

INT CORPORATION LIMITED (FORMERLY INTERMOCO LIMITED) AND ITS CONTROLLED ENTITIES
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013
ABN: 15 006 908 701

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

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INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CORPORATE DIRECTORY

Directors

Michael Everett – Non Executive Director
Michael Hill – Executive Chairman
Phillip Kapp – Non Executive Director
Jonathan Pager – Finance Director

Company Secretary

Andrew Whitten

Auditors

Stantons International
Level 2
1 Walker Avenue
West Perth WA 6005

Solicitors

Whittens Lawyers and Consultants
Level 5
137 – 139 Bathurst Street
Sydney NSW 2000

Bankers

Westpac Banking Corporation
94 Church Street
Middle Brighton
VIC 3186

Registered Office

Level 5, 137 – 139 Bathurst Street,
Sydney NSW 2000

Share Registry

Link Market Services Pty Limited
Ground Floor,
178 St Georges Terrace
PERTH WA 6000
Investor Enquiries: 1300 554 474
Facsimile: +61 2 9287 0303

Stock Exchange Listing

Securities of INT Corporation Limited are listed on the Australian Securities Exchange (ASX).
ASX Code: INT

Website: INTCorporation.com.au

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors submit financial report of INT Corporation Limited (formerly Intermoco Limited) for the year ended 30 June 2013.

Officers and Directors

The names and particulars of the Directors during or since the end of the financial year are:

Name	Particulars
Mr Ian Kiddle	Chief Executive Office (Resigned 30 May 2013)
Mr John Exans	Independent Non Executive Chairman (Resigned 17 January 2014)
Mr Simon Kemp	Non Executive Director (Resigned 17 January 2014)
Mr Kiril Ruvinsky	Non Executive Director (Resigned 17 January 2014)
Mr Tim Hunt-Smith	Non Executive Director (Resigned 17 January 2014)
Mr Michael Everett	Non Executive Director (Appointed 17 January 2014)
Mr Michael Hill	Executive Chairman (Appointed 17 January 2014)
Mr Philip Kapp	Non Executive Director (Appointed 17 January 2014)
Mr Jonathan Pager	Finance Director (Appointed 17 January 2014)

The above named Directors held office during and since the financial year, except as otherwise indicated

Information on Directors

Michael Everett

Experience and Expertise

Michael Everett has more than 25 years of capital markets and advisory experience. He retired from Goldman Sachs in 2013 after 11 years where he was a Managing Director and Co-head of the financing group with the Investment Banking Division in Australia. Prior to joining Goldman Sachs he also worked internationally for a large investment bank and has broad experience across the securities industry. During his career, he has advised a broad range of companies in a variety of industries. In late 2013 he established an independent capital markets advisory firm, Reunion Capital Partners.

Other Current Directorships

Rhype Limited (Non-executive director)

Former Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

None

Mike Hill

Experience and Expertise

Mike is a former partner of Ernst & Young M&A Sydney, has been a senior member of the investment team at Ironbridge since 2004 and a Partner of the firm since 2009. Ironbridge is a leading domestic private equity firm with \$1.5bn of funds under management. Mike has experience across numerous industries where he has served on boards including retail (Barbeques Galore), healthcare (Healthbridge, Repromed and Monash IVF), media (Radioworks Ltd and TVWorks Ltd, waste services (Envirowaste NZ Ltd), tourism and hospitality (RTG Group) and manufacturing (Riviera Group). He is a member of the Institute of Charters Accountants Australia.

Other Current Directorships

Rhype Limited (Chairman)

Former Directorships in the Last Three Years

None

Special Responsibilities

Chairperson

Interests in Shares and Options

None

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Information on Directors (continued)

Phillip Kapp

Experience and Expertise

Mr Kapp is a Senior Partner of Corrs Chambers Westgarth Lawyers. He has over 25 years' experience in mergers and acquisitions, capital raising and private equity. He is widely regarded as one of Australia's leading corporate lawyers.

Other Current Directorships

Energy Developments Limited (Non-executive director)

Rhye Limited (Non-executive director)

Former Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

None

Jonathan Pager

Experience and Expertise

Mr Pager has over 20 years' experience as a management consultant across a wide range of industries in Australia and overseas and is currently Managing Director of Pager Partners Business Consultants and Pager Partners Corporate Advisory. He has a Masters of Economics and qualified as a chartered accountant with Deloitte, where he commenced his career. Jonathan has recapitalised several ASX-listed companies and been a director of publicly listed companies across both the industrial and resources sectors.

Other Current Directorships

Montech Holdings Limited (Non-executive director)

Former Directorships in the Last Three Years

Rhye Limited (Non-executive director)

PLD Corporation Limited (Non-executive director)

Prospect Resources Limited (Non-executive director)

Special Responsibilities

Finance Director

Interests in Shares and Options

None

Company Secretary

Oliver Carton	Resigned 16 January 2014
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Andrew Whitten Appointed 17 January 2014

Environmental regulation and performance

There are no applicable environmental regulations that would have an effect on the Company.

Dividends

No dividends have been paid or declared since the beginning of the financial year and none are recommended.

Principal activities

The principal activities of the Group during the financial year was commercialisation of monitoring and control products and solutions, with particular emphasis on the installation and management of embedded networks, and associated product sales.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Operating and financial review

The Company commenced trading on the Australian Securities Exchange on 24 March 1997. The Company was suspended from trading on ASX on 3 July 2013 at its request, and INT Corporation Limited and its Australian controlled subsidiaries were both placed into voluntary administration.

Because of these events assets have been written down to their realisable values in the statement of financial position and liabilities have been recorded at the amounts for which proofs of debt have been accepted by the Administrator.

The loss after income tax for the financial year was \$6,908,258 (2012: \$2,347,187).

Significant changes in the state of affairs

On 3 July 2013, INT Corporation Limited and its Australian controlled entities were both placed into voluntary administration. The Company was suspended from trading on ASX on 3 July 2013 at its request. On 3 July 2013, Daniel Juratowitch and Bruno Secatore of Cor Cordis Chartered Accountants were appointed administrator of the Group and assumed control of the Group and their business, property and affairs. On 12 August 2013 the Administrators sold certain assets of Intermoco Group Pty Ltd a wholly owned subsidiary of INT Corporation Limited, the trading entity of the Group.

Because of these events assets have been written down to their realisable values in the statement of financial position and liabilities have been recorded at the amounts for which proofs of debt have been accepted by the Administrator.

Significant events after balance date

On 3 July 2013, INT Corporation Limited and its Australian controlled subsidiaries were both placed into voluntary administration. The Company was suspended from trading on ASX on 3 July 2013 at its request, on 3 July 2013, Daniel Juratowitch and Bruno Secatore of Cor Cordis Chartered Accountants were appointed administrator of the Group and assumed control of the Group and its business, property and affairs.

The Administrator subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Pager Partners put forward a recapitalisation proposal which was accepted at a meeting of the Company's creditors on 9 October 2013. The Deed of Company Arrangement (DoCA) was signed on 30 October 2013.

Under the Proposal, it was agreed that \$215,000 would be paid to the Deed Administrator for distribution under the DoCA via the Creditors' Trust plus 15,000,000 free shares and 5,000,000 free options would be issued to the convertible noteholders in return for secured and unsecured creditors releasing all claims against the Company and their charge over the Company. A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. This occurred on the 28 May 2014.

Under the Proposal, the Company is to issue 250,000,000 fully paid ordinary shares and 60,000,000 options exercisable at \$0.01, to raise \$1,601,500 before costs. On 10 March 2014 the Company's shareholders approved the issue of the shares at its Annual General Meeting.

The Directors are currently working towards the restructure and recapitalisation of the Company and liaising with the ASX in relation to the reinstatement of INT Corporation Limited's securities for trading on the ASX.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Share options

As at the date of this report, there were 50,000 post-consolidation unissued ordinary shares under options (30 June 2012: 9,500,000). Refer to Note 27 and the remuneration report for further details of the options outstanding. Option holders do not have any right, by virtue of the option, to participate in any share issue of the company.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Indemnification and insurance of directors and officers

Due to the Group entering administration on the 3 July 2013, the Directors D & O insurance premium was consequently not renewed. It is the intention of the current Directors of the Company to ensure an adequate premium in respect of insuring the Directors of the Group, the Group secretary, and all executive officers of the Group and of 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.

Directors' meetings

Due to the appointment of the Administrator on 3 July 2013 to the Company, information on the attendance at Directors' meetings is not available.

Auditor independence and non-audit services

The auditor's independence declaration is included on page 57 of the financial report.

Non-audit services

The following non-audit services were provided by the Company's auditor, Stantons International (2012: Pitcher Partners). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence has not been compromised.

Stantons International did not receive and are not due to receive any fees for the provision of non-audit services in 2013. In 2012 Pitcher Partners received \$30,021 for taxation services.

REMUNERATION REPORT (Audited)

The remuneration report below reflects the remuneration policies that were adopted by the Directors of the Company who were in office prior to the company entering administration. These policies applied until the Company entered voluntary administration on 3 July 2013. On entering administration, the Administrators were responsible for the remuneration policies of the Company.

The Directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these remuneration policies. These policies may or may not have been in place during the financial period.

If the recapitalisation proposal is successful, the Directors who are in office at the date of this report will adopt a new remuneration policy.

The following persons were directors and key management personnel in office at any time during the year:

Directors

Mr Ian Kiddle
Mr John Exans
Mr Simon Kemp
Mr Kiril Ruvinsky
Mr Tim Hunt-Smith

Particulars

Chief Executive Office (Resigned 30 May 2013)
Independent Non Executive Chairman (Resigned 17 January 2014)
Non Executive Director (Resigned 17 January 2014)
Non Executive Director (Resigned 17 January 2014)
Non Executive Director (Resigned 17 January 2014)

Other Key Management Personnel

Mr Brendt Henricus
Mr Oliver Carton

Chief Financial Officer (Resigned 30 May 2013)
Company Secretary (Resigned 17 January 2014)

Principles used to determine nature and amount of remuneration

The previous Board formed a Remuneration Committee, consisting entirely of non-executive Directors.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (Continued)

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage / alignment of executive compensation;
- Transparency; and
- Capital management.

