,608
Accumulated depreciations	-	(10,229)	(308,580)	(67,675)	(137,484)	(523,968)
Carrying amount	875,000	197,974	897,288	40,991	113,387	2,124,640
Company						
Balance at 1 July 2005						
(Opening net book Value)	-	-	751,173	-	-	751,173
Revaluation surplus	-	-	-	-	-	-
Additions	-	-	262,688	-	-	262,688
Additions from business combinations	-	-	-	-	-	-
Depreciation for the year	-	-	(211,876)	-	-	(211,876)
Others	-	-	-	-	-	-
Disposals	-	-	(801,985)	-	-	(801,985)
Balance at 30 June 2006	-	-	-	-	-	-
At 30 June 2005						
Cost or fair value	-	-	1,822,928	-	-	1,822,928
Accumulated depreciation	-	-	(1,071,755)	-	-	(1,071,755)
Carrying amount	-	-	751,173	-	-	751,173
At 30 June 2006						
Cost or fair value	-	-	-	-	-	-
Accumulated depreciations	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	-

Note 17: Property, plant and equipment cont.

(In AUD)	Land & Buildings	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Motor Vehicle	Total
	\$ Fair Value	\$ Cost	\$ Cost	\$ Cost	\$ Cost	\$
Consolidated Entity						
Balance at 1 July 2006	875,000	197,974	897,288	40,991	113,387	2,124,640
Revaluation surplus	-	-	-	-	-	-
Additions	-	80,842	310,272	16,946	22,326	430,386
Additions from business combinations	-	51,873	278,556	35,928	6,440	372,796
Depreciation for the year	-	(11,233)	(267,146)	(16,132)	(7,176)	(301,686)
Lease amortisation	-	-	(15,427)	-	-	(15,427)
Impairment loss	-	-	(16,932)	-	-	(16,932)
Others	-	-	5,945	-	-	5,945
Reclassification	-	(316)	(9,030)	9,599	(253)	-
Disposals	-	-	(17,608)	-	-	(17,608)
Effect of movements in exchange rates	-	(170)	(748)	(56)	(20)	(994)
Balance at 30 June 2007	875,000	318,970	1,165,170	87,276	134,704	2,581,120
At 30 June 2007						
Cost or fair value	875,000	340,756	1,773,255	171,083	279,364	3,439,458
Accumulated depreciation	-	(21,786)	(608,085)	(83,807)	(144,660)	(858,338)
Carrying amount	875,000	318,970	1,165,170	87,276	134,704	2,581,120
Company						
Balance at 1 July 2006	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-
Additions	-	-	21,171	-	-	21,171
Additions from business combinations	-	-	-	-	-	-
Depreciation for the year	-	-	(1,482)	-	-	(1,482)
Lease amortisation	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-
Others	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-	-
Balance at 30 June 2007	-	-	19,690	-	-	19,690
At 30 June 2007						
Cost or fair value	-	-	21,171	-	-	21,171
Accumulated depreciation	-	-	(1,482)	-	-	(1,482)
Carrying amount	-	-	19,690	-	-	19,690

Note 17: Property, plant and equipment cont.

(In AUD)	Land & Buildings	Leasehold Improvements	Plant & Equipment	Fixtures & Fittings	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$
Consolidated Entity						
Carrying amounts						
At 1 July 2005	555,974	45,277	103,442	30,620	121,493	856,806
At 30 June 2006	875,000	197,974	897,288	40,991	113,387	2,124,640
At 1 July 2006	875,000	197,974	897,288	40,991	113,387	2,124,640
At 30 June 2007	875,000	318,970	1,165,171	87,276	134,704	2,581,120
Company						
Carrying amounts						
At 1 July 2005	-	-	751,173	-	-	751,173
At 30 June 2006	-	-	-	-	-	-
At 1 July 2006	-	-	-	-	-	-
At 30 June 2007	-	-	19,690	-	-	19,690

Valuations of Land and Buildings

The valuation basis of Land and Buildings is fair value being the amounts for which the assets could be exchanged in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2006 revaluation was based on an independent valuation of the property performed by Macquarie Bell Pty Limited registered property valuers dated 25 January 2006.

The property will continue to have periodic valuations, at least triennially, by the external independent valuer, less subsequent depreciation for buildings. The valuation of 30 June 2007 has been reviewed by the Directors and concluded to be stated at fair value.

