MONTECH HOLDINGS LIMITED
ASX - APPENDIX - 4E - RESULTS SUMMARY
RESULTS FOR ANNOUNCEMENT TO THE MARKET

Details of reporting periods	
Current	1 July 2013 - 30 June 2014
Comparative	1 July 2012 - 30 June 2013

Financial results			**2014**
Revenue from continuing operations	Down	100%	6,150
(Loss)/profit from continuing operations	Up	93%	(186,848)
Profit from discontinued operations	Up	100%	3,406,349
Profit attributable to members of Montech Holdings Limited	Up	221%	3,219,502

Refer to the attached Annual Financial Report (which includes the Directors' report and consolidated financial statements) for commentary on the results. Additional appendix 4E disclosure requirements can be found in the notes to the financial statements.

Net tangible assets / (Liabilities)	**Per ordinary share**
2014	(4.43) cents
2013	(1.45) cents

Financial Report
This report is based on the 30 June 2014 Annual Financial Report (which includes consolidated financial statements) and has been audited by Stantons International.

MONTECH HOLDINGS LIMITED (FORMERLY SIRIUS CORPORATION LIMITED)
AND ITS CONTROLLED ENTITIES
ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2014
ABN: 94 050 240 330

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CORPORATE DIRECTORY

Directors
David Shein – Non Executive Chairman
Michael Pollak - Non Executive Director
Jonathan Pager – Non Executive Director
Joseph Fridman - Non Executive 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 Limited
Level 4 Central Park
152 St Georges Terrace
PERTH WA 6000

Investor Enquiries:	1300 554 474
Facsimile:	+61 2 9287 0303

Stock Exchange Listing
Securities of Montech Holdings Limited are listed on the Australian Securities Exchange (ASX).
ASX Code: MOQ (previously SIU)

Website: montechholdings.com.au

DIRECTORS' REPORT

Your directors submit financial report of Montech Holdings Limited (formerly Sirius Corporation Limited) (**Company**) for the year ended 30 June 2014.

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

Name	**Particulars**
Mr Rajiv Parrab	Non-Executive Chairman (Resigned 17 February 2014)
Mr Anthony Onsley	Managing Director (Resigned 17 February 2014)
Mr David Mandel	Non-Executive Director (Resigned 17 February 2014)
Mr David Shein	Non-Executive Chairman (Appointed 17 February 2014)
Mr Michael Pollak	Non-Executive Director (Appointed 17 February 2014)
Mr Joseph Fridman	Non-Executive Director (Appointed 17 February 2014)
Mr Jonathan Pager	Non-Executive Director (Appointed 17 February 2014)

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

Information on Directors

David Shein
Experience and Expertise

David established Com Tech Communications with $10,000 capital, and built it up to annual revenues of $700m, profits of $40m and 1,400 employees in 2001 when it was acquired by Dimension Data. During his tenure, Com Tech was voted the second best company to work for in Australia and the bulk of the management team recruited by David remains in place at the company. Over the past 10 years, David has been involved in investing in and managing a number of start-up and early stage technology companies, many of which have been successfully exited. Most recently he was Chairman and founding investor of Macromatix, a provider of specialist cloud based retail software solutions with offices in Australia and US. Macromatix was sold to US based TPG Ventures in 2012. David actively mentors management teams including his role as Non-Executive Chairman of Centric Wealth which was owned by CHAMP Private Equity and recently successfully sold to Findex. Some of the other companies that David mentors and where he has an investment include Pocketbook, ShopReply, Clipp, Assetic, OneBigSwitch, ZipMoney and OurCrowd. David is involved in building companies that are genuinely committed to customer and staff satisfaction.

Other Current Directorships
None
Former Directorships in the Last Three Years
None
Special Responsibilities
None
Interests in Shares and Options as at the date of this report
- 32,500,000 fully paid ordinary shares; and
- 8,333,334 unlisted options exercisable at $0.01 per option on or before 30 June 2017.

Michael Pollak
Experience and Expertise

Michael holds a bachelor of Commerce, is a chartered accountant and has an MBA in strategy from the Australian Graduate School of Management. Michael commenced his career at PricewaterhouseCoopers over 15 years ago. Michael has gained valuable experience in both Sydney and London in general management, audit, insolvency, corporate advisory and strategy across a wide range of industries, including financial services, professional services, retail, mining and manufacturing. Michael has been involved in the restructuring, recapitalisation and relisting of a number of ASX listed entities.

Information on Directors (Continued)

Other Current Directorships
HJB Corporation Limited (Non-executive director)
Former Directorships in the Last Three Years
Disruptive Investment Group Limited (Non-executive director)
Rhype Limited (Non-executive director)
Prospect Resources Limited (Non-executive director)
PLD Corporation Limited (Non-executive director)
Special Responsibilities
None
Interests in Shares and Options as at the date of this report
- 19,800,000 fully paid ordinary shares; and
- 9,000,000 unlisted options exercisable at $0.01 per option on or before 30 June 2017.

