



IATIA
VISION SCIENCES

Annual Financial Report

for the year ended 30 June 2014

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Corporate information

ABN 27 091 608 025

Iatia Limited (ASX:IAT) is based in Melbourne, Australia, and was listed on the Australian Stock Exchange in April 2002. It has been suspended from trading on the ASX since January 2010.

Registered Office

Level 9, 169 Queen Street
Melbourne, Victoria 3000
Website: www.iatia.com.au

Auditor

RSM Bird Cameron Partners
Level 21,
55 Collins Street
Melbourne VIC 3000

Share register

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford, Victoria, 3067
Telephone: 1300 85 05 05 (Australia)
+61 3 9415 4000 (Overseas)

Corporate governance statement

The Board of Directors of Iatia Limited is responsible for the corporate governance of the company. The Board guides and monitors the business and affairs of Iatia Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Iatia Limited's corporate governance principles and policies are therefore structured with reference to the Corporate Governance Council's best practice recommendations, which are as follows:

1. Lay solid foundations for management and oversight.
2. Structure the Board to add value.
3. Promote ethical and responsible decision making.
4. Safeguard integrity in financial reporting.
5. Make timely and balanced disclosure.
6. Respect the rights of shareholders.
7. Recognise and manage risk.
8. Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify shareholders' expectations, as well as other regulatory and ethical expectations and obligations. It is also responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The Board has delegated the responsibility for operating and administering the company to the executive team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess their performance. Within this setting, the executive team regularly reports to the Board on all operational and financial matters.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved. In addition to establishing Committees these mechanisms include:

- Approving a strategic plan, which encompasses the company's vision, mission, and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementing operating plans and budgets by management and Board monitoring of progress against budget.

2. Structure the Board to add value

Board composition

The Board composition is determined according to the following principles and guidelines:

- the Board should have at least three directors,
- the chairperson must be a non-executive director,
- the Board should comprise directors with an appropriate range of qualifications and expertise, and
- the Board shall meet as often as required for the effective operation of the company and follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the Directors' Report.

The names of independent directors of the company are:

Name	Position
Shihao Li	Chairman (appointed 02 September 2013)
Gavin Boyd	Director

When determining whether a non-executive director is independent the director must not fail any of the following tests:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- within the last three years the director has not been employed in an executive capacity with the company; and
- none of the director's income or the income of an individual or entity directly or indirectly associated with the director is derived from the company other than an income derived as a director of the company.

Whilst at present the company does not maintain a majority of independent directors, it is the policy of the Board to maintain at least a balance of non-executive directors and executive directors. The Board comprises two non-executive directors, including the Chairman of the Board, and one non-executive director.

Directors have the right to seek independent advice in the furtherance of their duties as directors at the company's expense. Approval must be obtained from the Chairman or Board prior to incurring any expense on behalf of the company.

Given the size of the Board, the Board has not established a Nomination Committee. The responsibility for the appointment of Directors and review of Board succession plans is undertaken by the Board. The evaluation of the Board's performance is undertaken by the Chairman of the Board.

3. Promote ethical and responsible decision-making

The company has not established a formal code of conduct. At present there are four employees, one of which is a director of the company. Directors and staff are expected to act ethically and responsibly at all times to ensure the protection of and proper use of the company's assets and compliance with laws and regulations.

The company does not have a formal policy concerning the trading in company securities by directors, officers and employees however trading in company securities should only occur in circumstances where the market is considered to be fully informed of the company's activities.

The Board recognises the importance of promoting ethical and responsible decision-making and has embarked on establishing appropriate formal policies in this regard.

4. Safeguard integrity in financial reporting

Audit Committee

Given the nature of latia's current operations and the size of the Board, as of 1 July 2008 the Board has decided not to maintain an Audit Committee and to directly assume the role of the Audit Committee. The undertaking of the roles and responsibilities of the Audit Committee by the Board of latia Limited will allow for a more efficient and streamlined decision making process and promotes better corporate governance.

The responsibilities of the Board in regard to audit related matters include:

- the review of accounting policies;
- the detailed review of the company's annual, half yearly financial reports;
- the effectiveness of accounting and internal control systems;
- addressing the findings of the external auditors;
- the assessment of the scope, quality and cost of the external audit;
- identifying areas of operation, regulatory and legal risk and recommending procedures to the Board to ensure those risks are effectively managed; and
- ensuring that conflicts of interest do not arise from services provided by the company's external advisors.

The external auditors are invited to attend Board meetings at the discretion of the Board.