Taking into account market data on executive remuneration, the Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic future profits as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of the possibility of future dividends and growth in share price, and delivering a future return on assets as well as focusing the executive on key non financial drivers of value; and
- attracts and retains high calibre executives.

The group has not paid dividends due to incurring net losses, and has suffered a decline in its share price attributable to a range of factors including the need for further capital to fund operating losses. The Group takes into account measures of performance and shareholder wealth in determining executive remuneration by incorporating share options into the remuneration of executives with exercise prices targeting improvement in share price and incorporating short-term incentives into the remuneration of executives focused on a range of measures directly or indirectly associated with net profit performance against targets (see further below for details).

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives.

NON-EXECUTIVE DIRECTORS

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board also consults industry data to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by Shareholders at the Annual General Meeting, and was \$200,000 in respect of the year ended 30 June 2013. 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 Company and non-executive Directors do on occasions receive share options. Non-Executive Directors who chair a committee do not receive additional yearly fees for such roles. Additional fees are not payable to Directors for their membership on subsidiary boards.

EXECUTIVE PAY

The Remuneration Committee is responsible for developing executive remuneration policy, and will review executive remuneration packages annually by reference to the Consolidated Entity's and the individual executive's performance, and comparable information from industry sectors.

The executive pay and reward framework has four components:

- Base pay and benefits
- Short term performance incentives
- Long term incentives through participation in the Group's Directors and Executives Option Plan, and
- Other remuneration such as superannuation.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (Continued)

The combination of these comprises the executive's total remuneration.

Base Pay

Base pay is structured as a 'total employment cost' package which may be delivered as a combination of cash and prescribed non financial benefits at the executive's discretion, subject to Group guidelines.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Industry remuneration surveys provide analysis to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in any senior executives' contracts.

The Managing Director is responsible for assessing the performance of the key executives within the Company, in conjunction with the Remuneration Committee.

Benefits

Some executives receive benefits consisting of car allowances.

Retirement Benefits

All remuneration paid to executives includes a superannuation guarantee contribution to the extent required by legislation. These benefits are paid into each executive's nominated superannuation fund. Executives do not receive any other retirement benefits.

Short term Incentives

In respect of the senior executives each year key performance indicators (KPIs) are set. The Remuneration Committee approves these KPIs. The KPIs generally include measures relating to the Group and the individual, and include financial, operational, strategy, and risk measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

Financial performance objectives are based on achievement of certain sales, cash flow, and gross profit targets by the Group, and the growth of the Group's embedded networks business. Non-financial performance targets are based on achievement of additional strategic agreements for the Group, and other matters associated with the Group's strategic plan.

Subsequent to the end of the financial year, the Remuneration Committee assesses the actual performance of the Group and the individual against the KPIs set at the beginning of the financial year. Minimum sales and gross profit targets are compared with actual results, and the terms achieved in respect of additional strategic agreements are compared with the Board's desired terms. A percentage of the pre-determined maximum is awarded depending on results. No bonus is awarded where performance falls below the minimum.

The Remuneration Committee recommends the cash incentive to be paid to the individuals for approval by the Board. The method of assessment was chosen as it provides the Committee with an objective assessment of the individuals' performances.

Long-Term Incentive: Share Option Plans

During the 2012 financial year the Group established the INT Corporation Limited Employee Share Option Plan and the INT Corporation Limited Directors and Executives Option Plan. Approval for both plans was granted at the annual general meeting held in November 2011.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (Continued)

INT CORPORATION LIMITED EMPLOYEE SHARE OPTION PLAN

The Employee Share Option Plan is designed to provide additional incentives to the Group's employees (other than senior executives) to contribute towards the Group's key objectives. A summary of the rules of this plan is set out below:

- All permanent employees who have been continuously employed by the Group for a period of at least one year are eligible to participate in the plan, although the Board may waive the one-year minimum requirement.
- Each option is to subscribe for one fully paid ordinary share in the Company. Once issued, the options are subject to a holding period to be determined by the Board, during which time the options may not be exercised.
- Options are granted under the plan for no consideration. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares either (in the discretion of the Board) at the time the Board resolves to offer those options or at the time of vesting. The total number of shares the subject of options issued under the Plan, when aggregated with issues pursuant to any other employee share plan, must not exceed 5% of the Company's issued share capital.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.
- Shares or Options received under the Employee Share Option Plan are received for past service.

As at 30 June 2013 (2012: NIL) no options had been granted under this plan.

INT CORPORATION LIMITED DIRECTORS AND EXECUTIVES' OPTION PLAN

The Directors' & Executives' Option Plan is designed to align the interests of shareholders with those of key senior employees and the Group's Directors. A summary of the rules of this plan is set out below:

- Only executives and Directors are eligible to participate in the plan.
- Any options granted to Directors must be specifically approved by shareholders at a general meeting.
- Each option is to subscribe for one fully paid ordinary share in the Company. Once issued, the options are subject to a holding period to be determined by the Board, during which time the options may not be exercised.
- Options are granted under the plan for no consideration. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares either (in the discretion of the Board) at the time the Board resolves to offer those options or at the time of vesting. The total number of shares the subject of options issued under the Plan, when aggregated with issues pursuant to any other employee share plan, must not exceed 5% of the Company's issued share capital.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

Grants of options pursuant to this plan are set out in Note 7 of the Financial Report.

Valuation of Remuneration

All cash-based remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares issued to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive.

Options are valued using the Black-Scholes option pricing model. Due to the Group entering administration on the 3 July 2013 no value was placed on the options issued to Directors at 2012 Annual General Meeting.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS REPORT

REMUNERATION REPORT (Audited) (Continued)

DETAILS OF REMUNERATION

The Company was under External Administration from 3 July 2013 and the Company's operations were suspended by the Administrator. The Company does not have sufficient information to allow this level of disclosure for the year ended 30 June 2013.

The remuneration for each Director and other Key Management Personnel (KMP) of the Consolidated Entity for the year ended 2012 was as follows:

DETAILS OF REMUNERATION FOR YEAR ENDED 30 JUNE 2012

	Short term employment benefits			Post employment benefits	Other	Share based payments			Total	% of total remuneration that is performance based
	Cash salary & fees	Cash bonus	Non monetary benefits	Super Contributions		Shares	Options	% Remuneration that is share based		
	\$	\$	\$	\$		\$	\$	%	\$	%
Directors:										
Mr Ian Kiddle	240,000	27,000	30,521				500	0.16%	298,021	9.00%
Mr John Evans	60,540			5,449			100	0.15%	66,089	
Mr Simon Kemp	47,000						100	0.21%	47,100	
Mr Kiril Ruvinsky	12,444								12,444	
Mr Robert Gestro	22,729								22,729	
Mr Andrew Meehan	93,750				121,875				215,625	
Other KMP:										
Mr Brendt Henricus	118,449	31,000		10,660			250	0.16%	160,359	19.30%
Mr Oliver Carton	55,200								55,200	
	650,112	58,000	30,521	16,109	121,875	-	950	0.11%	877,567	6.61%

The previous directors' contracts ended upon entering administration. The new directors have taken opinion that no value will be placed on options issued to the directors at 2012 Annual General Meeting.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS REPORT

REMUNERATION REPORT (Audited) (Continued)

Options granted as remuneration

Details of pre-consolidation options over the ordinary shares in the Company provided as remuneration to each director and key management personnel of the Group is set out below. When exercisable, each option is convertible into one ordinary share of the Company. Further information is set out in Note 27.

	Number of pre-consolidation options granted during the year		Number of pre-consolidation options vested during the year		% vested	
	2013	2012	2013	2012	2013	2012
Directors						
Ian Kiddle	5,000,000	5,000,000	5,000,000	5,000,000	100%	100%
John Evans	1,000,000	1,000,000	1,000,000	1,000,000	100%	100%
Simon Kemp	1,000,000	1,000,000	1,000,000	1,000,000	100%	100%
Robert Gestro	-	1,000,000	-	1,000,000	0%	100%
Kiril Ruvinsky	1,000,000	-	1,000,000	-	100%	0%
	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>100%</u>	<u>100%</u>
Other Key Management Personnel:						
Brendt Henricus	2,500,000	2,500,000	2,500,000	2,500,000	100%	100%
	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>100%</u>	<u>100%</u>

The options are granted for no consideration. Due to the Company entering administration the new directors have taken opinion that no value will be placed on the options issued during the year.

The grant, exercise and expiry dates used for the options granted to directors and key management personnel of the Company in 2013 were:

	Grant Date	Exercise Date	Expiry Date
Directors			
Ian Kiddle	26 November 2012	26 November 2012	26 November 2017
John Evans	26 November 2012	26 November 2012	26 November 2017
Simon Kemp	26 November 2012	26 November 2012	26 November 2017
Robert Gestro	-	-	-
Kiril Ruvinsky	26 November 2012	26 November 2012	26 November 2017
Other Key Management Personnel:			
Mr Brendt Henricus	26 November 2012	26 November 2012	26 November 2017

For the options granted, the percentage of the available grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below.

	Year Granted	Vested %	Forfeited %	Financial years in which options vests	Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
Directors						
Ian Kiddle	2013	100%	0%	2013	-	-
John Evans	2013	100%	0%	2013	-	-
Simon Kemp	2013	100%	0%	2013	-	-
Robert Gestro	-	-	-	-	-	-
Kiril Ruvinsky	2013	100%	0%	2013	-	-
Other Key Management Personnel:						
Mr Brendt Henricus	2013	100%	0%	2013	-	-

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS REPORT

Share options on issue

(a) At the date of this report, the unissued ordinary shares of the Company under listed options are as follows:

Grant Date	Exercise Date	Exercise Price	Number under option
Nil	Nil	Nil	Nil

(b) At the date of this report, the unissued ordinary shares of the Company under unlisted options are as follows:

Grant Date	Exercise Date	Exercise Price	Number under option
25 November 2011	30 November 2015	\$4.00*	23,750*
26 November 2012	22 February 2018	\$2.00*	26,250*

*post consolidation on 20 March 2014

Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 3 July 2013.