Note 18: Intangible assets

(In AUD)	Goodwill	Patents & Trademarks	Intellectual Property	Customer Relationships	Development Costs	Total
	\$	\$	\$	\$	\$	\$
Consolidated Entity						
Costs						
Balance at 1 July 2005	-	-	-	-	-	-
Additions through business combinations	1,908,290	1,288,984	923,000	440,123	-	4,560,397
Fair value adjustments on prior year acquisitions	(450,300)	-	-	-	-	(450,300)
Amortisation for the year	-	(65,000)	(26,000)	-	-	(91,000)
Balance at 30 June 2006	1,457,990	1,223,984	897,000	440,123	-	4,019,097
At 30 June 2005						
Cost	-	-	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	-
At 30 June 2006						
Cost	1,457,990	1,288,984	923,000	440,123	-	4,110,097
Accumulated amortisation and impairment	-	(65,000)	(26,000)	-	-	(91,000)
Carrying amount	1,457,990	1,223,984	897,000	440,123	-	4,019,097
Company						
Costs						
Balance at 1 July 2005	2,124,488	26,789	-	-	-	2,151,277
Additions through business combinations	-	(13,392)	-	-	-	(13,392)
Fair value adjustments on prior year acquisitions	-	-	-	-	-	-
Amortisation for the year	(2,124,488)	(13,397)	-	-	-	(2,137,885)
Balance at 30 June 2006	-	-	-	-	-	-
At 30 June 2005						
Cost	2,124,488	100,000	-	-	-	2,224,488
Accumulated amortisation and impairment	-	(73,211)	-	-	-	(73,211)
Carrying amount	2,124,488	26,789	-	-	-	2,151,277
At 30 June 2006						
Cost	-	-	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	-

Note 18: Intangible assets cont.

(In AUD)	Goodwill	Patents & Trademarks	Intellectual Property	Customer Relationships	Development Costs	Total
	\$	\$	\$	\$	\$	\$
Consolidated Entity						
Balance at 1 July 2006	1,457,990	1,223,984	897,000	440,123	-	4,019,097
Additions through business combinations	2,232,832	-	537,000	451,000	-	3,220,832
Capitalisation of project	-	-	-	-	600,849	600,849
Amortisation for the year	-	(153,833)	(562,664)	(148,521)	(11,638)	(876,656)
Balance at 30 June 2007	3,690,822	1,070,151	871,336	742,602	589,211	6,964,122
At 30 June 2007						
Cost	3,690,822	1,288,984	1,460,000	891,123	600,849	7,931,778
Accumulated amortisation and impairment	-	(218,833)	(588,664)	(148,521)	(11,638)	(967,656)
Carrying amount	3,690,822	1,070,151	871,336	742,602	589,211	6,964,122
Company						
Balance at 1 July 2006	-	-	-	-	-	-
Additions through business combinations	-	-	-	-	-	-
Capitalisation of Project	-	-	-	-	-	-
Amortisation for the year	-	-	-	-	-	-
Balance at 30 June 2007	-	-	-	-	-	-
At 30 June 2007						
Cost	-	-	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	-

Amortisation and impairment charge

The amortisation is allocated as an expense to Administration.

Any impairment loss is recognised in the income statement.

Comparatives at 30 June 2006

Opening balances at 30 June 2006 have been adjusted for fair value adjustments on prior year acquisitions. The effect of these adjustments is to reduce both goodwill and tax liabilities at 30 June 2006 by \$450,300 and further details are disclosed in Notes 6 (iii) and 6 (iv).

Note 18: Intangible assets cont.

Valuation of identifiable intangibles (at fair value)

Customer relationships – This has been valued on a discounted cash flow basis, taking into account future revenues and likely “churn” rates in customer turnover. The discount rate has been based on a weighted average cost of capital for the Company;

Intellectual property – This has been based on a discounted cash flow of future national royalties. The royalty has been assessed by reference to other comparable transactions and the discount rate takes into account risks and benefits associated with the intellectual property;

Trade marks and brand names – These have also been based on a national royalty basis and have been 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.

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

(In AUD)	Consolidated Entity	
	2007	2006
	\$	\$
Inventis Limited	-	-
Gregory Commercial Furniture Pty Limited	1,457,990	1,908,290
Damba Furniture Pty Limited	1,535,216	-
Gregory Commercial Furniture (NZ) Limited	201,940	-
PNE Electronics Pty Limited	-	-
Opentec Solutions Pty Limited	-	-
Impart Special Products Pty Limited	495,676	-
	3,690,822	1,908,290

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
- > Damba Furniture Pty Limited
- > Gregory Commercial Furniture (NZ) Limited
- > Impart Special Products Pty Limited

The carrying amount of the unit was determined to be lower than its recoverable amount and no impairment loss was recognised.

Note 18: Intangible assets cont.

Impairment testing for cash-generating units containing goodwill cont.

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:

- > Cash flows were projected based on the Management approved forecast for the financial year ending 30 June 2008 and cash flows for further 9 year period to 30 June 2017 were extrapolated using a constant growth rate. Cash flows for the final 4 years were adjusted downwards by a further discount for uncertainty for 5-10%. Management believes that this forecast period is justified due to the long-term nature of the products.
- > For *Gregory Commercial Furniture Pty Limited* revenue was projected in accordance with the first year of the Management forecast. The anticipated annual revenue growth included in the cash flow projections was 3.5% for the years 2008 to 2013.
- > Price growth was assumed to be 3.5% per annum and in line with inflation of 2.5% per annum.
- > Cost growth was considered to be 3.3% in year 1 and in line with inflation thereafter.
- > A pre-tax discount rate of 11.88% was applied in determining the recoverable amount of the units. The discount rate was estimated based on an industry average weighted average cost of capital, which was based on the 10 year Government Bonds yield as increased for industrial risk factors.
- > For *Impart Special Products Pty Limited* revenue was projected in accordance with the first year of the Management forecast. The anticipated annual revenue growth included in the cash flow projections was 3.5% for the years 2008 to 2013.
- > Price growth was assumed to be 3.5% per annum and in line with inflation of 2.5% per annum.
- > Cost growth was considered to be 3.3% in year 1 and in line with inflation thereafter.
- > Cash flows for a further 4 years were extrapolated based on a reduction of 5% in growth rate in each subsequent year.
- > A pre-tax discount rate of 11.88% was applied in determining the recoverable amount of the units. The discount rate was estimated based on an industry average weighted average cost of capital, which was based on the 10 year Government Bonds yield as increased for industrial risk factors.
- > For *Damba Furniture Pty Limited* revenue was projected in accordance with the first year of the Management forecast. The anticipated annual revenue growth included in the cash flow projections was 3.5% for the years 2008 to 2013.
- > Price growth was assumed to be 3.5% per annum and in line with inflation of 2.5% per annum.
- > Cost growth was considered to be 3.3% in year 1 and in line with inflation thereafter.
- > A pre-tax discount rate of 11.88% was applied in determining the recoverable amount of the units. The discount rate was estimated based on an industry average weighted average cost of capital, which was based on the 10 year Government Bonds yield as increased for industrial risk factors. .
- > For *Gregory Commercial Furniture (NZ) Limited* revenue was projected in accordance with the first year of the Management forecast. The anticipated annual revenue growth included in the cash flow projections was 3.5% for the years 2008 to 2013.
- > Price growth was assumed to be 3.5% per annum and in line with inflation of 2.5% per annum.
- > Cost growth was considered to be 3.3% in year 1 and in line with inflation thereafter.
- > A pre-tax discount rate of 11.88% was applied in determining the recoverable amount of the units. The discount rate was estimated based on an industry average weighted average cost of capital, which was based on the 10 year Government Bonds yield as increased for industrial risk factors

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).

Note 19: Trade and other payables

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Trade payables		4,329,293	3,287,800	183,955	-
Other trade payables		-	126,871	-	-
GST payable		271,944	65,422	(35,298)	-
Non-trade payables and accrued expenses		930,698	1,777,532	177,197	844,310
Loan from subsidiaries (at call)		-	-	6,121,529	1,915,619
		5,531,935	5,257,625	6,447,383	2,759,929

Note 20: Loans and borrowings

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

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Foreign exchange loan – commercial bill (NZ\$)		571,379	-	571,379	-
Commercial bill line (AUD)		1,229,000	-	1,229,000	-
Finance lease liabilities	24	11,714	33,352	-	-
		1,812,093	33,352	1,800,379	-
Current liabilities					
Current portion of foreign exchange					
Loan – Commercial bill (NZ\$)		114,839	-	114,839	-
Loans from associates	26 (iii)	500,000	-	500,000	-
Commercial bill line (AUD)		360,000	-	360,000	-
Current portion of finance lease liabilities	24	10,596	10,510	-	-
		985,435	10,510	974,839	-

(i) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

(In AUD)	Currency	Interest Rate	Year of Maturity	30 June 2007		30 June 2006	
				Face Value	Carrying Amount	Face Value	Carrying Amount
		\$	\$	\$	\$	\$	\$
Consolidated Entity							
Foreign exchange loan	NZ\$	9.06%	2012	638,794	591,370	-	-
Commercial bill line	Aus\$	8.05 %	2012	1,589,000	1,589,000	-	-
Loan from associate	Aus\$	7.89 %	2007	500,000	500,000	-	-
Finance lease liabilities	Aus\$	8.8%-12.32%	2008	54,739	22,311	54,739	43,862

The bank loans are secured by a fixed and floating charge over the Company's assets with a carrying amount of \$2,180,370 (2006: \$nil).

Note 20: Loans and borrowings

(ii) Finance lease liabilities

The Group leases various plant and equipment with a carrying amount of \$ 22,311 (2006: \$36,695) under finance leases expiring within three years. Under the terms of the leases, the Group has the option to acquire the leased assets for between a nominal value and 20% of the agreed fair value on expiry of the leases.

Finance lease liabilities of the Group are payable as follows:

(In AUD)	Minimum Lease Payments 2007	Interest 2007	Principal 2007	Minimum Lease Payments 2006	Interest 2006	Principal 2006
	\$	\$	\$	\$	\$	\$
Consolidated Entity						
Less than one year	12,269	1,673	10,596	14,213	3,703	10,510
Between one and five years	12,039	324	11,715	38,072	4,720	33,352
More than five years	-	-	-	-	-	-
	24,308	1,997	22,311	52,285	8,423	43,862

(iii) Operating lease liabilities

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

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Within one year		1,077,246	573,602	-	-
Later than one year but not later than five years		1,246,495	1,099,704	-	-
		2,323,741	1,673,306	-	-

The weighted average interest rate implicit in the leases is approximately 9.25% (2006: 9.25%)

The Group leases a number of warehouse and factory facilities 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 2007 \$744,725 was recognised as an expense in the income statement in respect of operating leases.