5. Make timely and balanced disclosure

The Board is aware of the continuous disclosure requirements of the ASX and have procedures in place to disclose any information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities.

The Chief Executive Officer and Chairman are authorised to make statements and representations on latia Limited's behalf. The Company Secretary is responsible for overseeing and coordinating the disclosure of information to the ASX, analysts, stockbrokers, shareholders, the media and the public.

6. Respect the rights of shareholders

The Board aims to ensure that all shareholders, on behalf of whom they act, are informed of major developments affecting the affairs of the company. Information is communicated to the shareholders through the annual and half year reports, disclosures made to the ASX, notices of meetings and occasional letters to shareholders where appropriate.

7. Recognise and manage risk

The Board has procedures in place to recognise and manage risk. Monthly reporting of financial performance, position and cash flow is in place as are policies to manage other business risks.

The Chief Executive Officer and Chief Financial Officer both sign statements to the Board for the full and half year financial reports confirming that:

- The Company's financial reports present a true and fair view, in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating efficiently in all material respects.

8. Remunerate fairly and responsibly

Remuneration policies

The remuneration policy, which sets the terms and conditions for the executive team, was developed by the Remuneration Committee and was approved by the Board. All executives receive a base salary, superannuation and performance incentives. The Remuneration Committee reviews executive packages at least annually by reference to company performance, executive performance, comparable information from industry sectors and where necessary independent advice.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all directors and the senior executives, including all monetary and non-monetary components, are detailed in the Remuneration Report.

Remuneration Committee

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves and the executive team. The Board has established a Remuneration Committee to assist this process. Members of the Remuneration Committee throughout the year were:

- | | |
|----------------|--|
| • Shihao Li | Chairman (appointed 02 September 2013) |
| • Kee Guan Saw | Director |
| • Gavin Boyd | Director |
| • Jin Zhe Jia | Director (resigned 02 September 2013) |

The number of meetings of the Committee and their attendance at meetings is disclosed in the Directors' Report.

There are no schemes for retirement benefits other than statutory superannuation for non-executive directors.

Directors' report

Your directors are pleased to present their report on the company and its controlled entities for the financial year ended 30 June 2014.

Directors

The company's directors in office during and since the end of the financial year ended 30 June 2014 are as follows:

Shihao Li	Chairman (appointed 02 September 2013)
Kee Guan Saw	Director
Gavin Boyd	Director
Jin Zhe Jia	Director (resigned 02 September 2013)

Information on Directors

Shihao Li (appointed 02 September 2013)

Chairman

Mr Li, Shihao has been in real estate industry in China for 20 years and has extensive experience in project planning and construction management (including management of land bidding in China). Mr Li has been holding senior management role in many property development and construction projects including managing the Nanjing Yangzi Petrochemical 600,000 tons / year catalytic cracking unit building project and the national repository construction project in Hebei province.

Kee Guan Saw FCA

Director and Chief Financial Officer

Mr Kee Guan Saw is a Fellow member of the Institute of Chartered Accountants in Australia and holds statutory registration as a Registered Tax Agent and Registered Company Auditor. Mr Saw has in excess of 25 years of public practice experience both in Australia and before that in Malaysia. Mr Saw is the principal partner of KST Partners, a Melbourne CBD based Chartered Accounting practice.

Gavin Boyd

Non-executive director

Mr Gavin Boyd holds a senior management position with a real estate group. Mr Boyd has many years of real estate experience at senior level, both here and overseas.

Jin Zhe Jia (resigned 02 September 2013)

Non-executive director

Mr Jin Zhe Jia is a Senior Registered Project Manager and has been involved in real estate industry in China for over 13 years. Mr Jia has experiences of managing over 4 million square metres of commercial and residential property development projects in China, including a 1 million square metres of property development project in Finance Street in Beijing, China.

Directors' share and option holdings

As at the date of this report, the directors' interests in latia Limited's shares and options are as follows:

	Ordinary Shares
Shihao Li (appointed 02 September 2013)	-
Kee Guan Saw	-
Gavin Boyd	-
Jin Zhe Jia (resigned 02 September 2013)	-
	-

Principal activities

Due to cash flow limitations resulting in uncertainty in latia Ltd's continuing operations, on 18 January 2010, latia requested and was granted a suspension of its securities from quotation on the Australian Stock Exchange. During 2013-2014 financial year, latia Ltd is actively seeking to raise funds to acquire profitable projects and good investments.

Review and results of operations

latia Limited (ASX: IAT) incurred a net loss of \$157,632 for the financial year ended 30 June 2014 (2013: loss of \$272,494).