Joseph Fridman

Experience and Expertise

Joey is the co-founder and Chief Executive Officer of Monash Private Capital Pty Limited, a Sydney based independent principal investment and advisory firm. Prior to establishing Monash Private Capital, Joey was Chief Financial Officer of Investec Bank Australia and Chairman of the bank's Investment Committee. With a career spanning audit, investment banking and executive financial management, Joey brings a comprehensive mix of financial, strategic, operational, risk management and commercial skills and experience. Joey is a Chartered Accountant and has an M.B.A. from the Australian Graduate School of Management.

Other Current Directorships
None
Former Directorships in the Last Three Years
None
Special Responsibilities
None
Interests in Shares and Options as at the date of this report
- 144,950,000 fully paid ordinary shares; and
- 38,333,334 unlisted options exercisable at $0.01 per option on or before 30 June 2017.

Jonathan Pager

Experience and Expertise

Jonathan has over 20 years' experience advising businesses across a wide range of industries in Australia and overseas, and is currently Managing Director of Pager Partners Corporate Advisory. He has a Masters of Economics and qualified as a chartered accountant with Deloitte, where he commenced his career. He has restructured a range of public companies and been a director of publicly listed companies involved in the mining, healthcare and service industries.

Other Current Directorships
INT Corporation Limited (Finance director)
Former Directorships in the Last Three Years
Rhype Limited (Non-executive director)
PLD Corporation Limited (Non-executive director)
Prospect Resources Limited (Non-executive director)
Special Responsibilities
None
Interests in Shares and Options as at the date of this report
- 7,450,000 fully paid ordinary shares; and
- 2,500,000 unlisted options exercisable at $0.01 per option on or before 30 June 2017

Company Secretary

Mourice Garbutt	Resigned 17February 2014
Andrew Whitten	Appointed 17 February 2014

DIRECTORS' REPORT

Directors' meetings

The Company was in Administration and DoCA from 30 August 2013 to 16 May 2014. Information on the attendance at Directors' meetings is not available during this period. Subsequent 16 May 2014, there were no directors meetings, with business conducted via circular resolution.

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 30 August 2013 until the date the Deed of Company Arrangement ("DoCA") effectuated, being 16 May 2014.

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 February 2014 as part of the recapitalisation proposal approved by the Company's creditors and shareholders.

As a result, the financial information relating to the 30 June 2014 financial report was not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that, are relevant to the preparation and fair presentation of the financial report. Furthermore, it has not been possible for the Directors to obtain all of the books and records of the Company for the period up to 16 May 2014, being the date that the DoCA effectuated and control of the Company passed over to the Directors. Whilst the books and records of the Company have been reconstructed to the maximum extent possible, the Directors are unable to satisfy themselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report for the year ended 30 June 2014.

Consequently, the Directors 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, because of the possible effect of this matter on the current year's figures and the corresponding prior year figures.

Principal activities

The Group principal activities were the provision of group ownership, strategy and oversight over a number of software and service enterprises.

Operating and financial review

The Company was suspended from trading on the ASX on 30 August2013 at its request andQuentin Olde and Nathan Landrey of FTI Consulting were appointed as joint and several Administrators of the Group and assumed control of the Group and their business, property and affairs.

The Administrators sold certain of the Company's assets as announced on the ASX on 29 October2013,however certain unencumbered assets were retained by the Group.

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 17 October 2013. The DoCA was signed on 7 November 2013 with the followings terms:

- The syndicate lead by Pager Partners would loan the Company $500,000;
- The Company would pay $500,000 to the Deed Administrator for distribution under the DoCAto the Creditors' Trust, in return for secured and unsecured creditors releasing all claims against the Company and their charge over the Company; and
- 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 terms of the DocA have been effectuated on 16 May 2014.

DIRECTORS' REPORT

Operating and financial review (Continued)

The profit after income tax for the financial year was $3,219,502 (2013: loss of $2,670,124), due to primarily a gain arising from the settlement of all liabilities and obligations of the Company as a result of the effectuation of the DoCA and the creation of the Creditors' Trust Deed.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

- At a general meeting held on 7 April2014, the shareholders of the Company resolved to:
  - consolidate the capital on a 1:20 basis;
  - change the name of the company to "Montech Holdings Limited";
  - adopt a new Constitution;
  - re-elect David Shein, Michael Pollak, Jonathan Pager and Joseph Fridman as the directors;
  - authorise the issue of the following shares and options (including to related parties) to raise $1,876,875 before costs
    - placement of 150,000,000 shares at $0.0025 per share (the First Placement Shares);
    - authorise the placement of 150,000,000 shares at $0.01 per share (the Second Placement Shares);
    - authorise an offer of 75,000,000 options at $0.000025 per option (Options Offer);
- With the satisfaction of all conditions and obligations of the parties, the DOCA was effectuated on 16 May2014 and the Company was released from being subject to the DOCA.
- The Company's subsidiaries were transferred to the Creditors' Trust and were de-consolidated from the Group;
- On 14 May 2014, the Company incorporated a wholly owned subsidiary, Pinnacle Software (Australia) Pty Ltd;
- Pinnacle Software (Australia) Pty Ltd (PSA) has entered into an exclusive perpetual licence agreement with FMTech Pty Ltd to develop and distribute software in return for upfront fee of $5,000 and an annual royalty. PSA will continue to own Pinnacle software and source code and has the right to continue to distribute Pinnacle as an appointed reseller.
- The First Shares Placement and the Second Shares Placement Offers, together with Options Offer were made in the Prospectus dated 28 May 2014 and were subsequently issued on 16 July 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.