The financial report was prepared by Directors who were not in office at the time the Group entered voluntary administration or for the full periods presented in this report. The Directors who prepared this financial report were appointed on 17 January 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems for the entire financial year. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to the appointment of the Administrators.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS REPORT

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, consisting of a series of stylized, overlapping loops and curves, followed by a small dot at the end.

Michael Hill
Executive Chairman
12 June 2014

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CORPORATE GOVERNANCE

The corporate governance statement below reflects the corporate governance policies that were adopted by the directors of the Company who were in office prior to the company entering administration. These policies applied until the Company entered voluntary administration on 3 July 2013. On entering administration, the Administrators were responsible for the corporate governance of the Company.

The directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these corporate governance policies. These policies may or may not have been in place during the financial period.

If the recapitalisation proposal is successful, the directors who are in office at the date of this report will adopt a new corporate governance policy.

The board of directors of INT Corporation Limited ("Company") is responsible for establishing the corporate governance framework of the Group. The board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarizes the Company's compliance with the ASX Corporate Governance Council's (CGC) corporate governance principles and recommendations.

	BEST PRACTICE RECOMMENDATION	COMMENT
1.	LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Unknown
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Unknown
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1 as follows: (a) an explanation of any departures from any Principle 1 recommendation; (b) whether a performance evaluation for senior executives has taken place during the reporting period under the process disclosed; and (c) the board charter should be made publicly available.	Unknown
2.	STRUCTURE THE BOARD TO ADD VALUE	
2.1	A majority of the board should be independent directors	Unknown
2.2	The Chairman should be an independent director.	Unknown
2.3	The roles of Chairman and Chief Executive Officer should not be exercised by the same individual.	Unknown
2.4	The board should establish a nomination committee.	Unknown
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Unknown
2.6	Provide the information indicated in Guide to Reporting on Principle 2	Unknown

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CORPORATE GOVERNANCE

	BEST PRACTICE RECOMMENDATION	COMMENT
	PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING	
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: (a) the practices necessary to maintain confidence in the company's integrity; (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Unknown
3.2	Companies should disclose in each annual report the measurable objectives for achieving gender diversity	Unknown
3.3	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Unknown
3.4	Provide the information indicated in Guide to Reporting on Principle 3	Unknown
	SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
4.1	The board should establish an audit committee.	Unknown
4.2	Structure the audit committee so that it: (a) consists only non-executive directors; (b) consists of a majority of independent directors; (c) is chaired by an independent chairperson, who is not chair of the board; and (d) has at least three members.	Unknown
4.3	The audit committee should have a formal charter.	Unknown
4.4	Provide the information indicated in Guide to Reporting on Principle 4.	Unknown
	MAKE TIMELY AND BALANCED DISCLOSURE	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Unknown
5.2	Provide the information indicated in Guide to Reporting on Principle 5.	Unknown
	RESPECT THE RIGHTS OF SHAREHOLDERS	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Unknown
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	Unknown
	RECOGNISE AND MANAGE RISK	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Unknown

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CORPORATE GOVERNANCE

	BEST PRACTICE RECOMMENDATION	COMMENT
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Unknown
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Unknown
7.4	Provide the information indicated in Guide to Reporting on Principle 7.	Unknown
	REMUNERATE FAIRLY AND RESPONSIBLY	
8.1	The Board should establish a remuneration committee.	Unknown
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Unknown
8.3	Provide the information indicated in Guide to Reporting on Principle 8.	Unknown

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Revenue			
Sales revenue	3	3,118,652	3,472,657
Other income	3	32,702	119,224
Total revenue		3,151,354	3,591,881
Expenses			
Cost of goods sold		(2,403,659)	(2,209,074)
Employee benefits expense		(1,661,916)	(1,323,193)
Contractors and consultants		(595,172)	(987,348)
Depreciation and amortisation expense		(82,951)	(119,548)
Marketing expense		(35,203)	(32,101)
Legal fees		-	(91,069)
Share registry fees and expenses		(39,265)	(84,683)
Rent and occupancy expenses		(235,653)	(360,530)
Professional fees		(270,043)	(158,419)
Bad and doubtful debts expenses	4(a)	(47,195)	(141,257)
Provision for bad debts		(49,383)	-
IT expenses		(78,674)	(100,634)
Other expenses		(226,538)	(209,389)
Total expenses		(5,725,652)	(5,817,245)
Loss before finance costs and impairment		(2,574,298)	(2,225,364)
Finance costs	34	(139,189)	(121,823)
Inventory write down to net realisable value	14	(337,056)	-
Impairment of leasehold improvements	18	(29,324)	-
Impairment of plant & equipment and computer software	18	(133,975)	-
Impairment of goodwill	19	(1,901,556)	-
Impairment of other assets	20	(40,714)	-
Creditors Claims under Administration	21	(1,597,605)	-
Impairment of borrowings	22	238,571	-
Interest Accrual	24	(9,062)	-
Employee Entitlements due to Administration	25	(384,050)	-
Loss before income tax expense		(6,908,258)	(2,347,187)
Income tax expense	5	-	-
Loss from continuing operations		(6,908,258)	(2,347,187)
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive loss		(6,908,258)	(2,347,187)
Loss is attributable to:			
Owners of INT Corporation Limited		(6,908,258)	(2,347,187)
		(6,908,258)	(2,347,187)
Total comprehensive loss is attributable to			
Owners of INT Corporation Limited		(6,908,258)	(2,347,187)
		(6,908,258)	(2,347,187)
Loss per share from continuing operations attributable to equity holders of the parent entity			
Basic loss per share (cents per share)	11	(0.15)	(0.08)
Diluted loss per share (cents per share)	11	(0.15)	(0.08)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	12	242,087	1,262,568
Trade and other receivables	13	557,571	1,274,301
Inventories	14	5,000	297,989
Intangible assets	19	225,000	-
Other assets	20	-	19,670
		<u>1,029,658</u>	<u>2,854,528</u>
Non Current Assets			
Financial assets	16	-	335,860
Plant and equipment	18	15,000	276,372
Intangible assets	19	50,000	2,204,776
		<u>65,000</u>	<u>2,817,008</u>
Total assets		<u>1,094,658</u>	<u>5,671,536</u>
Current Liabilities			
Trade and other payables	21	3,067,042	1,397,480
Short-term borrowings	22	-	263,333
Other financial liabilities	24	744,062	410,000
Short-term provision	25	504,871	123,149
		<u>4,315,975</u>	<u>2,193,962</u>
Non Current Liabilities			
Long-term borrowings	22	-	286,706
Long-term provision	25	-	9,467
Financial liabilities	24	-	105,285
		<u>-</u>	<u>401,458</u>
Total Liabilities		<u>4,315,976</u>	<u>2,595,420</u>
Net Assets		<u>(3,221,317)</u>	<u>3,076,116</u>
Equity			
Issued capital	26	6,230,394	5,619,569
Reserves	27	950	950
Accumulated losses	23	(9,452,661)	(2,544,403)
		<u>(3,221,317)</u>	<u>3,076,116</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2012	5,619,569	950	(2,544,403)	3,076,116
Net loss for the year	-	-	(6,908,258)	(6,908,258)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(6,908,258)	(6,908,258)
Transactions with owners in their capacity as owners				
Shares issued at net cost	610,825	-	-	610,825
Options granted	-	-	-	-
Reduction in capital	-	-	-	-
Total transactions with owners in their capacity as owners	610,825	-	-	610,825
Balance as at 30 June 2013	<u>6,230,394</u>	<u>950</u>	<u>(9,452,661)</u>	<u>(3,221,317)</u>
Balance as at 1 July 2011	136,328,127	-	(132,660,798)	3,667,329
Adjustment on correction of error	-	-	(328,950)	(328,950)
Net loss for the year	-	-	(2,347,187)	(2,347,187)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(2,347,187)	(2,347,187)
Transactions with owners in their capacity as owners				
Shares issued at net cost	2,083,974	-	-	2,083,974
Options granted	-	950	-	950
Reduction in capital	(132,792,532)	-	132,792,532	-
Total transactions with owners in their capacity as owners	(130,708,558)	950	132,792,532	2,084,924
Balance as at 30 June 2012	<u>5,619,569</u>	<u>950</u>	<u>(2,544,403)</u>	<u>3,076,116</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Cash flow from operating activities			
Receipts from customers and other income		3,788,187	3,244,026
Payments to suppliers and employees		(5,662,561)	(5,985,942)
Interest received		4,929	31,655
Interest and other costs of finance paid		-	(59,132)
Net cash used in operating activities	12(b)	<u>(1,869,445)</u>	<u>(2,769,393)</u>
Cash flow from investing activities			
Payment for plant and equipment		-	(10,301)
Proceeds from sale of investments		363,633	770,416
Proceeds from sale of plant and equipment		<u>43,342</u>	<u>60,000</u>
Net cash generated by investing activities		406,975	820,115
Cash flow from financing activities			
Net proceeds from share issues		610,825	1,613,974
Repayment of finance lease		(35,623)	(88,205)
Proceeds from borrowings		-	1,366,283
Repayment of borrowings		(415,035)	(492,952)
Proceeds from other financial liabilities		<u>281,822</u>	<u>-</u>
Net cash generated by financing activities		441,989	2,399,100
Cash and cash equivalents at beginning of year		1,262,568	812,746
Net increase in cash and cash equivalents		<u>(1,020,481)</u>	<u>449,822</u>
Cash and cash equivalents at end of year	12(a)	<u><u>242,087</u></u>	<u><u>1,262,568</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements cover INT Corporation Limited ("Company or "parent entity") and its controlled entities as a consolidated entity (also referred to as "the Group"). INT Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for profit entity and is primarily involved in utilities sector.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law where possible (refer to note 1(b) below).

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS').

The consolidated financial statements were authorised for issue by the Board of Directors on 12 June 2014.

(b) Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 3 July 2013.