Future developments

latia, with the support of Victoria Property and Investment Group Pty Ltd, is focussed on investing in property development projects in a strong market such as China. In December 2012, latia entered into a Share Sale Agreement with Innotech Group Limited (Innotech), in relation to the Company's acquisition of 100% of the issued share capital in a Hong Kong company, Onwide (H.K.) Investment Group Limited (Onwide) from Innotech (Onwide Acquisition). Onwide focuses on the real estate and education industries in the People's Republic of China.

In connection with, and in addition to the Onwide Acquisition, the Company is proposing to undertake a public share offer (Capital Raising) for the primary purpose of raising working capital for the Company going forward and to demonstrate sufficient shareholder spread requirements to enable the Company to apply for re-quotation of its shares on the ASX following completion of the Onwide Acquisition. Among other conditions, the Capital Raising will not proceed if the Onwide Acquisition does not proceed (and vice versa). Similarly, the Capital Raising will not proceed if the Company is for any reason unable to obtain re-quotation of its shares on ASX.

Significant events after balance date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of the company in future financial years.

Dividends

No dividends were paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2014.

Remuneration report

This report details the nature and amount of compensation for each director of latia Limited and its executives (key management personnel).

Remuneration policy

The Board's Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and the executive team (key management personnel). This is executed with a view to aligning director and executive objectives with shareholder and business objectives. Its aim is to provide a fixed remuneration component, and long term performance incentives, while considering latia's cash flow position.

In considering the company's performance and the impact on shareholder wealth, the Board have considered the following indices in respect of the current financial year and the previous four financial years:

	2014	2013	2012	2011	2010	2009	2008
Revenue from sale of goods	-	-	104	556	675	300,799	1,006,160
Net loss	(157,632)	(272,492)	(343,197)	(508,123)	(1,240,937)	(1,135,287)	(498,672)
Cash receipts from customers	-	-	-	115,525	132,699	951,827	530,516
Net cash flows used in operating activities	(151,070)	(252,552)	(456,156)	(273,754)	(648,963)	(120,789)	(434,799)

The remuneration policy, which sets the terms and conditions for the executive team, was developed by the Remuneration Committee and was approved by the Board. None of the executives receive a base salary and superannuation. The Remuneration Committee reviews executive packages at least annually by reference to company performance, executive performance, comparable information from industry sectors and where necessary independent advice.

Directors received directors' fees in cash. There were no service or performance conditions attached to these payments.

Directors and executives (key management personnel compensation) disclosures

The key management personnel of latia Limited during the year were:

Directors

Shihao Li (appointed 02 September 2013)	Chairman - Non-Executive director
Kee Guan Saw	Executive Director, Company Secretary
Gavin Boyd	Non-Executive director
Jin Zhe Jia (appointed 10 July 2012 and resigned 02 September 2013)	Non-Executive director

	Primary (short-term) employee benefits			Post employment benefits	Other long term benefits	Share based payments	
	Salary & fees	Bonus	Other (allowances)	Super-annuation	Long service leave accrued	Shares in lieu of salary & fees ¹	Total
2014	\$	\$	\$	\$	\$	\$	\$
Directors							
Shihao Li (appointed 02 September 2013)	-	-	-	-	-	-	-
Kee Guan Saw	12,000	-	-	-	-	-	12,000
Gavin Boyd	12,000	-	-	-	-	-	12,000
Jin Zhe Jia (resigned 02 September 2013)	-	-	-	-	-	-	-
Total	24,000	-	-	-	-	-	24,000

	Primary (short-term) employee benefits			Post-employment benefits	Other long term benefits	Share based payments	
	Salary & fees	Bonus	Other (allowances)	Super-annuation	Long service leave accrued	Shares in lieu of salary & fees ¹	Total
	\$	\$	\$	\$	\$	\$	\$
2013							
Directors							
Jin Zhe Jia (appointed 10 July 2012)	-	-	-	-	-	-	-
Kee Guan Saw	12,000	-	-	-	-	-	12,000
Gavin Boyd	12,000	-	-	-	-	-	12,000
Zhi Ren Deng (appointed 17 August 2011 and resigned on 10 July 2012)	-	-	-	-	-	-	-
Total	24,000	-	-	-	-	-	24,000

Contracts for service of key management personnel

The company has no contracts in place for the services of key management personnel.

Options issued to directors and executives

There were no options granted, exercised or lapsed during the annual reporting period to the directors and executives.