Note 21: Employee benefits

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Current					
Salaries and wages accrued		-	38,000	-	-
Liability for long service leave		357,871	681,968	69,386	-
Liability for annual leave		1,196,935	58,394	145,132	-
Total employee benefits – current		1,554,806	778,362	214,518	-
Non-current					
Liability for long service leave		123,193	298,687	7,542	-
Total employee benefits – non-current		123,193	298,687	7,542	-

Note 22: Capital and reserves

(i) Reconciliation of movement in capital and reserves attributable to equity holders

(In AUD)	Share Capital	Revaluation Reserve	Foreign Currency Retranslation	Retained Earnings	Total Equity
		\$	\$	\$	\$
Consolidated Entity					
Balance at 1 July 2005	3,768,000	403,918	-	1,803,408	5,975,326
Issue of ordinary shares	7,777,683	-	-	-	7,777,683
Transfer out of capital reserve	-	-	-	27,949	27,949
Balance at 1 July 2005, restated	11,545,683	403,918	-	1,831,357	13,780,958
Total recognised income and expense	-	-	-	1,560,327	1,560,327
Dividends to equity holders	-	-	-	(1,133,357)	(1,133,587)
Balance at 30 June 2006	11,545,683	403,918	-	2,258,097	14,207,698
Balance at 1 July 2006	11,545,683	403,918	-	2,258,097	14,207,698
Issue of ordinary shares	6,673,376	-	-	-	6,673,376
Total recognised income and expense	-	-	-	614,576	614,576
Dividends to equity holders	-	-	-	(657,029)	(657,029)
Foreign currency translation	-	-	(4,680)	-	(4,680)
Balance at 30 June 2007	18,219,059	403,918	(4,680)	2,215,644	20,833,941
Company					
Balance at 1 July 2005	4,949,170	-	-	(358,792)	4,590,378
Issue of ordinary shares	15,532,942	-	-	-	15,532,942
Balance at 1 July 2005, restated	20,482,112	-	-	(358,792)	20,123,320
Total recognised income and expense	-	-	-	543,444	543,444
Balance at 30 June 2006	20,482,112	-	-	184,652	20,666,764
Balance at 1 July 2006	20,482,112	-	-	184,652	20,666,764
Issue of ordinary shares	6,673,376	-	-	-	6,673,376
Total recognised income and expense	-	-	-	(1,325,095)	(1,325,095)
Dividends to equity holders	-	-	-	(657,029)	(657,029)
Balance at 30 June 2007	27,155,488	-	-	(1,797,472)	25,358,016

Note 22: Capital and reserves cont.

(ii) Share capital

(In AUD)	Ordinary Shares	
	2007	2006
	\$	\$
On issue at the beginning of the year	65,702,865	14,375,926
Issued for cash	14,096,388	51,326,939
On issue at the end of the year— fully paid	79,799,253	65,702,865

Effective 1 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

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

Ordinary shares (In escrow)

In consideration for the purchase of the business and net assets of Damba Furniture Limited (a New Zealand registered company), and all the shares of Damba Furniture Pty Limited, the Company issued 3,300,000 ordinary shares at \$0.55c each, which are held in escrow for 12 months, but have the same rights and obligations as all other ordinary shares.

(iii) Translation reserve

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

(iv) Revaluation reserve

The revaluation reserve relates to the revaluation of property.

(v) Dividends

Dividends recognised in the current year by the Group are:

(In AUD)	Cents per Share	Total Amount	Franked/ Unfranked	Date of Payment
Final 2006 ordinary	1c		Franked	16 October 2006
Total amount		\$657,029	Fully	
Final 2007 ordinary	NIL			
Total amount		NIL		

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Note 22: Capital and reserves cont.

(vi) Dividend franking account

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has also assumed the benefit of \$1,665,332 (2006: \$1,603,941) 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 per share

(i) Basic earnings per share

The calculation of basic earnings per share at 30 June 2007 was based on the profit attributable to ordinary shareholders of \$614,576 (2006: \$1,560,327) and a weighted average number of ordinary shares outstanding of 67,400,848 (2006: 44,926,056), calculated as follows:

(ii) Weighted average number of ordinary shares

(In AUD)	2007	2006
	\$	\$
Consolidated Entity		
Issued ordinary shares at beginning of the period	65,702,865	14,375,926
Effect of shares issued	1,697,983	30,550,130
Weighted average number of ordinary shares at end of the period	67,400,848	44,926,056

(iii) Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2007 was based on profit attributable to ordinary shareholders of \$614,576 (2006: \$1,560,327) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 67,400,848 (2006: 44,926,056), calculated as follows:

(iv) Profit attributable to ordinary shareholders (diluted)

(In AUD)	2007	2006
	\$	\$
Consolidated Entity		
Net profit attributable to ordinary shareholders (basic)	614,576	1,560,327
Net profit attributable to ordinary shareholders (diluted)	614,576	1,560,327

Note 23: Earnings per share cont.