The financial report was prepared by Directors who were not in office at the time the Group entered voluntary administration or for the full periods presented in this report. The Directors who prepared this financial report were appointed on 17 January 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems for the entire financial year. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to the appointment of the Administrators.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position.

(c) Basis of preparation

The financial report has been prepared on the historical cost basis.

(d) Going concern

The consolidated entity incurred a net loss of \$6,908,258 (2012: \$2,347,187) and experienced total cash outflows from operating activities of \$1,869,445 (2012: \$2,769,393) for the year ended 30 June 2013 and, as at that date, had net current liabilities of \$3,286,317 (2012: net current assets of \$660,566).

Subsequent to the end of the year the following events took place:

- ⊇ Pager Partners were successful in winning a bid to recapitalise the company which was accepted at a meeting of the Company's creditors on 9 October 2013. The Deed of Company Arrangement (DoCA) was signed on 30 October 2013.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(d) Going concern (continued)

- ⇒ Under the Proposal, it was agreed that the Company would pay \$215,000 to the Deed Administrator for distribution under the DoCA to the Creditors' Trust plus 15,000,000 post consolidation shares and 5,000,000 options would be issued to the Noteholders in return for secured and unsecured creditors releasing all claims against the Company and their charge over the Company. A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate lead by Pager Partners loaned the Company \$215,000 in order to effectuate the DoCA. This occurred on the 28 May 2013.
- ⇒ Under the Proposal, the Company is to issue 250,000,000 fully paid ordinary shares and 60,000,000 options exercisable at \$0.01, to raise \$1,601,500 before the costs of the Proposal.

The cash flow forecast indicates that based on the completion of the equity raising described above; the consolidated entity will have sufficient cash flows to meet all commitments and working capital requirements for a period of at least 12 months from the date of signing the financial report. Accordingly, the directors are satisfied that the going concern basis of preparation is appropriate.

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

(e) Critical accounting estimates

The preparation of consolidated financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(f) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of INT Corporation Limited as at 30 June 2013 and the results of all subsidiaries for the year then ended. INT Corporation Limited and its subsidiaries together are referred to in these financial statements 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, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

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

Non controlling interests in the results and equity of subsidiary are shown separately in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position respectively.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(g) Income tax

Current income tax expense or revenue for the year is the tax payable on the current periods taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax asset and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation Legislation

INT Corporation Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation for the whole of the financial year. INT Corporation Limited is the head entity in the tax consolidation group. The separate taxpayer within a group approach has been used to allocate current income tax expense and deferred tax balances to wholly owned subsidiaries that form part of the tax consolidated group.

(h) Inventories

Inventories are measured at lower of cost and net realisable value. The cost of inventories is based on the first in first out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

(i) Plant and equipment

Each class of plant and equipments is carried at cost less any applicable accumulated depreciation and any accumulated impairment losses.

Plant and equipment is measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

The depreciated amount of all fixed assets including capitalised leased assets is depreciated on a diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Plant and equipment (continued)

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates	Depreciation basis
Plant and equipment	10 - 40 %	Diminishing value
Leasehold improvements	10 - 20 %	Diminishing value
Motor vehicles	25%	Diminishing value

The assets' residual values and useful life are reviewed at the balance date. The 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included net in profit or loss. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to profit or loss.

(j) Leases

At inception of an arrangement, the Group determines whether such an arrangement is, or contains, a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset. At inception, or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Leases reclassified at their inception as either operating or finance leases based on the economic substance of the arrangement so as to reflect the risks and benefits incidental to ownership.

Lease of fixed assets where substantially all the risks and rewards incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance lease are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Statement of Profit or Loss and Other Comprehensive Income. Lease assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are recognised as an expense in the year in which they are incurred. Lease incentives received under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(k) Financial instruments

The Group initially recognises financial assets on the trade date at which the Group becomes a party to a contractual provision of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributed to the asset's acquisition. The Group subsequently measures financial assets at either amortised costs or fair value.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(k) Financial instruments (continued)

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- The asset is held with an objective to collect cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets other than those classified as financial assets measured at amortised costs are subsequently measured at fair value with all changes in fair value recognised in profit or loss.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they become a party to the contractual provisions of the instrument. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and financial liabilities are offset when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

(l) Share capital

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

If the entity reacquires its own equity instruments, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs net of any taxes is recognised directly in equity.

(m) Compound financial instrument

Compound financial instruments consist of convertible notes that can be converted to share capital at the option of the holder. The number of shares issued at conversion is depended on the volume weighted average for the previous 5 trading days prior to conversion. On conversion the number of shares to be issued does not vary with changes in their fair value.

When convertible notes can be converted at the option of the holder for a fixed number of shares that fair value of a liability portion of the 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 showed 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 instruments are first recognised.

When convertible notes can be converted at the option of the holder for a variable number of shares the notes are recognised in their entirety as a financial liability and measured initially at fair value.

Subsequent to initial recognition the liability component of the compound financial instrument is measured at amortised cost using the effective rate interest method. Any equity component of the compound financial instrument is not re-measured subsequent to initial recognition.

(n) Impairments of financial assets

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

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(n) Impairment of financial assets (continued)

The Group considers evidence of impairment for receivables at both a specific and collective level. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

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

(o) Impairment of non financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if changes in circumstances indicate that they might be impaired.

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current marked assessment of the time value of money and the risks specific to the asset.

(p) Investments in associates

Associates are those entities in which the Group has significant influence but not control over the financial and operating policies.

Investments in associates are accounted for using the equity method and are initially recognised at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income after adjustments to align the accounting policies with those of the Group from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee the carrying amount of that interest including any long term investments is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Intra group balances and transactions and any unrealised income or expenses are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated similarly but only to the extent that there is no evidence of impairment.

(q) Intangible assets

Goodwill is initially recorded at the excess of cost of an acquisition over the fair value of the controlled entity's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but 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 or losses on the disposal of a cash generating unit include the carrying amount of goodwill relating to that cash generating unit. Impairment losses on goodwill cannot be reversed.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(q) Intangible assets (continued)

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

Other intangible assets are amortised on a diminishing basis in profit or loss over their estimated useful lives, from the date that they are available for use. Other than goodwill the consolidated entity only recognises intangible assets relating to software. The estimated useful life for software is 4 years.

(r) Foreign currency transactions and balances

The functional currency of each entity in the consolidated entity is measured using the currency of the primary economic environment in which that consolidated entity operates. The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated using the spot rate at the end of the financial year. Non monetary items measured at historical cost continue to be carried at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined. Material exchange differences arising on the translation of monetary items are recognised in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge. Material exchange differences arising on the translation of non monetary items are recognised in equity to the extent that the gain or loss is directly recognised in equity otherwise the exchange is recognised in profit or loss.

(s) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits are recognised in other payables and for annual leave and accumulated sick leave expected to be settled within 12 months in provisions, in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, on an undiscounted basis.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made for services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Share based payments

Share based compensation benefits are provided to employees, directors and executives via two share option schemes. Refer to Note 7. During the year no grants of ordinary shares were made to employees, directors or executives (2012: NIL).

The fair value of options granted under the employee share option scheme is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of option grants for which the related service and non market vesting conditions are expected to be met such that the amount ultimately recognised as an expense is based on the number of grants that do not meet the

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(s) Employee benefits

Share based payments (continued)

related service and non market performance conditions at the vesting date. For grants with non vesting conditions the grant date fair value of the share based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

The fair value of options at the grant date is independently determined using Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

During the year 10,500,000 options were issued to directors and key management personnel (2012: 9,500,000).

Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obligated or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employments are terminated before the normal retirement date, or when the employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Defined contribution plans

A defined contribution plan a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contributions plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(t) Provisions

Provisions for legal claims, service warranties and make good obligations are 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 obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(u) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity date of three months or less held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in Statement of Financial Position.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(u) Cash and cash equivalents (Continued)

Cash at banks includes amounts held in various accounts controlled by the Group on behalf of various landlords for which utility invoicing and collection is performed. These funds are not available for use by the Group in its operating activities, and the cash asset brought to account is offset by a liability representing the landlords' retained funds.

(v) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from services is performed is recognised in accordance with contractual entitlements, generally on a monthly basis. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of expenses recognised that are recoverable.

Revenue from the sale of Group's products is recognised when persuasive evidence exists usually in the form of an executed sales agreement that the significant risks and rewards of ownership have been transferred to the customer recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involved with the goods and the amount of revenue can be reliably measured. Risks and rewards are considered to have been transferred to the customer when goods have been delivered to the customer.

Revenue from the provision of utilities is recognised as utility services are provided in accordance with the timing of usage of the services by the customer.

Interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(w) Borrowing costs

Borrowings are initially recognised at fair value net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid in the establishment of loan facilities which are not incremental costs relating to the drawdown of the facility are recognised as prepayments and amortised on a straight line basis over the term of the facility.

Finance expenses comprise interest expense on borrowings including convertible notes unwinding of the discounts on provisions changes in fair value through profit or loss and impairment losses recognised on financial assets.

For borrowing costs relating to qualifying assets, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets as part of the costs of that assets.

(x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Diluted earnings per share (Continued)

ordinary shares. Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

(y) Trade and other receivables

Trade receivables are recognised initially at cost, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(z) Trade and other payables

Trade and other payables represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(aa) Share based payments

The Group measures the goods and services received by equity settled share based payment transactions are an increase in equity directly at the fair value of the goods or services rendered unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services rendered, the Group shall measure their value, and the corresponding increase in equity, indirectly by reference to the value of the equity instruments granted.

If the equity instruments granted vest immediately are unconditional and are not required to complete a specific period of service, the Group shall presume that services rendered by the counterparty as consideration for the equity instruments have been received. On grant date the Group recognises the services rendered in full with a corresponding increase in equity.

If the equity instruments do not vest until counterparty completes a specific period of service, the Group shall presume that the services to be rendered by the counterparty as consideration for those equity instruments will be received in the future, during the vesting period. The Group accounts for the services as they are rendered by the counterparty during the vesting period, with a corresponding increase in equity.