End of Audited Remuneration Report

Indemnification and insurance of directors and officers

During the financial year, the company paid a premium in respect of a contract insuring the directors and executives of the company and all the executive officers of the company and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such an officer or auditor.

Environmental regulations

The company is not subject to any significant environmental regulations.

Proceedings on behalf of the company

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

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director while they were a director or committee member:

	Directors' Meetings		Remuneration committee	
	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend
Number of meetings attended:				
Shihao Li (appointed 02 September 2013)	-	-	-	-
Kee Guan Saw	-	-	-	-
Gavin Boyd	-	-	-	-
Jin Zhe Jia (resigned 02 September 2013)	-	-	-	-

Given the financial circumstances latia found itself in during the year, no distinct remuneration committee meetings were held. All matters in relation to remuneration were handled directly by the Board of Directors.

Committee membership

Members acting on latia's Audit and Remuneration Committees during the year were:

Remuneration

Shihao Li (appointed 02 September 2013)

Kee Guan Saw

Gavin Boyd

Jin Zhe Jia (resigned 02 September 2013)

As at the date of this report, latia Limited does not have an Audit Committee. The Board of Directors has assumed the role and responsibilities of the Audit Committee as at 1 July 2008.

Non-audit services provided by auditor

latia's auditor, RSM Bird Cameron Partners, is providing Independent Accountant's Report and Independent Expert's Report services in relation to Onwide Acquisition.

Auditor's independence declaration

The auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, is included on page 11.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in blue ink, appearing to be 'Kee Saw', written over a light blue grid background.

Kee Saw

Director

Melbourne, 29 September 2014

RSM Bird Cameron Partners
Level 21, 55 Collins Street Melbourne VIC 3000
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T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Iatia Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM BIRD CAMERON PARTNERS



R B MIANO
Partner

Melbourne, VIC
Dated: 29 September 2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

IATIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Iatia Limited ("the company"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial 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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Iatia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Iatia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1(p) in the financial report which refers to the significant net liability position, operating losses and the reliance of the company on the continued support of one of the company's major shareholders and Onwide (H.K.) Investment Group Ltd ("Onwide") to enable the company to meet its debts as and when they fall due. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

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

Opinion

In our opinion the Remuneration Report of Iatia Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.



RSM BIRD CAMERON PARTNERS



R B MIANO
Partner

Melbourne, VIC
Dated: 30 September 2014

Directors' declaration

The directors of latia Limited declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures included in pages 7-10 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2014, comply with section 300A of the Corporations Act 2001.
5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Kee Saw

Director

Melbourne, 30 September 2014

Statement of comprehensive income

for the financial year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue from continuing operations	2	1,805	-
Business acquisition cost		(12,324)	(133,248)
Capital Raising Expenses		(215,629)	-
Employee benefits expense		(24,179)	(23,778)
Finance costs		-	(681)
Insurance expenses		(48,088)	(35,589)
Professional fees		(48,795)	(46,890)
Share registry expenses		(38,846)	(32,308)
Loss from continuing operations before income tax benefit		(386,056)	(272,494)
Income tax benefit	3	-	-
Loss from continuing operations		(386,056)	(272,494)
Other comprehensive income		-	-
Total comprehensive income for the year		(386,056)	(272,494)
Basic earnings per share (cents per share)	10	(0.03)	(0.02)
Diluted earnings per share (cents per share)	10	(0.03)	(0.02)

The above Statement of comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	9(b)	43,240	282,681
Trade and other receivables	4	850	8,196
Capital raising payments		-	125,792
Other current assets	5	16,053	61,830
		<u>60,143</u>	<u>478,499</u>
Assets classified as held for sale		-	-
Total current assets		<u>60,143</u>	<u>478,499</u>
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>60,143</u>	<u>478,499</u>
Current liabilities			
Trade and other payables	6	33,136	31,244
Borrowings	7	993,567	1,027,759
Provisions		-	-
Other		-	-
		<u>1,026,703</u>	<u>1,059,003</u>
Liabilities directly associated with assets classified as held for sale		-	-
Total current liabilities		<u>1,026,703</u>	<u>1,059,003</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>1,026,703</u>	<u>1,059,003</u>
Net assets		<u>(966,560)</u>	<u>(580,504)</u>
Equity			
Contributed equity	8	16,791,001	16,791,001
Reserves		99,474	99,474
Accumulated losses		(17,857,035)	(17,470,979)
Total parent entity interest in equity		<u>(966,560)</u>	<u>(580,504)</u>
Total outside equity interest		-	-
Total equity		<u>(966,560)</u>	<u>(580,504)</u>