(v) Weighted average number of ordinary shares (diluted)

(In AUD)	2007	2006
	\$	\$
Consolidated Entity		
Weighted average number of ordinary shares (basic)	67,400,848	44,926,056
Effect of share options on issue	-	-
Weighted average number of ordinary shares (diluted) at 30 June	67,400,848	44,929,056

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

Note 24: Financial instruments

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

(i) Credit risk

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 and Company does not require collateral in respect of financial assets.

The Group and Company holds credit risk insurance to limit the exposure to any customer and provide protection against bad debts.

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 Balance Sheet.

(ii) Liquidity risk

The Group and Company maintains sufficient cash, and the availability of funding through an adequate amount of committed credit facilities.

(iii) Interest rate risk

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

Inventis Limited entered into two 5 year loans with Westpac Banking Corporation on 15 May 2007 for:

- > NZ\$712,000 at an interest rate of 9.1% being the Variable Commercial Bill Rate on a 90 day roll; and
- > A\$1,589,000 at an interest rate of 7.55% being the Variable Commercial Bill Rate on a 90 day roll.

The roll period can be 30 to 180 days as determined.

Note 24: Financial instruments cont.

(iv) Effective interest rates and repricing analysis

In respect of income-earning financial assets and 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, reprice.

(In AUD)	Note	Average Interest Rate	Total	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Consolidated Entity								
2007								
Fixed rate instruments								
NZ secured bank loans		9.06%	591,370	57,420	57,420	114,839	361,691	-
Loan from associate	26 (iii)	7.89%	500,000	500,000	-	-	-	-
Finance lease liabilities		10.56%	22,310	5,173	5,423	11,714	-	-
Variable rate instruments								
Commercial bill line		8.05%	1,589,000	180,000	180,000	360,000	869,000	-
2006								
Fixed rate instruments								
NZ secured bank loans		-	-	-	-	-	-	-
Loan from associate	26 (iii)	-	-	-	-	-	-	-
Finance lease liabilities		-	-	-	-	-	-	-
Variable rate instruments								
Commercial bill line		-	-	-	-	-	-	-
Company								
2007								
Fixed rate instruments								
NZ secured bank loans		9.06%	591,370	57,420	57,420	114,839	361,691	-
Loan from associate	26(iii)	7.89%	500,000	500,000	-	-	-	-
Finance lease liabilities		-	-	-	-	-	-	-
Variable rate instruments								
Commercial bill line		8.05%	1,589,000	180,000	180,000	360,000	869,000	-
2006								
Fixed rate instruments								
NZ secured bank loans		-	-	-	-	-	-	-
Loan from associate		-	-	-	-	-	-	-
Finance lease liabilities		-	-	-	-	-	-	-
Variable rate instruments								
Commercial bill line		-	-	-	-	-	-	-

Note 24: Financial instruments cont.

(v) Foreign currency risk

The Group and Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily New Zealand dollars and US Dollars.

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 electronic products division both purchases and sells internationally in US\$. International sales and purchases are operated through US\$ bank accounts. This provides a natural hedge against foreign exchange risk. The Group's commercial furniture business, since the acquisition of the business of Damba Furniture Limited, and the creation of Gregory Commercial Furniture (NZ) Limited, now operates in the New Zealand market and thus has exposure to foreign exchange risk. Given the expected increase in international dealings in the commercial furniture business, the Group has set up a foreign exchange risk management arrangement with a financial institution to assist in the management of this risk going forward.

(vi) Fair values

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

(In AUD)	2007		2006	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Consolidated Entity				
Trade and other receivables	7,462,362	7,462,362	5,296,805	5,296,805
Cash and cash equivalents	1,444,968	1,444,968	5,040,718	5,040,718
Secured bank loans	2,180,370	2,180,370	-	-
Finance lease liabilities	22,311	22,311	43,862	43,862
Loan from associate	500,000	500,000	-	-
Trade and other payables	5,531,936	5,531,936	5,257,625	5,257,625

(vii) Estimation of fair values

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

(viii) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at 30 June 2007 plus an adequate constant credit spread, and are as follows:

	2007	2006
Loans and borrowings	7.89% - 9.06%	7.89% - 9.06%
Leases	8.80% - 12.32%	8.80% - 12.32%

Note 25: Capital and other commitments

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Capital expenditure commitments		11,018,853	21,863	-	21,863

The Company is committed to acquire all shares in Alpha Aviation Limited and issue 27,547,133 ordinary IVT shares as consideration. The issue price of 40 cents per share implies an acquisition price for the Alpha Aviation shares of \$11,018,853.

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

Graeme Edwards (Chairperson)
(Appointed as Director on 14 December 2006)
(Appointed as Chairperson on 5 February 2007)
Ian Winlaw (Appointed 16 April 2007)
Barry Colman (Alternate) (Appointed 21 June 2007)
Peter Gregory (Resigned on 15 July 2007)

Executive Directors

John Scutt (Resigned on 31 July 2007)
David Richards (Resigned on 17 April 2007) (Appointed as Alternate)
Tony Noun
Robyn Himmelberg
Richard Sealy

Executives

Tim Whiteside
(Appointed General Manager on 22 May 2007)
Bruce Lehmann
Renuka Bhardwaj
(Appointed Company Secretary on 17 April 2007)
Jules Res

(i) Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see Note 9) is as follows:

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Short-term employee benefits		1,207,404	866,100	955,700	319,894
Other long term benefits		25,444	4,335	19,169	-
Post-employment benefits		78,943	120,542	61,807	78,369
Termination benefits		-	-	-	-
Share-based payments		-	-	-	-
		1,311,792	990,977	1,036,677	398,263

Note 26: Related parties cont.