Share based payment arrangement in which the Group receives or services as consideration for its own equity instruments are accounted for as equity settled share based payment transactions, regardless of how the equity instruments are obtained by the Group.

For the Group's policy on share based payments to employees, refer to Note 1(o).

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(bb) Operating segments

The Group determines and presents operating segments based on the information provided to the Chief Executive Office (CEO), who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segments and assess its performance, and for which financial information is available.

Segment results that are reported to the CEO include revenue and expense items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Assets and liabilities are not allocated to operating segments. Other unallocated items comprise mainly head office and Group wide expenses and income tax amounts.

(cc) New accounting standards and interpretations

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 Presentation of Financial Statements effective 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(cc) New accounting standards and interpretations (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7	1 January 2013	30 June 2014
'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'		
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(cc) New accounting standards and interpretations (continued)

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity' concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual key management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

This standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This standard is not expected to significantly impact the Group's financial report as a whole.

AASB 119 (September 2011) includes changes to the accounting for termination benefits.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(cc) New accounting standards and interpretations (continued)

Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards- Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.

These standards are not expected to impact the Group.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 3: REVENUE AND OTHER INCOME

	2013 \$	2012 \$
Revenue from operating activities		
Sales revenue	3,118,652	3,472,657
Total operating revenue	3,118,652	3,472,657
Bank interest	2,123	31,655
Present value discount effects on convertible notes	2,806	20,999
Unrealised fair value gain on financial instruments	-	14,788
Realised gain on sale of financial instruments	27,773	51,782
Total other income	32,702	119,224
Total revenue from continuing operations	3,151,354	3,591,881

NOTE 4: EXPENSES

(a) Impairment of financial assets

Bad and doubtful debts	(47,195)	(141,257)
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(b) Loss from ordinary activities

Loss before income tax includes the following specific expenses

Rental expenses on operating leases - minimum lease payments	*	(333,146)
Superannuation contribution	(104,597)	(86,165)

* The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

NOTE 5: INCOME TAX

(a) The components of tax benefit comprises

Current tax	-	-
Deferred tax	-	-
Total	-	-

(b) Tax expense on loss from ordinary activities before income tax at 30%

Loss before tax from continuing operations	(6,908,258)	(704,156)
Add tax effect of		
Capital raising costs	*	(11,036)
Share based payments	*	285
Other (non assessable) / non allowable items	*	1,342
	*	(9,409)
Tax effect of temporary differences not brought to account		
Provisions	*	27,284
Accrued expenses	*	21,312
	(2,072,477)	48,596
Benefit of tax loss not brought to account	2,072,477	664,969
Income tax attributable to profit	-	-

* The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5: INCOME TAX (Continued)

Carry forward losses

A deferred tax arising from previous tax losses for the consolidated entity is potentially available for recoupment at 30 June 2013. Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2013, because the directors do not believe that it is appropriate to regard realisation of future income tax benefits as probable. Similarly, future benefits attributable to net temporary differences have not been brought to account, as the directors do not regard the realisation of such benefits as probable.

NOTE 6: FINANCIAL RISK MANAGEMENT

The financial risk management policies below were adopted by the directors of the Company who were in office prior to the company entering administration. These policies applied until the Company entered voluntary administration on 3 July 2013. On entering administration, the Administrators were responsible for the Company. Therefore there is no current financial risk management policy.

(a) Overview

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit, Risk and Compliance Committee (ARCC) which is responsible for developing and monitoring risk management policies. The ARCC reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks affecting the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through and management standards and procedures appropriate for small organisations aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARCC oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Being a relatively small organisation, there is no formal Internal Audit function.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arising principally from the Group's receivables from customers. For the Company this is also the major source of credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management also considers the demographics of the Group's customer base, including the default risk of the type of tenant for which utilities are generated as these factors may have an influence on credit risk.

The Company has a credit policy under which potential new customers are analysed individually for creditworthiness before payment terms are offered. The Group's review includes external databases where available and in some cases references. Purchase limits are in place for larger customers. If payment is not received within agreed credit terms, services or availability of goods may be suspended pending clearance of the outstanding balance. For end-user utility customers various regulations govern the extent and scope of credit recovery action and cessation that can be undertaken.

In monitoring customer credit risk, customers are grouped according to their credit characteristics including whether they are individual or legal entity, whether they are a wholesale, retail or end-user customer, ageing profile, maturity and existence of previous financial difficulties. Senior management reviews and approves the terms of material contracts entered into with new customers, including credit terms granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: FINANCIAL RISK MANAGEMENT (Continued)

Trade and other receivables (Continued)

The Group has reviewed the outstanding trade and other receivables at year end and established an allowance for impairment that represents the estimate of incurred losses for trade and other receivables.

Refer to Note 33 for an analysis to credit risk.

Guarantees

The Group has not provided any financial guarantees to any third party.

(c) Liquidity

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

The Group went into voluntary administration on 3 July 2013 after it was unable to generate sufficient cash from working capital or to secure further funding for the Group.

Refer to Note 33 for an analysis of the contractual maturities of financial liabilities.

(d) Market risk

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

The Group is not exposed to material levels of market risks. The Group has a minor exposure to currency risk in relation to purchases that are denominated in a currency other than Australian dollar. However, such purchases represent only a small proportion of total Group's expenses and entry into hedging activity in relation to such purchases is considered to be not warranted on a cost-benefit analysis.

The Group also has only a minor exposure to interest rate risk. Interest on credit card facilities is a variable interest rate. Interest expense on these facilities is minor. Interest on convertible note facilities is fixed rate and hence not subject to market risk.

Refer to Note 33 for sensitivity analysis relating to interest rates.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology, and infrastructure and from a external factors other than credit, market or liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to Chief Executive Officer. This responsibility is supported by the development of standards for the management of operational risk in the following areas:

- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions (where possible in the context of Group's low number of employees);
- Requirements for reconciliation of transactions;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks and the adequacy of controls and procedures to address the risks identified;

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: FINANCIAL RISK MANAGEMENT (Continued)

(e) Operational risk (Continued)

- Requirement for reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation including insurance where this is effective.

Compliance with Group standards is monitored by the Audit Risk and Compliance Committee of the Board.

(f) Capital management

The Board's policy is to maintain a sufficiently strong capital base as to maintain investor, creditor and market confidence and to sustain future progress on the Group's business activities.

NOTE 7: KEY MANAGEMENT PERSONNEL DISCLOSURE

	2013 \$	2012 \$
Key Management Personnel Compensation		
Compensation received by key management personnel of the consolidated entity		
Short term employee benefits	*	650,112
Non monetary benefits	*	30,521
Post employment benefits	*	16,109
Short term incentives	*	58,000
Termination benefits	*	121,875
Share based payments	*	950
	<u>*</u>	<u>877,567</u>

* The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

(a) Options

The number of options over ordinary shares in the Company held during the financial year by each director of INT Corporation Limited and other key management personnel of the consolidated entity, including their personal related parties, are set out below:

	Balance at the start of the year	Granted as compensation	Options exercised	Net change other	Balance at the end of the year	Vested and exercisable	Unvested
2013 Directors of INT Corporation Limited							
Ian Kiddle	5,000,000	5,000,000	-	-	10,000,000	10,000,000	-
John Evans	1,000,000	1,000,000	-	-	2,000,000	2,000,000	-
Simon Kemp	1,000,000	1,000,000	-	-	2,000,000	2,000,000	-
Kiril Ruvinsky	-	1,000,000	-	-	1,000,000	1,000,000	-
Other Key Management Personnel:							
Brendt							
Henricus	2,500,000	2,500,000	-	-	5,000,000	5,000,000	-
Oliver Carton	-	-	-	-	-	-	-
	<u>9,500,000</u>	<u>10,500,000</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>

All options granted vested at grant date and expire within 5 years.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: KEY MANAGEMENT PERSONNEL DISCLOSURE (Continued)

(b) Options (Continued)

2012

	Balance at the start of the year	Granted as compensation	Options exercised	Net change other	Balance at the end of the year	Vested and exercisable	Unvested
Directors of INT Corporation Limited							
Ian Kiddle	-	5,000,000	-	-	5,000,000	5,000,000	-
John Evans	-	1,000,000	-	-	1,000,000	1,000,000	-
Simon Kemp	-	1,000,000	-	-	1,000,000	1,000,000	-
Robert Gestro	-	1,000,000	-	(1,000,000)	-	-	-
Other Key Management Personnel:							
Brendt	-	2,500,000	-	-	2,500,000	2,500,000	-
Henricus	-	-	-	-	-	-	-
Oliver Carton	-	-	-	-	-	-	-
	<u>-</u>	<u>10,500,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>9,500,000</u>	<u>9,500,000</u>	<u>-</u>

(c) Shareholding

The number of ordinary shares in the Company held during the financial year by each director of INT Corporation Limited and other key management personnel of the consolidated entity, including their personal related parties, are set out below:

2013

	Balance at the start of the year	Granted as compensation	Options exercised	Net change other	Balance at the end of the year*
Directors of INT Corporation Limited					
Ian Kiddle	38,484,850	-	-	-	38,484,850
John Evans	21,133,333	-	-	10,000,007	31,133,340
Simon Kemp	13,030,304	-	-	2,406,061	15,436,365
Kiril Ruvinsky	78,460,875	-	-	23,539,236	102,000,111
Andrew Meehan	33,222,224	-	-	-	33,222,224
Tim Hunt-Smith	-	-	-	-	-
Other Key Management Personnel:					
Brendt Henricus	-	-	-	-	-
Oliver Carton	<u>12,435,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,435,327</u>
	<u>196,766,913</u>	<u>-</u>	<u>-</u>	<u>35,945,304</u>	<u>232,712,217</u>

* Balance at the end of the year or date of resignation.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: KEY MANAGEMENT PERSONNEL DISCLOSURE (Continued)

(d) Shareholding (Continued)

2012

	Balance at the start of the year	Granted as compensation	Options exercised	Net change other	Balance at the end of the year
Directors of INT Corporation Limited					
Ian Kiddle	23,222,223	-	-	15,262,627	38,484,850
John Evans	5,800,000	-	-	15,333,333	21,133,333
Simon Kemp	8,022,223	-	-	5,008,081	13,030,304
Robert Gestro	100,333,068	-	-	-	100,333,068
Kiril Ruvinsky	56,360,875	-	-	22,100,000	78,460,875
Andrew Meehan	28,222,224	-	-	5,000,000	33,222,224
Other Key Management Personnel:					
Brendt Henricus	-	-	-	-	-
Oliver Carton	6,096,136	-	-	6,339,191	12,435,327
	<u>228,056,749</u>	<u>-</u>	<u>-</u>	<u>69,043,232</u>	<u>297,099,981</u>

NOTE 8: RELATED PARTIES

(a) Parent entity

The parent entity within the Group is INT Corporation Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 17.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 7.