Significant events after balance date

On 16July 2014, the Company issued 300,000,000 fully paid ordinary shares, and 75,000,000 unlisted options raising in total $1,876,875 in capital. The funds will be used to recapitalize and restructure the Company.

Following the recapitalisation, the Company was reinstated to the ASX Official List on 25 July 2014.

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.

REMUNERATION REPORT (AUDITED)

The remuneration report below reflects the remuneration policies that were adopted by the directors of the Company who were in office at the date of this report. These policies apply since the data of their appointment on 17 February 2014.

Prior to their appointment, the remuneration policies were the responsibility of the previous directors who were in office prior to the Company entering voluntary administration on 30 August 2013. On entering administration, the Administrators were responsible for the remuneration policies of the Company. These policies may or may not have been in place during the financial period.

Thus, the directors had no involvement in the adopting, implementing, or complying with the previous remuneration policies.

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

1. Principles used to determine the nature and amount of remuneration;
2. Details of remuneration;
3. Service agreements; and
4. Share-based compensation.

The information provided under headings 1 to 4 below in the Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

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

The Company's Constitution specifies that subject to the initial fixed annual aggregate sum of $500,000, the aggregate remuneration of non-executive directors shall not exceed the sum determined by the shareholders of the Company in general meeting.

Fees and payments to directors:

1 are to reflect the demands which are made on, and the responsibilities of, the directors; and
2 are reviewed annually by the board to ensure that directors' fees and payments are appropriate and in line with the market.

Retirement allowances and benefits for directors
There are no retirement allowances or other benefits paid to directors.

Directors' fees
The amount of remuneration of the directors of the Company (as defined in AASB 124 *Related Party Disclosures*) is set out in the following table. On 30August 2013 the Group was placed into voluntary administration and the Groups operations were suspended under the Administrators, consequently there is not sufficient information to allow this level of disclosure with regards to the former directors. There was no remuneration of any type paid to the current directors, other than as reported below for the provision of director and professional services.

2 Details of remuneration (audited)
2014

Name of directors	Short-term benefits: Salary & fees	Short term benefits	Post-employment benefits: Superannuation	Share based payments	Total
Non-executive directors					
David Shein	10,134	-	937	-	11,071
Joseph Fridman	11,071	-	-	-	11,071
Jonathan Pager	11,071	-	-	-	11,071
Michael Pollak	10,134	-	937	-	11,071
Total	42,410	-	1,874	-	44,284

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (Continued)

The table above incorporates remuneration which is payable to each of the directors for the year ending 30 June 2014, subject to the reinstatement of the Company's Shares to Official Quotation on the ASX. The previous directors' contracts ended upon entering administration. 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.

3 Service agreements (audited)

The non-executive directors serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the *Corporations Law 2001*, or are not re-elected to office. The non-executive directors are remunerated on a monthly basis with three months termination payments payable. Each of the Directors have agreed to receive 50% of their respective base salary up until the first material acquisition is made by the Company (table above reflects 50%), at which time Directors will be paid the outstanding base salary to ensure that each Director receives 100% of their respective base salary for the period from the date of their appointment to the date of the acquisition. The remaining 50% of base salary has been treated as a contingent liability. Thereafter 100% of their respective base salary will be payable monthly. As at the date of this report there are no executives or management personnel engaged by the Company other than the directors.

4 Share-based compensation (audited)

There were no share-based or option based compensation paid to the directors during the financial year.

5 Shareholding and option holding of directors and other key management personnel (audited)

The number of (post consolidation) shares and options held by directors and other key management personnel were:

2014	Balance at start of the year	Acquired during the year	Net change other	Balance at end of the year
Directors of Montech Holdings Ltd	**$**	**$**	**$**	**$**
Ordinary shares				
Rajiv Parrab	22,568,866	-	(21,440,423)	1,128,443
David Mandel	17,092,050	-	(16,237,448)	854,602
Options				
Rajiv Parrab	2,953,100	-	(2,805,445)	147,655
David Mandel	6,278,479	-	(5,964,555)	313,924

The current directors did not hold any shares or options during the financial year.

2013	Balance at start of the year	Acquired during the year	Net change other	Balance at end of the year
Directors of Montech Holdings Ltd	**$**	**$**	**$**	**$**
Ordinary shares				
Rajiv Parrab	22,568,866	*	*	22,568,866
David Mandel	17,092,050	*	*	17,092,050
Options				
Rajiv Parrab	2,953,100	*	*	2,953,100
David Mandel	6,278,479	*	*	6,278,479

* On 30 August 2014 the Group was 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.

REMUNERATION REPORT (Audited) (Continued)

5 Shareholding and option holding of directors and other key management personnel (audited) (Continued)

Options granted
Details of post-consolidation options over the ordinary shares in the Company provided 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.