(ii) Individual Directors and executives compensation disclosures

Information regarding individual Directors and executives 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 37 to 41.

(iii) Other key management personnel transactions

The Company used the consulting services of Richard Sealy in relation to the creation of the Fund Raising Prospectus dated 16 May 2007. Amounts of \$88,571 were billed based on normal market rates for such services and were due and payable under normal payment terms.

The Company paid rent of \$96,000 to entities associated with Mr David Richards and Mrs Robyn Himmelberg for land and buildings in relation to the Sydney operations of the electronic products business.

On 1 May, 2007 the Company entered into a short term Funding Facility Agreement with THN Pty Limited a company associated with Mr Tony Noun for an amount of up to \$500,000 at a rate similar to that offered to the Company by Westpac Banking Corporation plus a 1% margin.

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.

Amounts receivable from and payable to key management personnel and other related parties at reporting date arising from these transactions were as follows:

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
THN Pty Limited – A company associated with Tony Noun	20	500,000	-	500,000	-
		500,000	-	500,000	-

Note 26: Related parties cont.

(iv) 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:

Directors	Held at 1 July 2006	Purchases	Received on Exercise of Options	Sales	Held at 30 June 2007
Graeme Edwards	2,183,333	1,916,667	-	-	4,100,000
Tony Noun	11,265,833	1,696,163	-	-	12,961,996
Richard Sealy	1,888,150	600,000	-	-	2,488,150
Robyn Himmelberg	10,259,973	-	-	-	10,259,973
David Richards	10,259,983	-	-	-	10,259,983
Ian Winlaw	-	50,000	-	-	50,000
John Scutt	1,018,000	-	-	(700,000)	318,000
Peter Gregory	4,800,000	-	-	-	4,800,000
Barry Colman	3,333,000	6,000,000	-	-	9,333,000

Directors	Held at 1 July 2005	Purchases	Received on Exercise of Options	Sales	Held at 30 June 2006
Tony Noun	-	11,265,833	-	-	11,265,833
Richard Sealy	1,038,150	750,000	100,000	-	1,888,150
Robyn Himmelberg	-	10,259,973	-	-	10,259,973
David Richards	-	10,259,983	-	-	10,259,983
John Scutt	296,000	722,000	-	-	1,018,000
Peter Gregory	4,300,000	500,000	-	-	4,800,000
Bruce Hansen	22,863	-	-	(22,863)	-

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

Directors	Held at 1 July 2007	Purchases	Received on Exercise of Options	Sales	Held at 15 Sep 2007
Graeme Edwards	4,100,000	3,251,648	-	-	7,351,648
Tony Noun	12,961,996	8,046,397	-	-	21,008,393
Richard Sealy	2,488,150	2,045,655	-	-	4,533,805
Robyn Himmelberg	10,259,973	-	-	-	10,259,973
David Richards	10,259,983	-	-	-	10,259,983
Ian Winlaw	50,000	-	-	-	50,000
Barry Colman	9,333,000	5,166,383	-	-	14,499,383

Note 26: Related parties cont.

(v) Non-key management personnel disclosures

Subsidiaries

Interest-free loans made by the Company to its subsidiaries are repayable on demand. The following balances were included as amounts due from/(to) other group entities:

(In AUD)	Company	
	2007	2006
	\$	\$
Tax consolidation legislation		
Gregory Commercial Furniture Pty Limited	196,549	-
Damba Furniture Pty Limited	5,004	-
PNE Electronics Pty Limited	446,416	65,723
Opentec Solutions Pty Limited	(162,710)	(29,242)
Impart Special Products Pty Limited	(45,062)	-
Real Credentials Pty Limited	(7,194)	-
	433,003	36,481
Other Transactions		
Sales of commercial furniture business to wholly owned subsidiary	-	5,746,315
Purchase of subsidiary from related company	-	1,845,002
Other transactions related to purchase of subsidiary	73,356	-
Gregory Commercial Furniture Pty Limited	188,914	-
PNE Electronics Pty Limited	40,714	-
Impart Special Products Pty Limited	217,279	-
	446,907	-
Loan to/from related parties		
Receivable		
Gregory Commercial Furniture Pty Limited	12,214,084	5,746,315
PNE Electronics Pty Limited	1,013,167	655,723
Opentec Solutions Pty Limited	264,046	8,555
Impart Special Products Pty Limited	40,714	-
Payable		
Gregory Commercial Furniture Pty Limited	3,064,215	-
PNE Electronics Pty Limited	2,801,785	1,886,377
Opentec Solutions Pty Limited	2,475	29,242

(vi) Key management persons related parties

For details of these transactions refer to key management personnel related disclosures.