(d) Outstanding balances arising from sales/ purchases of goods and services

The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

NOTE 9: AUDITORS REMUNERATION

	2013 \$	2012 \$
Amounts paid / payable to Stantons International (2012: Pitcher Partners) for audit and review work undertaken under Corporation Act 2001		
Auditing or reviewing the financial report	10,000	106,059
Taxation services	-	30,021
	<u>10,000</u>	<u>136,080</u>

NOTE 10: DIVIDENDS

During the year ended 30 June 2013 no dividends were paid or declared by the consolidated entity (2012: Nil).

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11: EARNING PER SHARE

	2013 \$	2012 \$
(a) Basic loss per share (cents per share)		
From continuing operations	(0.15)	(0.08)
From discontinued operations	-	-
Total basic loss per share	<u>(0.15)</u>	<u>(0.08)</u>
(b) Diluted loss per share (cents per share)		
From continuing operations	(0.15)	(0.08)
From discontinued operations	-	-
Total diluted (loss) per share	<u>(0.15)</u>	<u>(0.08)</u>
(c) Total shares		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted loss per share	<u>4,650,891,536</u>	<u>2,962,078,971</u>

Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. Where dilutive, potential ordinary shares are included in the calculation of diluted loss per share. None of the options on issue has the effect of diluting the loss per share. Therefore, they have been excluded from the calculation of diluted loss per share.

NOTE 12: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	222,087	890,542
Cash on deposit	20,000	372,026
	<u>242,087</u>	<u>1,262,568</u>

Reconciliation of cash flow from operations with loss after income tax

Loss from ordinary activities after income tax	(6,908,258)	(2,347,187)
<u>Adjustments for non cash items</u>		
Depreciation and amortisation expense	82,951	119,548
Share based payments	-	950
Profit on disposal of property, plant and equipment	-	(2,326)
Finance interest reclassified as financing activities	148,251	62,691
Provision for doubtful debts	47,195	70,209
Asset impairments	2,442,625	38,946
Unrealised gains on financial assets at fair value through profit and loss	-	(14,788)
Present value discount on non current convertible notes	-	(20,998)
Profit on sale of financial assets at fair value through profit and loss	-	(51,782)
Profit on sale of investment	(27,773)	
Creditors Claims under Administration	1,597,604	-
Forfeit of leases	(238,571)	
Employee Entitlements due to Administration	384,051	-
<u>Changes in assets and liabilities</u>		
Trade and other receivables	669,535	(575,898)
Prepayments and other assets	(21,044)	(14,290)
Inventories	(44,067)	(44,552)
Trade and other payables	9,851	(10,293)
Provisions	(11,795)	20,377
	<u>5,038,813</u>	<u>(422,206)</u>
Cash flow from operating activities	<u>(1,869,445)</u>	<u>(2,769,393)</u>

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 13: TRADE AND OTHER RECEIVABLES

	2013	2012
	\$	\$
Trade debtors	336,698	1,248,303
Less: Provision for Bad Debts	(107,373)	(198,570)
	<u>229,325</u>	<u>1,049,733</u>
Accrued income	328,246	224,568
	<u>557,571</u>	<u>1,274,301</u>

Trade and other receivables have been impaired to their net realisable value based on whether the administrator has received payment.

NOTE 14: INVENTORIES

Finished goods	342,056	297,989
Write down to net realisable value	(337,056)	-
	<u>5,000</u>	<u>297,989</u>

Inventories have been impaired to their net realisable value based on whether the administrator has received on sale of the inventories.

NOTES 15: ASSOCIATED COMPANIES

Interests are held in the following associated companies:

Associated entity details	Equity instrument	Ownership interest		Carrying amount of investment	
		2013	2012	2013	2012
		%	%	\$	\$
KMSB Intermoco SDN. BHD Balance date: 30 June 2013 Country of incorporation: Malaysia	Ordinary shares	49	49	-	-
SMA Thailand Balance date: 30 June 2013 Country of incorporation: Thailand	Ordinary shares	49	49	-	-

The above companies are not active and the carrying values of their assets and liabilities are not material.

NOTE 16: FINANCIAL ASSETS

	2013	2012
	\$	\$
Balance brought forward	335,860	1,039,706
Disposals	(363,633)	(770,416)
Realised gains on disposals	27,773	51,782
Fair value gains recognised in profit or loss (Note 1 (j)(i))	-	14,788
	<u>-</u>	<u>335,860</u>

As at the reporting date, all shares in Energy Mad Limited have been disposed of and a profit on sale of \$27,773 has been recognised.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: CONTROLLED ENTITIES

		Country of Incorporation	Ownership	
			2013 %	2012 %
Intermoco Solutions Pty Ltd	In Liquidation	Australia	100	100
Australian Meter Company Pty Ltd	In Liquidation	Australia	100	100
Intermoco Water Pty Ltd (formerly: Utility Water Pty Ltd)	In Liquidation	Australia	100	100
Powersave Pty Ltd	In Liquidation	Australia	100	100
National Energy Management Agency Pty Ltd	In Liquidation	Australia	100	100
Advanced Energy Limited	In Liquidation	Australia	100	100
Sonoran Gold Pty Ltd	Deregistered	Australia	-	99
Mexex Gold Corporation SA de CV	Dormant	Mexico	99	99
Intermoco Group Pty Ltd (formerly: Utility Pty Ltd)	In Liquidation	Australia	100	100

On 3 July 2013, The Company and all its Australian subsidiaries were placed into voluntary administration. All the above subsidiaries were placed into liquidation or deregistered by the Administrator after the reporting date.

NOTE 18: PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements \$	Plant and Equipment \$	Leased Motor Vehicles \$	Total \$
At 30 June 2013				
Cost	387,351	268,814	189,871	846,036
Accumulated depreciation and impairment	(387,351)	(268,814)	(174,871)	(831,036)
	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
At 30 June 2012				
Cost	387,351	304,248	189,871	881,470
Accumulated depreciation	(233,193)	(283,465)	(88,440)	(605,098)
	<u>154,158</u>	<u>20,783</u>	<u>101,431</u>	<u>276,372</u>
(a) Reconciliations				
Reconciliation of carrying amounts at the beginning and end of the year				
At 1 July 2012	154,158	20,783	101,431	276,372
Additions	-	-	-	-
Disposal	-	(35,434)	-	(35,434)
Depreciation	(20,880)	15,347	(57,108)	(62,640)
Impairment	(133,278)	(696)	(29,323)	(163,298)
At 30 June 2013	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
At 1 July 2011	217,504	127,263	188,163	532,930
Additions	-	10,301	-	10,301
Disposal	-	(9,011)	(57,675)	(66,686)
Depreciation	(33,412)	(35,097)	(29,057)	(97,566)
Impairment	(29,934)	-	-	(29,934)
Prior period error - Additional depreciation	-	(72,673)	-	(72,673)
At 30 June 2012	<u>154,158</u>	<u>20,783</u>	<u>101,431</u>	<u>276,372</u>

(b) Assets pledged as security

Equipment and vehicles under finance lease have been pledged as security in relation to the finance lease arrangements disclosed in Note 22.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 19: INTANGIBLE ASSETS

	Goodwill \$	Computer Software \$	Total \$
At 30 June 2013			
Cost	2,158,770	94,774	2,253,544
Accumulated depreciation & impairment	(1,901,556)	(76,988)	(1,978,544)
	<u>257,214</u>	<u>17,786</u>	<u>275,000*</u>
At 30 June 2012			
Cost	2,158,770	94,774	2,253,544
Accumulated depreciation	-	(48,768)	(48,768)
	<u>2,158,770</u>	<u>46,006</u>	<u>2,204,776</u>

*Subsequent to the year end the company sold intangible assets valued at \$225,000 which are classified as current in the Statement of Financial Position. The directors have placed a valuation of \$50,000 for the remaining intangibles held by the Company; these are classified as non-current at year end.

(a) Reconciliations

Reconciliation of carrying amounts at the beginning and end of the year

	Goodwill \$	Computer Software \$	Total \$
At 1 July 2012	2,158,770	46,006	2,204,776
Additions	-	-	-
Disposal	-	-	-
Depreciation	-	(28,220)	(28,220)
Impairment	(1,901,556)	-	(1,901,556)
At 30 June 2013	<u>257,214</u>	<u>17,786</u>	<u>275,000</u>
At 1 July 2011	2,158,770	67,988	2,226,758
Additions	-	-	-
Disposal	-	-	-
Depreciation	-	(21,982)	(21,982)
Impairment	-	-	-
At 30 June 2012	<u>2,158,770</u>	<u>46,006</u>	<u>2,204,776</u>

NOTE 20: OTHER ASSETS

	2013 \$	2012 \$
Prepayments	40,714	19,670
Less: Impairment	(40,714)	-
	<u>-</u>	<u>19,670</u>

NOTE 21: TRADE AND OTHER PAYABLES

Trade creditors	519,752	547,688
Other payables and accrued expenses	949,685	757,891
Prior period error	-	91,901
Creditors Claims under Administration*	<u>1,597,605</u>	<u>-</u>
	<u>3,067,042</u>	<u>1,397,480</u>

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 21: TRADE AND OTHER PAYABLES (Continued)

* A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. Refer to Note 32.