	Number of post-consolidation options granted during the year		Number of post-consolidation options vested during the year		% vested	
	2014	2013	2014	2013	2014	2013
Directors						
Rajiv Parrab	-	-	-	-	-	-
Anthony Onsley	-	500,000*	-	333,334	-	67%
David Mandel	-	-	-	-	-	-
	-	500,000*	-	333,334	-	67%
Other Key Management Personnel:						
Andrew Lutterbeck	-	-	-	-	-	-
Martin O'Connor	-	-	-	-	-	-
	-	-	-	-	-	-

*The options are granted for no consideration. Prior the company entering administration the previous directors had placed a value of $6,790 on the options vested to the 30 June 2013. Due to the Company entering administration the new directors have taken opinion that no value will be placed on the options subsequent to their appointment. The current directors did not hold any shares during the financial year.

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

	Grant Date	Exercise Date	Expiry Date
Directors			
Rajiv Parrab	-	-	-
Anthony Onsley	21 November 2012	Note 1	Note 2
David Mandel	-	-	-
Other Key Management Personnel:			
Andrew Lutterbeck	-	-	-
Martin O'Connor	-	-	-

Note 1-The options granted to Anthony Onsley are exercisable on at the rate of one-third each year for the three year period immediately following on from the 13 February 2012.

Note 2-The options granted to Anthony Onsley expire at the rate of one-third each year for the three year period commencing the 12 February 2016.

REMUNERATION REPORT (Audited) (Continued)

5 Shareholding and option holding of directors and other key management personnel (audited) (Continued)

For the options granted, the percentage of the available grant that was paid, or that vested, in the prior 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						
Rajiv Parrab	-	-	-	-	-	-
Anthony Onsley	2013	67%	Note 1	2013	Note 2	Note 2
David Mandel	-	-	-	-	-	-
Other Key Management Personnel:						
Andrew Lutterbeck	-	-	-	-	-	-
Martin O'Connor	-	-	-	-	-	-

Note 1 - The options issued to Anthony Onsley are subject to the terms and conditions of his employment contract however as the directors preparing this financial report were appointed post 30 June 2013, they are unable to confirm if all terms and conditions of the employment contract have been complied with, or if all options were forfeited by Mr Onsley's resignation on the 17 February 2014.

Note 2 - The options are granted for no consideration. Prior the company entering administration the previous directors had placed a value of $6,790 on the options vested to the 30 June 2013. Due to the Company entering administration the new directors have taken opinion that no value will be placed on the options subsequent to their appointment.

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	Expiry 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	Expiry Date	Exercise Price	Number under option
16 July 2014	30 June 2017	1 cents	75,000,000
6 December 2011	9 December 2014	70 cents	3,193.334*
21 November 2012	Note 1	70 cents	500,000*

Note 1-The options expire at the rate of one-third each year for the three year period commencing the 12 February 2016.

*post - consolidation proposed

ADDITIONAL INFORMATION

(a) Insurance of officers

Due to the Company entering administration on the 30 August2013, the Directors D & O insurance premium was consequently not renewed. Subsequent to 30 June 2014, the Company obtained Directors D & O insurance. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company.

(b) Agreement to indemnify officers

The Company has entered into agreements with the directors to provide access to Company records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings.

No liability has arisen under these indemnities as at the date of this report.

(c) Proceedings on behalf of the company

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

(d) Auditor

Stantons International are the appointed auditors.

(e) Indemnity of Auditor

The auditor (Stantons International) has not been indemnified under any circumstance.

(f) Audit services

During the financial year $10,048 (excluding GST) was paid or is payable for audit services provided by Stantons International (2013: $10,000 excluding GST).

(g) Non-audit services

Prior to Stantons International being appointed auditor on 7 April 2014, an entity associated with Stantons International provided the following non-audit services:

	Fees Paid (excl GST)
Independent expert report accompanying the notice to the shareholders of the general meeting on 28 January 2014	7,262
Total	7,262

The board of directors consider that there was no independence issue in the provision of these services.

Auditor's independence declaration

The auditor's independence declaration is included on page 52 of the annual report.

DIRECTORS REPORT

Signed in accordance with a resolution of the directors.

David Shein
Non-Executive Chairman

30 August 2014

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 at the date of this report. These policies apply since the data of their appointment on 17 February 2014.

Prior to their appointment, the corporate governance policies were the responsibility of the previous directors who were in office prior to the Company entering voluntary administration on 30 August 2013. On entering administration, the Administrators were responsible for the corporate governance policies of the Company. These policies may or may not have been in place during the financial period.

Thus, the directors had no involvement in the adopting, implementing, or complying with the previous corporate governance policies.