(vii) Transactions with other related parties

During the year the Company made a loan advance of \$4,895,543 to Alpha Aviation Limited, a related party by virtue of common directors and shareholders. The loan is repayable at call and was still receivable at balance sheet date (see Note 15).

Note 27: Group entities

(i) 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.

Significant Subsidiaries		Country of Entity	% Interest	
			2007	2006
Parent Entity				
Inventis Limited	Gregory Commercial Furniture Pty Limited	Australia	100	100
	PNE Electronics Pty Limited	Australia	100	100
	Opentec Solutions Pty Limited	Australia	100	100
	Vibe Furniture Pty Limited	Australia	100	-
	Inventis NZ Limited	New Zealand	100	-
PNE Electronics Pty Limited	Impart Special Products Pty Limited	Australia	100	-
Gregory Commercial Furniture Pty Limited	Damba Furniture Australia Pty Limited	Australia	100	-
Inventis NZ Limited	Gregory Commercial Furniture (NZ) Limited	New Zealand	100	-

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

In the financial statements of the Company investments in subsidiaries are measured at cost. The Company has no jointly controlled entities.

Note 28: Subsequent events

The Company has entered into agreement with the shareholders of Alpha Aviation Limited that on 2 July 2007 it will acquire all shares in Alpha Aviation Limited and issue 27,547,133 ordinary IVT shares as consideration. The deemed issue price of 40 cents per share implies an acquisition price for the Alpha Aviation shares of \$11,018,853. Refer to the Chairman's Report for further details.

On 13 July 2007 the Company issued a further 4,603,109 shares as part of the Share Placement for Capital Raising of \$2,071,399.05.

Note 29: Auditors' remuneration

During the year the Company changed its auditors. The half-year review as at 31 December 2006 was carried out by the auditors BDO. Subsequently, in accordance with the Resolution number 10 passed at the Extra-ordinary General Meeting held on 16 April 2007, KPMG were appointed as the Company's auditors.

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Audit services					
Auditors of the Company KPMG Australia:					
Audit and review of financial reports		111,715	-	111,715	-
Other regulatory audit services		-	-	-	-
		111,715	-	111,715	-
Other auditors:					
Audit and review of financial reports		59,234	60,329	59,234	122,954
Other services					
Auditors of the Company KPMG Australia:					
Other assurance services		75,845	-	75,845	-
Taxation services		-	-	-	-
Other auditors:					
Other assurance services		-	700*	-	700
Due diligence services		72,220	-*	72,220	50,170
		148,065	700	148,065	50,870
Total auditors remuneration		319,014	61,029	319,014	173,824

* These costs relate to the period 29 April 2006 to 30 June 2006 only. Due to the accounting for the business combination (reverse acquisition) the full year costs are reflected in the Parent Entity disclosure.

Note 30: Reconciliation of profit/(loss) after income tax to net cash (outflow)/inflow from operating activities

(In AUD)	Note	Consolidated Entity		Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Cash flow from operating activities					
Operating profit after tax		614,576	1,560,327	(1,325,093)	543,444
Adjustment for non-cash item:					
Depreciation		301,686	75,546	1,482	225,268
Amortisation of intangible assets		876,656	91,000	-	-
Net finance costs	10	(65,378)	(156,764)	1,959	9,171
(Gain)/loss on sale of property, plant and equipment		19,103	(1,153)	-	(5,024)
(Gain)/loss on sale of business		-	-	-	(903,724)
Post acquisition float expense		-	(16,317)		
Income tax expense/(benefit)		(305,283)	613,393	(656,604)	(135,819)
Operating profit before changes in working capital		1,441,360	2,166,032	(1,978,256)	(266,684)
(Increase)/decrease in trade and other receivables		(633,307)	(894,546)	(1,911)	130,494
(Increase)/decrease in prepayment		(561,931)	(136,549)	(68,299)	232,289
(Increase)/decrease in inventories		(335,043)	(773,654)	-	(606,387)
(Decrease)/increase in trade and other payables		(1,329,827)	1,596,899	(351,399)	1,061,022
Increase/(decrease) in employee benefits		209,689	514,983	222,060	79,269
Interest received	10	112,020	156,764	33,098	51,795
Less: Interest paid	10	(46,642)	-	(35,057)	(60,966)
Less: Income taxes paid		(126,899)	(732,356)	356,121	(1,835)
Net cash (outflow)/inflow from operating activities		(1,270,580)	1,897,573	(1,823,643)	618,997

—□— Directors' Declaration

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

- (a) The financial statements and notes and the remuneration disclosures that are contained in the Directors' Report in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Company's and the Group's financial position as at 30 June 2007 and of their performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a);
- (c) The remuneration disclosures that are contained in section 10 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*; and
- (d) There are reasonable grounds to believe that the Company 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 2007.

Signed in accordance with a resolution of the Directors:



Graeme Edwards
Chairman



Tony Noun
Managing Director

Dated at Sydney 28 day of September 2007.