The above Statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

for the financial year ended 30 June 2014

	Contributed equity (note 14) \$	Equity component of convertible notes \$	Accumulated losses \$	Total \$
Balance at 30 June 2012	16,791,001	99,474	(17,198,487)	(308,012)
Transactions with equity holders in their capacity as equity holders				
Issue of share capital	-	-	-	-
Issue of convertible notes	-	-	-	-
Share based payments	-	-	-	-
	16,791,001	99,474	(17,198,487)	(308,012)
Un-allocated cost of equity transactions	-	-	-	-
Total comprehensive income for the year				
Loss for the year	-	-	(272,492)	(272,492)
Balance at 30 June 2013	16,791,001	99,474	(17,470,979)	(580,504)
Transactions with equity holders in their capacity as equity holders				
Issue of share capital	-	-	-	-
Issue of convertible notes	-	-	-	-
Share based payments	-	-	-	-
	16,791,001	99,474	(17,470,979)	(580,504)
Un-allocated cost of equity transactions	-	-	-	-
Total comprehensive income for the year				
Loss for the year	-	-	(386,056)	(386,056)
Balance at 30 June 2014	16,791,001	99,474	(17,857,035)	(966,560)

The above Statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

for the financial year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(152,875)	(251,871)
Interest received		1,805	-
Borrowing costs		-	(681)
Net cash flows (used in)/provided by operating activities	9(a)	(151,070)	(252,552)
Cash flows from investing activities			
Payments for expenses of business acquisition		(12,324)	(123,084)
Net cash flows (used in)/provided by investing activities		(12,324)	(123,084)
Cash flows from financing activities			
Proceeds from borrowings		-	330,401
Repayments of borrowings		(34,192)	(230)
Payments for expenses of capital raising		(41,855)	(35,256)
Net cash flows (used in)/provided by financing activities		(76,047)	294,915
Net increase/(decrease) in cash held		(239,441)	(80,721)
Add opening cash brought forward		282,681	363,402
Closing cash carried forward	9(b)	43,240	282,681

The above Statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the financial statements

30 June 2014

1. Summary of significant accounting policies

Statement of compliance

Iatia Limited (ASX:IAT) (the company) is a company limited by shares incorporated in Australia whose shares are suspended from trading on the Australian Stock Exchange.

The address of the registered office and principal place of business is Level 9, 169 Queen Street, Melbourne, VIC 3000.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) Contributed equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(d) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Iatia Limited, adjusted for the after-tax effect of preference dividends on preference shares classified as equity, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year. The weighted average number of issued shares outstanding during the financial year does not include shares issued as part of the Employee Share Loan Plan that are treated as in-substance options.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

1. Summary of significant accounting policies (cont'd)

(e) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Compound instruments

The component parts of compound instruments are classified separately as liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible debt. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

1. Summary of significant accounting policies (cont'd)

(h) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

After the sale of subsidiary companies, latia Limited is not the head entity of a tax-consolidated group from 01 July 2012.

(i) Interest bearing liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the redemption amount is recognised in the profit or loss over the period of the loans and borrowings using the effective interest method.

The fair value of a liability portion of a convertible note is determined using a market rate of interest for an equivalent non-convertible note and stated on an amortised cost basis until conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option and is shown as equity. Issue costs are apportioned between the liability and equity components based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

All borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1. Summary of significant accounting policies (cont'd)

(j) Other liabilities

Other liabilities comprises non-current amounts due to related parties that do not bear interest and are repayable in 366 days from balance sheet date. As these are non-interest bearing, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating (Company's incremental borrowing rate). The discount is credited to the profit or loss immediately and amortised using the effective interest method.

(k) Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

(l) Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

Provisions are not recognised for future operating losses.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is recognised at the fair value of consideration received or receivable.

(n) Trade receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the directors, sufficient to require the derecognition of the original instrument.

(o) Critical accounting estimates and judgements

Estimates and judgements are based on past performance and management expectations for the future.

The Company makes certain estimates and assumptions concerning the future, which by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events which could have a material impact on the assets and liabilities in the next financial year, are outlined below:

- Deferred taxation (please refer to note 1(j))
- Investments (please refer to note 1(m))

1. Summary of significant accounting policies (cont'd)

(p) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company incurred a loss of \$386,056 (2013: \$272,494) and had net cash outflows from operating activities of \$151,070 (2013: \$252,552) for the year ended 30 June 2014. As at that date the company had net current liabilities and net liabilities of \$966,560 (2013: \$580,504).