This Corporate Governance Statement sets out Montech Holdings Limited's (**the Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**the ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the ASX Principles and Recommendations.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
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.	Yes	The Company's board of directors (**theBoard**) is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to: (a) maintain and increase Shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. Consistent with these goals, the Board assumes the following responsibilities: (a) developing initiatives for profit and asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the Shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis. It is expected that the division of responsibility of the Board and senior executives (once appointed) will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.
1.2. Companies should undertake appropriate checks before appointing a person for election as	Yes	The Company undertakes backgrounds checks with regards to the person's character, experience, education, criminal record and bankruptcy history

	a director, and provide securityholders with all material information relevant to a decision on electing a director.		prior to nomination for election as a director. Any material adverse information revealed by these checks is released to securityholders prior to the General Meeting at which they are able to be elected. When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the securityholders in the Company.
1.3.	Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts setting out the terms of their appointment. These set out the relevant terms by which they will be involved in the Company.
1.4.	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The company secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.
1.5.	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them. The results should be disclosed annually.	No	The Company has not found it necessary to create a diversity policy or to annually report on measurable objectives with respect to achieving gender diversity. It will remain committed to ideals of gender diversity. As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy.
1.6.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	No	Due to the fact that the Company is only in the early stages of its restructure, there is currently no separately constituted remuneration committee in the Company. The remuneration of an executive director will be decided by the Board, without the affected executive Director participating in that decision-making process. There are currently no executive Directors on the Board. In accordance with clause 13.8 of the Company's Constitution, the total maximum remuneration of non-executive Directors is currently set at $500,000. The determination of non-executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. Such information is available in several publicly available forums such as ASX announcements. As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider putting in a process for evaluating the performance of the Board, its committees and individual Directors.
1.7.	Companies should disclose the process for evaluating the performance of senior executives.	No	Given the current size of the Company and the fact that the Company currently has no senior executives, the process for evaluating their performance is not relevant. As the Company develops, the Board intends to

		review its practices, and if deemed necessary in the future, the Board may consider putting in a process for evaluating the performance of senior executives.
2. Structure the board to add value		
2.1. The board should establish a nomination committee.	No	No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if required), has been committed to by the Board.
2.2. Companies should disclose a board skills matrix.	No	The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principle criterion for the appointment of new Directors is their ability to add value to the Company and its business. In light of this, it has not been deemed necessary to create a formal document outlining the particular skills of the existing Board.
2.3. Companies should disclose the names of the directors considered to be independent, interests, positions and associations that might cause doubts as to the independence of a director and the length of service of each director.	No	The Board ensures that each Director is not able to be significantly adversely influenced by the operations of the company by ensuring a diverse range of backgrounds and ongoing involvement in companies which are not the Company. Information with respect to potential issues of independence may be disclosed to the market but no formal policy exists to ensure such disclosure.
2.4. A majority of the board should be independent directors.	No	The Board has reviewed the position and associations of each of the four Directors in office and has determined that none of the Directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Corporate Governance Principles and Recommendations (3rd Edition), and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other Directors, as appropriate. Due to the fact that the Company is only in the early stages of its recapitalization and restructure, there are no independent Directors on the Board. Each of the Directors in office are essential to the success of the Company at this stage of its restructure. As the Company develops, the Board intends to review the composition of the Board.
2.5. The chair should be an independent director and should not also exercise the role of chief executive officer.	No	The Company's current Non-Executive Chairman, Mr David Shein, does not satisfy the ASX Corporate Governance Principles and Recommendations definition of an independent director, as Mr Shein will be a substantial shareholder of the Company. However, the Board considers Mr Shein's role as Non-Executive Chairman essential to the success of the Company at this stage of its restructure. Mr Shein will not exercise the role of CEO.
2.6. Companies should have a program for inducting new directors.	No	The Company takes care in ensuring that Directors will be able to effectively manage and govern the Company before their nomination as potential Directors. It has not been deemed necessary to

		devote resources towards ensuring that Directors have the sufficient skills to fulfil their role appropriately.
3. Promote ethical and responsible decision-making		
3.1. Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	No	The Board is committed to the establishment and maintenance of appropriate ethical standards. Given the fact that the Company is only in the early stages of its restructure there is currently no official code of conduct in place. As the Company develops the Board intends to review its practices, and if deemed necessary, establish an appropriate code of conduct.
4. Safeguard integrity in financial reporting		
4.1. The board should establish an audit committee which is structured so that it: • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman And should disclose: • The charter of the committee • The qualifications of the committee • The number of times the committee meets If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard the integrity of its reporting.	No	The Company does not have a separately constituted audit committee due to the fact that the Company is only in the early stages of its restructure. As the Company develops the Board intends to review its practices, and if deemed necessary, establish an audit committee. The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.
4.2. The Board should receive from its CEO and CFO a declaration that in their opinion, the financial records have been properly maintained and comply with the proper standards.	N/A	The Company currently does not have a CEO or CFO. However, the Board has received a declaration from its Non-Executive Chairman that in their opinion, the financial records have been properly maintained and comply with the proper standards.
5. Make timely and balanced disclosure		
5.1. Companies should establish written policies 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.	No	Due to the fact that the Company is only in the early stages of its restructure, there are no written policies in place. The Company is however committed to providing relevant up-to-date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act 2001. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX and shareholders as well as providing guidance to directors and employees on disclosure requirements and procedures.