Independent auditor's report to the members of Inventis Limited

Report on the financial report and AASB 124 remuneration disclosures contained in the directors' report

We have audited the accompanying financial report of Inventis Limited (the Company), which comprises the balance sheets as at 30 June 2007, and the income statements, statements of recognised income and expense and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 30 and the directors' declaration set out on pages 45 to 96 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.

As permitted by the *Corporations Regulations 2001*, the Company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Australian Accounting Standard AASB 124 *Related Party Disclosures*, under the heading "remuneration report" in section 10 of the directors' report and not in the financial report. We have audited these remuneration disclosures.

Directors' responsibility for the financial report and the AASB 124 remuneration disclosures contained in the directors' report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2 (a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report of the Group and Company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the Company are also responsible for the remuneration disclosures contained in the directors' report.

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. Our responsibility is also to express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An



audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' 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 (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance and whether the remuneration disclosures are in accordance with Australian Accounting Standard AASB 124.

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

Auditor's opinion on the financial report

In our opinion:

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

- (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report of the Group and Company also complies with International Financial Reporting Standards as disclosed in note 2(a).

Auditor's opinion on AASB 124 remuneration disclosures contained in the directors' report

In our opinion the remuneration disclosures that are contained in section 10 of the directors' report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*.

KPMG

Carlo Pasqualini
Partner

Sydney

28 September 2007

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

1. Shareholdings (as at 15 September 2007)

(a) Substantial shareholders

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

Shareholder	Number Held
REN Nominees Pty Limited & Associates	21,008,393
Colman Securities Limited	14,499,383
David Richards and Associates	10,259,983
Robyn Himmelberg and Associates	10,259,973
William Jon Drayton and Associates	9,968,433
Mozart Nominees Limited	7,351,648

(b) Voting rights

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

(c) Number of equity security holders

Category	Ordinary Shares
1 - 1,000	24
1,001 - 5,000	156
5,001 - 10,000	79
10,000 - 100,000	102
100,000 and over	54

The number of shareholders holding less than a marketable parcel of ordinary shares is 26.

(d) Unquoted equity securities

Securities exchange

The Company is listed on the Australian Securities Exchange (ASX). 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 Exchange. There is a voluntary escrow on 3,300,000 shares as per the Business and Share Sale Agreement with Damba vendors for a 12 month period.

(e) Twenty largest shareholders

Name	No of Ordinary Shares Held	%
REN Nominees Pty Limited	19,755,893	18.18
Colman Securities Limited	14,499,383	13.35
Mozart Nominees Limited	7,320,514	6.74
Mr William Jon Drayton	6,250,000	5.75
Ms Robyn Himmelberg	6,250,000	5.75
Mr David Alexander Richards	6,250,000	5.75
Bungan Nominees Pty Limited	4,800,000	4.42
Izard Pacific Aviation Limited	3,500,464	3.22
Hammersmith Holdings Limited	3,382,138	3.11
Six Investments Limited	3,283,423	3.02
Draycom Investments Pty Limited	2,965,243	2.73
Baldman Investments Pty Limited	2,674,243	2.46
Himmelberg Investments Pty Limited	2,674,233	2.46
ANZ Nominees Limited	2,000,000	1.84
Ms Anna Nathan and Mr Michael Benjamin	1,373,286	1.26
Mrs Debra Ann Noun	1,057,500	0.97
Forbar Custodians Limited	1,000,000	0.92
Sealy Investments Pty Limited	951,667	0.88
Crater Lake Developments Limited	796,388	0.73
Rimelton Pty Limited	752,650	0.69

(f) Offices and officers

Graeme Edwards, Chairperson

Tony H Noun, Managing Director

Richard Sealy, Deputy Managing Director

Robyn Himmelberg, Director, Finance and Administration

Ian Winlaw, Independent Non-Executive Director

Barry Colman, Alternate Director

David Richards, Alternate Director and General Manager, Inventis Technology Division

Tim Whiteside, General Manager, Furniture Division

Bruce Lehmann, General Manger, Marketing Division

Gretchen Jahn, General Manager, Aviation Division

(g) Company Secretary

Renuka Bhardwaj , Company Secretary

“Even with this much progress as a result of **always inventing better ways**, we know that Inventis must continue to move and grow from being a good, innovative company to one of a **great market leader.**”



Principal registered office

Inventis Limited
Block A, Unit 40
1-3 Endeavour Road
Caringbah NSW 2229
Telephone: +61 2 9575 0955
Facsimile: +61 2 9525 5583

Locations of share registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone: +61 2 8234 5400
Facsimile: +61 2 8234 5455

Auditors

For the half year review: **BDO Chartered Accountants and Advisors**
Level 19, 2 Market Street
Sydney NSW 2000

For the full year audit: **KPMG**
10 Shelley Street
Sydney NSW 2000

Auditors of controlled entities

For the half year review: **BDO Chartered Accountants and Advisors**
Level 19, 2 Market Street
Sydney NSW 2000

For the full year audit: **KPMG**
10 Shelley Street
Sydney NSW 2000

Solicitors

DLA Philips Fox
201 Elizabeth Street
Sydney NSW 2000