NOTE 22: BORROWINGS

	2013 \$	2012 \$
Current		
Finance lease liability	244,960	35,623
Future leasing finance charges	(6,389)	(12,533)
Prior period error	-	164,376
Less: Forfeit of lease	(238,571)	-
	-	187,466
Chattel mortgage liability	-	92,952
Future finance charges	-	(17,085)
	-	75,867
	-	263,333
Non Current		
Finance lease liability	-	107,095
Future leasing finance charges	-	(6,052)
	-	101,043
Chattel mortgage liability	-	201,536
Future finance charges	-	(15,873)
	-	185,663
	-	286,706

Due to the Group entering Administration, the lease of motor vehicle was forfeited.

NOTE 23: ACCUMULATED LOSSES

Accumulated losses at beginning of financial year	(2,544,403)	(132,660,798)
Adjustment on correction of error	-	(328,950)
Reduction of capital	-	132,792,532
Net loss for the year	(6,908,258)	(2,347,187)
Accumulated losses at end of financial year	(9,452,661)	(2,544,403)

NOTE 24: OTHER FINANCIAL LIABILITIES

Current		
Convertible notes	735,000	410,000
Interest Accrual	9,062	-
	744,062	410,000
Non Current		
Convertible notes	-	105,285

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 25: PROVISIONS

Current

Employee benefits	120,821	123,149
Employee Entitlements due to Administration	384,050	-
	<u>504,871</u>	<u>123,149</u>

Non Current

Employee benefits	-	9,467
	<u>-</u>	<u>9,467</u>

Aggregate employee benefits liability	<u>504,871</u>	<u>132,616</u>
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NOTE 26: SHARE CAPITAL

	2013	2012
	\$	\$
Ordinary shares - 5,158,319,250 (2012: 4,459,156,332)	<u>6,230,394</u>	<u>5,619,569</u>

(a) Ordinary shares – Parent entity

	2013		2012	
	Number	\$	Number	\$
Opening balance	4,459,156,332	5,619,569	2,475,737,737	136,328,127
Reduction of share capital	-	-	-	(132,792,532)
19 August 2011	-	-	43,939,393	145,000
19 September 2011	-	-	63,666,658	191,000
21 October 2011	-	-	14,705,882	25,000
15 November 2011	-	-	29,411,765	50,000
12 December 2011	-	-	29,411,765	50,000
23 December 2011	-	-	22,727,273	25,000
9 January 2012	-	-	8,823,529	15,000
23 January 2012	-	-	11,764,706	20,000
30 January 2012	-	-	11,764,706	20,000
7 February 2011	-	-	11,764,706	20,000
14 February 2011	-	-	22,222,222	20,000
21 February 2011	-	-	33,333,333	30,000
27 February 2011	-	-	22,222,222	20,000
27 February 2011	-	-	410,000,000	410,000
5 March 2012	-	-	55,555,556	50,000
13 March 2012	-	-	55,555,556	50,000
28 March 2012	-	-	33,333,333	30,000
2 April 2012	-	-	27,777,778	25,000
18 May 2012	-	-	341,908,800	341,908
28 May 2012	-	-	710,000,000	710,000
1 June 2012	-	-	23,529,412	20,000
26 July 2012	5,882,353	5,000	-	-
1 October 2012	35,294,118	30,000	-	-
31 December 2012	11,764,706	10,000	-	-
12 March 2013	400,000,000	400,000	-	-
14 May 2013	246,221,741	246,222	-	-
Translation costs relating to share issue	-	(80,397)	-	(183,934)
	<u>699,162,918</u>	<u>610,825</u>	<u>1,983,418,595</u>	<u>2,083,974</u>
At reporting date	<u>5,158,319,250</u>	<u>6,230,394</u>	<u>4,459,156,332</u>	<u>5,619,569</u>

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 26: SHARE CAPITAL (Continued)

(b) Issuance of ordinary shares

The following share issues occurred during the year:

- The following issuing of shares to La Jolla Cove investors occurred under the terms on the Convertible Note:
 - 26 July 2012 – 5,882,353 at \$0.085 cents per share for \$5,000;
 - 1 October 2012 – 35,294,118 at \$0.085 cents per share for \$30,000;
 - 31 December 2012 – 11,764,706 at \$0.085 cents per share for \$10,000;
- On 12 March 2013, 400,000,000 ordinary shares were issued at \$0.001 per share for \$400,000 under a share placement to sophisticated investors.
- On 14 May 2013, 246,221,741 shares were issued to shareholders at \$0.001 per share for \$246,222.

(c) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 27: RESERVES

Options reserve

	2013		2012	
	Number	\$	Number	\$
Opening balance	9,500,000	950	-	-
Options issued (1)	10,500,000*	-	9,500,000	950
At reporting date	20,000,000	950	9,500,000	950

*10,500,000 options were issued to Directors on the Group's Annual General Meeting on 26 October 2012. No value was given to these options due to the Group entering into administration on 3 July 2013.

NOTE 28: CAPITAL AND LEASING COMMITMENTS

(a) Finance leasing commitments

	2013	2012
	\$	\$
Payable		
- not later than 1 year	244,960	35,623
- later than 1 year and not later than 5 years	-	151,843
Minimum lease payments	244,960	187,466
Less: Future finance charges	(6,389)	(18,585)
Less: Impairment	(238,571)	-
Total finance lease liability	-	168,881
<i>Represented by:</i>		
Current liability	-	187,466
Non current liability	-	101,043
	-	288,509

(b) Chattel mortgage commitments

Payable		
- not later than 1 year	-	92,952
- later than 1 year and not later than 5 years	-	201,536
Minimum lease payments	-	294,488
Less: Future finance charges	-	(32,958)
Total finance lease liability	-	261,530
<i>Represented by:</i>		
Current liability	-	75,867
Non current liability	-	185,663
	-	261,530

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 28: CAPITAL AND LEASING COMMITMENTS (Continued)

(b) Operating lease commitments

Non cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than 1 year	*	170,214
- later than 1 year and not later than 5 years	*	851,072
- later than 5 years	*	340,429
	<u>*</u>	<u>1,361,715</u>

* The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

The Group's operating lease commitments relate to the commercial premises in Canterbury, Melbourne. The lease was taken out for a ten year period. The current lease expires in June 2020.

NOTE 29: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no current contingent liabilities or contingent assets.

NOTE 30: OPERATING SEGEMENT

Segment information is presented using a "management approach" that is, segment information is provided on the same basis as information used for internal reporting purposes by the chief decision maker (Chief Executive Officer). Goodwill has been reallocated according to a single cash generating unit which cannot be greater than a segment.

As no disaggregation of financial information is provided to the chief operating decision maker, the Group is considered to have only one reportable segment being the commercialisation of monitoring and control products and solutions in the utilities industry.

Revenue from each product or service provided or sold by the Group is as follows:

Revenue from end-users of utilities	\$ 2,735,453	(2012: \$1,477,545)
Revenue from product sales	\$ 7,895	(2012: \$1,577,065)
Other operating revenue	\$ 445,304	(2012: \$418,047)

All revenue from external customers was from customers located in Australia. All non current assets are located in Australia.

NOTE 31: SHARE BASED PAYMENTS

The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

NOTE 32: EVENTS AFTER BALANCE DATE

On 3 July 2013, INT Corporation Limited and its Australian controlled subsidiaries were both placed into voluntary administration.

The Company was suspended from trading on ASX on 3 July 2013 at its request Daniel Juratowitch and Bruno Secatore of Cor Cordis Chartered Accountants were appointed administrator of the Group and assumed control of the Group and its business, property and affairs.

The Administrator subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Pager Partners put forward a recapitalisation proposal which was accepted at a meeting of the Company's creditors on 9 October 2013. The DoCA was signed on 30 October 2013.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 32: EVENTS AFTER BALANCE DATE (Continued)

Under the Proposal, it was agreed that the Company would pay \$215,000 to the Deed Administrator for distribution under the DoCA to the Creditors' Trust plus 15,000,000 free shares and 5,000,000 free options would be issued to the convertible noteholders in return for secured and unsecured creditors releasing all claims against the Company and their charge over the Company. A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate lead by Pager Partners loaned the Company \$215,000 in order to effectuate the DoCA. This occurred on the 28 May 2014.

Under the Proposal, the Company is to issue 250,000,000 fully paid ordinary shares and 60,000,000 options exercisable at \$0.01, to raise \$1,601,500 before the costs of the Proposal. The Directors are currently working towards the restructure and recapitalisation of the Company and liaising with the ASX in relation to the reinstatement of INT Corporation Limited's securities for trading on the ASX.

NOTE 33: FINANCIAL INSTRUMENTS

The Group's approach to financial risk management is set out in Note 6. Set out below are the Group's specific financial instrument exposures.

(a) Credit risk

Exposure to credit risk

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

		2013	2012
		\$	\$
Cash and cash equivalents	12	242,087	1,262,568
Trade and other receivables	13	557,572	1,274,301
Fair value through profit and loss financial assets	16	-	335,860
		<u>799,659</u>	<u>2,872,729</u>

The maximum exposure to credit for trade and other receivables at the reporting date by geographical region was:

Australia	<u>557,572</u>	<u>1,274,301</u>
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Trade receivables are non interest bearing with 30 day terms.