6. Respect the rights of shareholders		
6.1. A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company has recently launched its website www.montechholdings.com.au which contains all relevant information about the Company. The Company will regularly update the website and contents therein as deemed necessary.
6.2. A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	The Company has no investor relations program in place, but ensures that all material information is conveyed to its investors so as to facilitate communication.
6.3. Companies should 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.	No	Although the Company does not have a formal communications policy in place, all material matters will be disclosed to the market in accordance with the ASX Listing Rules.
6.4. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company encourages shareholders to register for receipt of announcements and updates electronically.
7. Recognise and manage risk		
7.1. The Board should establish a risk committee, structured so that it: • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman And should disclose: • The charter of the committee • The qualifications of the committee • The number of times the committee meets If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard its risk management procedures	No	The Company does not have a separately constituted risk committee due to the fact that the Company is only in the early stages of its restructure. As the Company develops the Board intends to review its practices, and if deemed necessary, establish a risk committee. Presently, the Board is responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation as Board meetings. The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity. The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.
7.2. The Board should review the Company's risk management framework at least annually and disclose whether such a review has taken place.	No	Although the Company does not have a separately constituted risk committee, the Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.
7.3. Companies should disclose if they have an internal audit function or the processes it employs for evaluating and improving the effectives of its risk management.	No	The Company does not have an internal audit function, and does not disclose the processes it uses to improve risk management. Nonetheless, it remains committed to effective management and control of these factors.
7.4. Companies should disclose whether they	Yes	All material risks are announced to the market, in accordance with the requirements of the ASX listing

	has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		rules and otherwise.
8.	**Remunerate fairly and responsibly**		
8.1.	The Board should establish a remuneration committee, structured so that it: • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman And should disclose: • The charter of the committee • The qualifications of the committee • The number of times the committee meets If no committee satisfying the above exists, it should disclose that fact and the processes it uses to ensure the remuneration of its directors and senior executives is fair and not excessive. .	No	As noted in Section 1.6 above, the Company does not have in place a separately constituted remuneration committee due to the size and current operations of the Company.
8.2.	Companies should disclose their policies and practices regarding the remuneration of executive directors and other senior executives.	No	The Company has not deemed it necessary to separately disclose its remuneration policies.
8.3.	Companies which have an equity-based remuneration scheme should: have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and disclose that policy or a summary of it.	No	Although the Company does not have a formal policy, the Company has a securities trading policy that restricts the trading of the Company's securities by those who have interests in equity based remuneration.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014	2013
		$	$
Continuing operations			
Revenue	6	6,150	5,877,108
Expenses			
Amortisation expenses	7	-	(564,542)
Cost of goods sold		-	(107,479)
Depreciation expenses	7	-	(61,322)
Employee benefits, other labour and related expenses		(44,286)	(4,758,738)
Insurance		(15,192)	(47,026)
Legal costs		(79,778)	-
Marketing expense		(2,000)	(52,078)
Occupancy expenses			(412,859)
Operating lease payments (excluding occupancy)			(12,603)
Professional fees		(40,125)	(224,673)
Telecommunication carrier expenses			(114,748)
Travel, accommodation and entertainment expenses			(219,280)
Other expenses		(11,616)	(138,019)
Total expenses		(192,997)	(6,713,367)
(Loss) from continuing operations before finance costs and impairment		(186,847)	(836,259)
Finance costs	7	-	(312,241)
Provision for doubtful debts	10	-	(108,247)
Additional income	11	-	1,434
Impairment of other assets	11	-	(42,218)
Impairment of plant & equipment	12	-	(64,780)
Impairment of intangible assets	13	-	(947,948)
Creditors' Claims under Administration	14	-	(738,298)
Impairment of long service leave	16	-	128,500
Write off of income received in advance	17	-	249,933
(Loss) from continuing operations before income tax expense		(186,847)	(2,670,124)
Income tax expense	8	-	-
(Loss) from continuing operations after income tax		(186,847)	(2,670,124)
Discontinued operations			
Profit from discontinued operations after tax	31	3,406,349	-
Net profit / (loss) attributable to members of the Company		3,219,502	(2,670,124)
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		3,219,502	(2,670,124)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
Profit / (loss) is attributable to:			
Montech Holdings Limited		3,219,502	(2,670,124)
		3,219,502	(2,670,124)
Total comprehensive income / (loss) is attributable to			
Montech Holdings Limited		3,219,502	(2,670,124)
		3,219,502	(2,670,124)
Earnings / (loss)per share from continuing operations attributable to equity holders of the parent entity			
Basic earnings / (loss) per share (cents per share)			
- Continuing operations	29	(1.21)	(0.87)
- Discontinuing operations	29	22.10	-
		20.89	(0.87)
Diluted earnings / (loss) per share (cents per share)			
- Continuing operations	29	0.00	(0.87)
- Discontinuing operations	29	3.77	-
		3.77	(0.87)