These factors indicate significant uncertainty as to whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the company will be able to continue as a going concern after consideration of the following factors:

- One of the company's major shareholders, Victoria Property and Investment Group Pty Ltd ("Victoria Property"), has affirmed that the loan payable of \$253,033 to Victoria Property and disclosed in note 7 and 14, will not be called upon for a period of 15 months from 30 June 2014.
- Onwide (H.K.) Investment Group Ltd ("Onwide") has affirmed that the loan payable of \$735,169 to Onwide and disclosed in note 7, is not required to be repaid until such time as Iatia has sufficient cash flow to meet its debts as and when they fall due. Further, Onwide has affirmed that at least for the 2015 financial year, it will make available to the company sufficient working capital as the company needs to discharge its financial commitments as and when they fall due.

Accordingly, the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.

(q) New accounting standards and interpretations

As at 30 June 2014, the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Other than changes to disclosure formats, it is not expected that the initial application of these new standards in the future will have any material impact on the financial report.

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015 (Changed to 1 January 2017 by AASB 2013-9C)
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010	1 January 2015
2013-3	<i>Amendments to AASB 136 –Recoverable Amount Disclosures for Non-Financial Assets</i>	This Standard amends the disclosure requirements in AASB 136 to include additional disclosures about the fair value measurement and discount rates when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014
2014-1A	<i>Amendments to Australian Accounting Standards</i>	Part A of 2014-1 amends various standards as a result of the annual improvements process	1 July 2014
AASB 1031	<i>Materiality</i>	Re-issuance of AASB 1031	1 January 2014

	Note	2014 \$	2013 \$
2. Revenue			
Revenue from continuing operations			
Interest - unrelated parties		1,805	-
Total revenue from continuing operations		1,805	-
	Note	2014 \$	2013 \$
3. Income tax			
(a) The prima facie tax benefit on loss before income tax is reconciled to the income tax benefit as follows:			
Prima facie tax benefit at 30%		(115,817)	(81,748)
Add:			
Non-deductible items		68,386	39,974
Temporary differences and tax losses not brought to account as deferred tax assets		47,431	41,774
Income tax attributable to loss before income tax		-	-
The rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.			
(c) Unrecognised deferred tax balances			
Unused tax losses for which no deferred tax asset has been recognised		-	-
The following deferred tax assets have not been brought to account as assets:			
Tax losses - revenue		259,878	150,182
Temporary differences (net)		55,264	75,853
		315,142	226,035
	Note	2014 \$	2013 \$
4. Trade and other receivables			
Current			
GST receivable		850	8,196
		850	8,196
Trade debtors are non-interest bearing and generally on 30 day terms.			
	Note	2014 \$	2013 \$
5. Other current assets			
Prepayments		16,053	61,830
		16,053	61,830

	Note	2014 \$	2013 \$
6. Trade and other payables			
Current			
Trade creditors		20,191	21,299
Other creditors and accruals		12,945	9,945
		<u>33,136</u>	<u>31,244</u>

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

	Note	2014 \$	2013 \$
7. Borrowings			
Current			
Loans from Ex-Directors and executives		5,365	5,365
Loan from Victoria Property and Investment Group Pty Ltd		253,033	254,774
Loan from Onwide (H.K.) Investment Group Ltd		735,169	767,850
		<u>993,567</u>	<u>1,027,759</u>

Loans from Ex-Directors, Major shareholder and funding arrangement are unsecured and interest free.

	2014 Number	\$	2013 Number	\$
8. Contributed equity & reserves				
Ordinary shares				
(a) Issued and paid up capital				
Ordinary shares fully paid	1,185,518,733	16,791,001	1,185,518,733	16,791,001
(b) Movements in shares on issue				
Ordinary shares				
Beginning of the financial year	1,185,518,733	16,791,001	1,185,518,733	16,791,001
Issued during the year	-	-	-	-
End of the financial year	<u>1,185,518,733</u>	<u>16,791,001</u>	<u>1,185,518,733</u>	<u>16,791,001</u>
(c) Movements in options on issue				
Options				
Beginning of the financial year	-	-	2,722,004	-
Movements during the year				
- issue of unlisted options expired	(i) -	-	(2,722,004)	-
End of the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(d) Terms and conditions of contributed equity and reserves

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote per share, either in person or by proxy, at a meeting of the company.

Share options

Share options issued to Fortrend Securities Pty Ltd have an expiry date 3 years after the date of issue with an exercise price of a 10% discount on the volume weighted average price for the 5 days up to the date of issue.