Impairment

Opening balance at 1 July	198,570	128,361
Amounts provided during the year	47,195	141,257
Provision utilised during the year	<u>(187,775)</u>	<u>(71,048)</u>
Closing balance at 30 June	<u>57,990</u>	<u>198,570</u>

(b) Liquidity risk

The following are contractual maturities of financial instruments, including interest payments, for the Group:

	Carrying amount	Contract Cash Flows	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
30 June 2013	\$	\$	\$	\$	\$	\$
Trade and other payables	3,067,042	3,067,042	3,067,042	-	-	-
Borrowings	-	-	-	-	-	-
Other financial liabilities	<u>744,062</u>	<u>744,062</u>	<u>744,062</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,811,104</u>	<u>3,811,104</u>	<u>3,811,104</u>	<u>-</u>	<u>-</u>	<u>-</u>

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 33: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk (Continued)

	Carrying amount	Contract Cash Flows	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
30 June 2012	\$	\$	\$	\$	\$	\$
Trade and other payables	1,397,480	1,397,480	1,397,480	-	-	-
Borrowings	550,039	550,039	64,458	64,458	421,123	-
Other financial liabilities	515,285	515,285	34,002	421,683	59,600	-
Total	<u>2,462,804</u>	<u>2,462,804</u>	<u>1,495,940</u>	<u>486,141</u>	<u>480,723</u>	<u>-</u>

(d) Currency risk

The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

(e) Interest rate risk

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

	Consolidated Carrying Amount	
	2013	2012
	\$	\$
Fixed rate instruments		
Leases and Chattel mortgage	-	(385,663)
Variable rate instruments		
Financial liabilities	*	(3,948)
Cash and cash equivalents	242,087	1,262,568

* The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

Fair value sensitivity for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, nor does it have any derivatives designated as hedging instruments under a fair value hedge accounting model. Therefore, a fair value change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 33: FINANCIAL INSTRUMENTS (Continued)

(f) Fair values

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

	30 June 2013		30 June 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Consolidated				
Cash and cash equivalents	242,087	242,087	1,262,568	1,262,568
Trade and other receivables	557,572	557,572	1,274,301	1,274,301
Other financial assets	-	-	335,860	335,860
Other financial liabilities	744,062	744,062	(515,285)	(515,285)
Leases and Chattel mortgages	-	-	(550,039)	(550,039)
Trade and other payables	(3,067,042)	(3,067,042)	(1,397,480)	(1,397,480)
	<u>(1,523,321)</u>	<u>(1,523,321)</u>	<u>409,925</u>	<u>409,925</u>

Fair value of all non current financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For non current convertible notes, the market rate of interest is determined by reference to likely rates available on similar debt financing facilities, having regard to market conditions and to the Group's credit status.

NOTE 34: FINANCE INCOME AND EXPENSE

	2013	2012
	\$	\$
Interest income on bank deposits	2,150	31,655
Finance income	<u>2,150</u>	<u>31,655</u>
Interest expense on convertible notes	*	(26,303)
Interest expense on leases and Chattel mortgage	*	(39,923)
Other interest expense	*	(55,597)
Finance expense	<u>*</u>	<u>(121,823)</u>
Net Finance expense	<u>(139,189)</u>	<u>(90,168)</u>

* The Group directors resolved on 3 July 2013 that Group should be placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

No finance income was recognised directly in equity (2012: Nil).

NOTE 35: PRIOR PERIOD ERROR

The total impact on the financial statements of the correction of errors is set out below:

	30 June 2012	Impact of errors	30 June 2012 (Restated)
	\$	\$	\$
Plant and equipment	(i) 349,045	(72,673)	276,372
Trade and other payables	(ii) (1,305,579)	(91,901)	(1,397,480)
Other non current liabilities	(iii) -	(164,376)	(164,376)
	<u>(956,534)</u>	<u>(328,950)</u>	<u>(1,285,484)</u>
Accumulated losses	<u>(2,215,453)</u>	<u>(328,950)</u>	<u>(2,544,403)</u>

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 35: PRIOR PERIOD ERROR (Continued)

- (i) Amendments to accumulated depreciation to correctly reflect management's assessment of the effective useful lives of items of plant and equipment.
- (ii) For the period July 2011 to January 2012 a higher than expected network tariff was applied on one of the embedded network sites in NSW. At 30 June 2012, management firmly believed that a lower network tariff would be applied retrospectively, however recent correspondence from the NSW Ombudsman has indicated that is highly unlikely that the network operator will adjust their tariffs for the above mentioned period. The additional charge should have been recognised as an expense when incurred in accordance with the Australian Accounting Standards.
- (iii) Intermoco received a rent free period of 12 months from 1 February 2010 to 31 January 2011 which was not recognised in accordance with Interpretation 115 – Operating leases – Incentives.

NOTE 36: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, INT Corporation Limited:

(a) Summarised statement of financial position

	2013 \$	2012 \$
Assets		
Current assets	40,731	1,180,952
Non current assets	-	3,116,251
Total assets	40,731	4,297,203
Liabilities		
Current liabilities	(2,731,877)	(733,309)
Non current liabilities	-	(158,829)
Total liabilities	(2,731,877)	(892,138)
Net assets	(2,691,146)	3,405,065
Equity		
Share Capital	6,230,394	5,619,569
Accumulated losses	(8,922,490)	(2,215,454)
Reserves	950	950
Total equity	(2,691,146)	3,405,065

(b) Summarised statement of comprehensive income

Loss for the year	(6,707,036)	(3,426,340)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(6,707,036)	(3,426,340)

The company has not guaranteed any loans of the Group.

There are no current contingent liabilities or contingent assets.

The capital commitments of the Company as at 30 June 2013 relates to a finance lease of a motor vehicle.

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

- 1) In the opinion of the Directors of INT Corporation Limited and its controlled entities ('the Group'):
 - a) as set out in note 2, although the Directors have prepared the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (1) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
 - (2) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2) Subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Mike Hill
Executive Chairman
12 June 2014

**QUALIFIED INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
INT CORPORATION LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of INT Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Because of the matter discussed in the basis of Disclaimer of Auditor's Opinion paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Basis for Disclaimer of Auditor's Opinion

The company was placed into administration on 3 July 2013. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

As stated in Note 1(b), the current Directors are unable to state that the financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

Disclaimer of Auditor's Opinion

In our opinion:

- (a) because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion as to whether the financial report of INT Corporation 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 2013 and of their performance for the year ended on that date;
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) complying with all the requirements of the International Financial Reporting Standards.


Report on the Remuneration Report

We have audited the remuneration report included on page 7 and 13 of the directors' report for the year ended 30 June 2013. 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

Disclaimer of opinion

Because of the existence of the limitation on scope of our work, as described in the Basis of Disclaimer of Auditor's Opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion on the remuneration report of INT Corporation Limited for the year ended 30 June 2013 and whether it complies with Section 300A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd


Martin Michalik
Director

West Perth, Western Australia
12 June 2014

12 June 2014

Board of Directors
INT Corporation Limited
Level 5, 137-139 Bathurst Street
Sydney, NSW 2000

Dear Sirs

RE: INT CORPORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of INT Corporation Limited.

As Audit Director for the audit of the financial statements of INT Corporation Limited for the year ended 30 June 2013, 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.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

ASX ADDITIONAL INFORMATION

NUMBER OF HOLDERS OF EQUITY SECURITIES AS AT 30 JUNE 2013

ORDINARY SHARES:

5,158,319,250 fully paid pre consolidation ordinary shares held by 3,093 individual shareholders

All ordinary shares carry one vote per share

UNQUOTED OPTIONS:

PRECONSOLIDATION OPTIONS	Options approved at 2011 AGM	Options approved at 2012 AGM
	Exercise price: \$0.01	Exercise price: \$0.005
	Expiry date: 30 November 2015	Expiry date: 22 February 2018
Ian Kiddle	5,000,000	5,000,000
Brendt Henricus	2,500,000	2,500,000
John Evans	1,000,000	1,000,000
Simon Kemp	1,000,000	1,000,000
Kiril Ruvinsky		1,000,000
Total	9,500,000	10,500,000

Options do not carry any votes

DISTRIBUTION OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES:

TOTAL HOLDERS FULLY PAID ORDINARY SHARES

Category		Number Held	Percentage of Issued Shares
1 – 1,000	89	20,680	0.00
1,001 – 5,000	102	361,924	0.01
5,001 – 10,000	293	2,719,726	0.05
10,001 – 100,000	1,156	52,214,605	1.01
100,001 and over	1,444	5,103,002,315	98.93
Total	3,093	5,158,319,250	100.00

INT CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

ASX ADDITIONAL INFORMATION

TOP 20 HOLDERS OF EQUITY SECURITIES AS AT 30 June 2013:

Holder	Shares	%
1 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	436,061,479	8.45%
2 PICTON COVE PTY LTD	310,500,000	6.02%
3 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <CW A/C>	246,333,333	4.78%
4 SPACETIME PTY LTD <COPULOS EXEC S/F NO 1 A/C>	229,394,608	4.45%
5 NEWLAKE SERVICES PTY LIMITED <PROVIDENT FUND ACCOUNT>	150,000,000	2.91%
6 ENTITY HOLDINGS PTE LTD	147,413,107	2.86%
7 NLG DENTAL PTY LTD	130,000,000	2.52%
8 MR BOB GESTRO + MRS PENELOPE GESTRO <GESTRO SUPER FUND A/C>	103,666,401	2.01%
9 MERZEAL PTY LTD <DSA SUPER FUND A/C>	100,000,000	1.94%
10 N G NOMINEES PTY LTD <N & L GEORGIU S/FUND A/C>	100,000,000	1.94%
11 SENM (SUPER) PTY LTD <CASZUR EXECUTIVE S/F A/C>	100,000,000	1.94%
12 THIRTY-FIFTH CELEBRATION PTY LTD <JC MCBAIN SUPER FUND A/C>	95,289,410	1.85%
13 MR KIRIL RUVINSKY	85,000,041	1.65%
14 MARSHALL TRADING PTY LIMITED	80,000,000	1.55%
15 MR DAVID O'BRIEN	66,957,553	1.30%
16 AURISCH INVESTMENTS PTY LTD	55,433,333	1.07%
17 FORDHOLM CONSULTANTS PTY LTD <DIANA BOEHME SUPER FUND A/C>	50,000,000	0.97%
18 MR JAMES GORDON MOFFATT	50,000,000	0.97%
19 ROOSTER BOOSTER PTY LIMITED	50,000,000	0.97%
20 SUPERMAX PTY LTD <SUPERMAX SUPER FUND A/C>	46,666,666	0.90%

SUBSTANTIAL SHAREHOLDERS PRE-CONSOLIDATION AS AT 30 JUNE 2013

Holder	Shares	%
1 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	436,061,479	8.45%
2 PICTON COVE PTY LTD	310,500,000	6.02%

The names of substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Copulos Group 990,694,964 shares (19.21%)