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

MONTECH HOLDINGS LIMITED (FORMERLY SIRIUS CORPORATION LIMITED) AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Notes	2014 $	2013 $
Current Assets			
Cash and cash equivalents	9	857,995	176,078
Trade and other receivables	10	13,217	1,289,838
Other assets	11	-	1,434
		871,212	1,467,350
Non Current Assets			
Property plant and equipment	12	4,587	38,326
Intangible assets	13	63,636	645,029
		68,223	683,355
Total assets		939,435	2,150,705
Current Liabilities			
Trade and other payables	14	206,181	1,830,073
Short-term borrowings	15	-	2,577,024
Other liabilities	17	-	1,550,724
Short-term provision	16	-	31,011
Syndicate loan	18	500,000	-
Funds held in trust for equity to be issued	19	851,879	-
		1,558,060	5,988,832
Total Liabilities		1,558,060	5,988,832
Net Asset Deficiency		**(618,625)**	**(3,838,127)**
Equity			
Issued capital	20	13,636,115	13,636,115
Reserves		6,790	6,790
Accumulated losses	21	(14,261,530)	(17,481,032)
		(618,625)	**(3,838,127)**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2013	13,636,115	6,790	(17,481,032)	(3,838,127)
Net profit for the year	-	-	3,219,502	3,219,502
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,219,502	3,219,502
Transactions with owners in their capacity as owners	-	-	-	-
Balance as at 30 June 2014	13,636,115	6,790	(14,261,530)	(618,625)
Balance as at 1 July 2012	13,636,115	-	(14,810,908)	(1,174,793)
Net loss for the year	-	-	(2,670,124)	(2,670,124)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(2,670,124)	(2,670,124)
Transactions with owners in their capacity as owners				
Options issued at net cost	-	6,790	-	6,790
Total transactions with owners in their capacity as owners	-	6,790	-	6,790
Balance as at 30 June 2013	13,636,115	6,790	(17,481,032)	(3,838,127)

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
Cash flow from operating activities			
Receipts from customers		1,675,464	5,251,398
Payments to suppliers and employees		(3,224,806)	(7,249,058)
Interest received		-	4,083
Finance costs		-	(8,793)
Receipt from research and development grant		-	626,192
Net cash (used in) operating activities	32	(1,549,342)	(1,376,178)
Cash flow from investing activities			
Payment for property plant and equipment		(1,043)	(23,065)
Proceeds from sale of InfoMaster		860,384	-
Proceeds on sale of property plant and equipment		20,039	-
Payment of Pinnacle deferred consideration		-	(61,882)
Net cash generated by / (used in) investing activities		879,380	(84,947)
Cash flow from financing activities			
Proceeds from syndicate loan		500,000	-
Funds held in trust for equity to be issued		851,879	-
Receipt of unsecured loans		-	1,130,000
Repayment of unsecured loans		-	(10,000)
Repayment of interest on unsecured loans		-	(1,069)
Net cash generated by financing activities		1,351,879	1,118,931
Net increase in cash and cash equivalents		681,917	(342,194)
Cash and cash equivalents at beginning of year		176,078	518,272
Cash and cash equivalents at end of year	9	857,995	176,078

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

NOTE1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements cover Montech Holdings Limited (formerly Sirius Corporation Limited) ("Company or "parent entity") and its controlled entity as a consolidated entity (also referred to as "the Group"). Montech Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity and is primarily involved in the information technology industry being the field of software and services.

The consolidated financial statements were authorised for issue by the Board of Directors on 30 August 2014.

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').

It is recommended that this financial report be read in conjunction with the public announcements made by Montech Holdings Limited during the year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

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

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed. Refer to note 1(b) below regarding incomplete records and the potential impact on comparative figures.

(b) Incomplete records

The management and affairs of the Company and all its controlled entity have not been under the control of the Directors of the Group since it entered into voluntary administration on 30 August 2013 until the date the Deed of Company Arrangement ("DoCA") effectuated, being 16 May 2014.

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 February 2014 as part of the recapitalisation proposal approved by the Company's creditors and shareholders.

As a result, the financial information relating to the 30 June 2014 financial report was not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that, are relevant to the preparation and fair presentation of the financial report. Furthermore, it has not been possible for the Directors to obtain all of the books and records of the Company for the period up to 16 May 2014, being the date that the DoCA effectuated and control of the Company passed over to the Directors. Whilst the books and records of the Company have been reconstructed to the maximum extent possible, the Directors are unable to satisfy themselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report for the year ended 30 June 2014.

Consequently, the Directors 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, because of the possible effect of this matter on the current year's figures and the corresponding prior year figures.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Going concern

On 16 July 2014, the Company issued 300,000,000 fully paid ordinary shares and 75,000,000 options exercisable at $0.01, and raised $1,876,875 before the costs.

The cash flow forecast indicates that based on the completion of the equity raising described above; the 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.

(d) Critical accounting estimates

The preparation of the 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 Company'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.

(e) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Montech Holdings Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 25.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(f) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(f) Fair Value of Assets and Liabilities (Continued)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets.

Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques
In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy
AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(f) Fair Value of Assets and Liabilities (Continued)

These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(g) Income tax

Current income tax expense or revenue for the year is the tax payable on the current period's taxable income based on the notional income tax rate 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 balance sheet 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
The Company and its Australian wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation legislation for the whole of the financial year. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The Group notified the Australian tax Office it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(h) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(h) Plant and equipment (Continued)

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 straight line basis over their useful lives commencing from the time the asset is held ready for use.