	Note	2014 \$	2013 \$
9. Statement of cash flows			
(a) Reconciliation of the net loss after tax to the net cash flows from operations			
Net loss		(386,056)	(272,494)
Non-operation Items			
Business acquisition cost		227,953	133,249
Changes in assets and liabilities			
(Increase)/decrease in other assets		12,795	(22,824)
(Decrease)/increase in trade and other payables		(5,762)	(90,483)
Net cash flow from operating activities		<u>(151,070)</u>	<u>(252,552)</u>
(b) Reconciliation of cash			
Cash balance comprises:			
- cash at bank		43,240	282,681
Closing cash balance		<u>43,240</u>	<u>282,681</u>
	Note	2014 \$	2013 \$
10. Earnings/(loss) per share			
Basic loss per share (cents per share) from continuing operations		(0.03)	(0.02)
Basic loss per share (cents per share)		<u>(0.03)</u>	<u>(0.02)</u>
Diluted loss per share (cents per share) from continuing operations		(0.03)	(0.02)
Diluted loss per share (cents per share)		<u>(0.03)</u>	<u>(0.02)</u>
The net loss and weighted average number of ordinary shares used in the calculation of basic and dilutive loss per share are as follows:			
Net loss		(386,056)	(272,494)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share		1,185,518,733	1,185,518,733
	Note	2014 \$	2013 \$
11. Auditors' remuneration			
Audit or review of the financial report		14,500	14,500
		<u>14,500</u>	<u>14,500</u>

12. Key management personnel compensation

The company has transferred various compensation information disclosures of key management personnel to the "Remuneration Report" section of the Directors' Report, as allowed under 2M.6.04.

The key management personnel of the company during the year were:

	latia Limited	
	2014	2013
Directors		
Shihao Li (appointed 02 September 2013)	Y	
Kee Guan Saw	Y	Y
Gavin Boyd	Y	Y
Jin Zhe Jia (appointed 10 July 2012 and resigned 02 September 2013)	Y	Y
Zhi Ren Deng (appointed 17 August 2011 and resigned on 10 July 2012)		Y

The aggregate compensation of the key management personnel of the company is set out below:

Short-term employee benefits	24,000	24,000
Post-employment benefits	-	-
Other long-term benefits	-	-
Share based payments - expensed	-	-
Share based payments - capitalised into development costs	-	-
	<u>24,000</u>	<u>24,000</u>

Options & rights holdings

There were no options held by key management personnel during the years ended 30 June 2012 and 2013.

13. Financial instruments

(a) Financial risk management objectives

The company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates.

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the company's finance function. The company's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the company where such impacts may be material. The company generally uses derivative financial instruments such as foreign exchange contracts and interest rate swap contracts to hedge these risks. The Board receives monthly reports from the company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The company's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

13. Financial instruments (Cont'd)

(c) Foreign currency risk

The company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The company does not have any Sales in foreign currencies in current year. Currently, no instruments to hedge foreign currency are used.

(d) Interest rate risk management

The company is exposed to interest rate risk as it borrows funds at fixed interest rates. The level of interest beared borrowings is low and therefore no instruments are entered into to hedge interest rate risk.

The company has no significant interest-bearing assets or liabilities and the company's income and operating cash flows are not materially exposed to changes in market interest rates. As such management have not used sensitivity analysis to monitor such risks.

A 1% increase in interest rates would have increased consolidated profit by \$432 (2013: \$2,827) and an equal change in the opposite direction would have decreased consolidated profit by \$432.

Maturity profile of financial instruments

The following tables details the company's exposure to interest rate risk:

		Interest bearing			Non-interest bearing			
	Variable interest rate	Less than 1 year	1-2 years	2-3 years	Less than 1 year	1-2 years	2-3 years	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2014								
Financial assets:								
Cash and cash equivalents	43,240	-	-	-	-	-	-	43,240
Other receivables	-	-	-	-	850	-	-	850
	43,240	-	-	-	850	-	-	44,090
Financial liabilities								
Trade payables	-	-	-	-	20,191	-	-	20,191
Other payables	-	-	-	-	12,945	-	-	12,945
Borrowings	-	-	-	-	993,567	-	-	993,567
	-	-	-	-	1,026,703	-	-	1,026,703
		Interest bearing			Non-interest bearing			
	Variable interest rate	Less than 1 year	1-2 years	2-3 years	Less than 1 year	1-2 years	2-3 years	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2013								
Financial assets:								
Cash and cash equivalents	282,681	-	-	-	-	-	-	282,681
Other receivables	-	-	-	-	8,196	-	-	8,196
	282,681	-	-	-	8,196	-	-	290,877
Financial liabilities								
Trade payables	-	-	-	-	21,299	-	-	21,299
Other payables	-	-	-	-	9,945	-	-	9,945
Borrowings	-	-	-	-	1,027,759	-	-	1,027,759
	-	-	-	-	1,059,003	-	-	1,059,003

13. Financial instruments (Cont'd)

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The company measures credit risk on a fair value basis.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk.

(f) Fair value of financial instruments

The directors consider the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(g) Liquidity risk management

The company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

	Carrying amount \$	Contractual cash flows \$	< 6 mths \$	6-12 mths \$	1-3 yrs \$	> 3yrs \$
2014						
Financial liabilities						
Trade payables	20,191	20,191	20,191	-	-	-
Other payables	12,945	12,945	12,945	-	-	-
Borrowings	993,567	993,567	-	993,567	-	-
	1,026,703	1,026,703	33,136	993,567	-	-

14. Related party transactions

Loans from major shareholder

	Balance at 01-Jul \$	Balance at 30-Jun \$	Interest Charged \$	Highest balance during the period \$
2014				
Loan from Victoria Property and Investment Group Pty Ltd	254,544	253,033	-	254,544
2013				
Loan from Victoria Property and Investment Group Pty Ltd	254,774	254,544	-	254,774

15. Segment Reporting

The company is operating as a single entity, and does not have any other reportable segments.

16. Capital risk management

The company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the nature of the business the Company monitors capital on the basis of current business operations and cash flow requirements.

17. Subsequent events

latia is in the process of acquiring a Hong Kong company, Onwide (H.K.) Investment Group Limited (Onwide), and preparation of public share offer.

Shareholder information

Additional information required by the Australian Stock Exchange and not shown elsewhere in this report are as follows.

(a) Twenty largest shareholders as at 25 September 2014

	Number of shares	% of issued capital
1. VICTORIA PROPERTY & INVESTMENT GROUP PTY LTD	844,447,112	71.23
2. THIANG HOLDINGS PTY LTD	87,365,091	7.37
3. CAPITAL TECHNIC GROUP PTY LTD	31,391,278	2.65
4. CAPITAL SUPER FUND PTY LTD <CAPITAL SUPER FUND A/C>	28,187,500	2.38
5. MONEYLINK SDN BHD	18,872,666	1.59
6. MR GAVIN GREGSON	15,389,849	1.3
7. HOTELINK PACIFIC SDN BHD	10,000,000	0.84
8. MR FELIX THIANG + MS JENNIFER CHOO	9,668,690	0.82
9. MS TIN LI LIM	5,260,000	0.44
10. SUNBIRD PTY LTD	5,200,000	0.44
11. MR JAMES ROBERT SHORT	5,032,217	0.42
12. KEITH NUGENT	4,506,258	0.38
13. FILOMENA IMPALA	4,375,000	0.37
14. TIMES MIRROR SDN BHD	2,200,000	0.19
15. INVESTOGAIN LIMITED	2,000,000	0.17
16. MR GARY MILLAR	2,000,000	0.17
17. MR GEOFFREY F LORD & MRS NANETTE K LORD & MR RONALD C PECK <GNR SUPERANNUATION FUND A/C>	1,800,000	0.15
18. MDM LILY LIM	1,740,812	0.15
19. MR FELIX SENG LIAN THIANG	1,700,001	0.14
20. M SQUARE CONCEPTS PTY LTD <BHAGWAT FAMILY A/C>	1,690,000	0.14
	1,082,826,474	91.34

(b) Substantial shareholders as at 25 September 2013

The names of substantial holders who have notified the company according to section 671B of the Corporations Act 2001 are:

	Number of shares
VICTORIA PROPERTY & INVESTMENT GROUP PTY LTD	844,447,112
THIANG HOLDINGS PTY LTD	87,365,091

(c) Distribution of shareholdings as at 25 September 2013

	Number of holders	Number of shares	% of issued capital
1 - 1,000	8	4147	0
1,001 - 5,000	57	218504	0.02
5,001 - 10,000	178	1527419	0.13
10,001 - 100,000	456	20650342	1.74
100,001 - 999,999,999	226	1163118321	98.11
Total	925	1185518733	100

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Stock exchange listing

Quotation has been granted for all ordinary shares of the company on all member exchanges of the Australian Stock Exchange Limited. On 18 January 2010, latia Limited sought and was granted a suspension of its shares from trading on the ASX.