The expected useful life of plant and equipment ranges from 3 to 15 years.

The assets' residual values and useful life are reviewed at the balances date. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included net in profit or loss.

(i) 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 fair value of the leased property or 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 straight line 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.

(j) 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 cost. If the financial asset is not subsequently measured at fair value through profit or less, 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(j) 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.

All financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payment and amortisation.

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.

(k) 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.

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.

(l) Impairment of non-financial assets

Intangible assets 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.

(m) Intangible assets

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Fair value is assessed based on the income streams generated from customer contracts after allowing for cost specific to the generation of those income streams. In the assessment of the carrying value of the intangible assets costs not related to the generation of the contract related income streams were excluded. These intangibles are separate from the business to which they relate and have been assessed on this basis. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 7.5 years.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(m) Intangible assets (Continued)

Software acquired as part of a business combination is recognised separately from goodwill. The software is carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 4 years.

(n) 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.

(o) 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 inequity to the extent that the gain or loss is directly recognised in equity otherwise the exchange is recognised in profit or loss.

(p) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, and annual leave, including non monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables, 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.

Liabilities for non accumulating sick leave are recognised when the leave is taken and measure at the rates paid or payable.

Long service leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months of the reporting date are 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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(p) Employee benefits (Continued)

Termination benefits (Continued)

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.

(q) Provisions

Provisionsare 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 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.

(r) Cash and cash equivalents

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

(s) Revenue

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

Revenue from services is recognised upon the delivery of the service to the customers.

Revenue from the sale of goods is recognised upon the delivery of goods to the customers.

Deferred revenue for maintenance contracts is recognised in equal amounts over the period for which support is to be provided to a customer, either quarterly or annually.

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).

(t) Borrowing costs

Borrowings are initially recognised at fair value net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Finance expenses comprise interest expense on borrowings 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(u) 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 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.

(v) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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.

(w) Trade and other payables

Trade and other payables represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest. These amounts are unsecured and are usually settled within 30 days of recognition.

(x) Business combinations

The acquisition method is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are, with limited exceptions, measured at their fair value at the acquisition date. On the acquisition by acquisition basis, the Group recognises any non controlling interest in the acquire at fair value or at the non controlling interest proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non controlling interest in the acquire and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts have been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(x) Business combinations (Continued)

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

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

(y) Operating segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

(z) Operating segments (Continued)

The consolidated entity operates in one industry segment being the software & service industry, following the sale of Group assets by the Administrator

The consolidated entity operates in one geographical segment being Australia. As a result no additional geographical segment information has been provided.

The previous Board of Directors, who were in office prior to the Group entering administration, has identified four reportable segments:

- Corporate consists of the compliance aspect of a public company such as the finance, human resources, IT and directors' costs. This segment provides management services to the other three segments being SMS, InfoMaster and Pinnacle.
- The SMS division provides help-desk and operator services to government departments.
- The InfoMaster business is a provider of on-line tools for planning and development assessment and asset management software for governments and corporate clients.
- Pinnacle Software provides specialised systems and support services such as asset management software and mobile web applications to a wide range of organisations in the public, private and corporate sectors.

The previous Board of Directors monitored the performance of all the segments which is why the four segments were reported separately.

(aa) New accounting standards and interpretations

New standards and interpretations adopted in 2013/ 2014 financial year
The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

- AASB 10: *Consolidated Financial Statements;*
- AASB 11: *Joint Arrangements;*
- AASB 12: *Disclosure of Interests in Other Entities;*
- AASB 13: *Fair Value Measurement;*
- AASB 119: *Employee Benefits; and*
- AASB 127: *Separate Financial Statements*

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(aa) New accounting standards and interpretations (Continued)

Accounting Standard and Interpretation
AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and provides a revised definition of "control" such that an investor controls an investee when:

a) it has power over an investee;
b) it is exposed, or has rights, to variable returns from its involvement with the investee; and
c) has the ability to use its power to affect its returns.

All three of these criteria must be met for an investor to have control over an investee. This may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

There have been no changes to the treatment of investees compared to prior year.

AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'

AASB 11 replaces AASB 131 'Interests in Joint Ventures. AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances.

Application of this standard has not impacted on the financial statements of the Group.

AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements.

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of AASB 119 and accelerate the recognition of past service costs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(aa) New accounting standards and interpretations (Continued)

Accounting Standard and Interpretation (Continued)
All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

Application is AASB 119 Employee Benefits has not impacted on the financial statements for the year ended 30 June 2014.

New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2017)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The 2010 revisions introduce additional changes relating to financial liabilities.

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impractical at this stage to provide a reasonable estimate of such impact.

- *Other standards not yet applicable*
  These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	30 June 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(bb) New accounting standards and interpretations (Continued)

New standards and interpretations not yet adopted (Continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015

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.

NOTE 3: FINANCIAL RISK MANAGEMENT

Risk management is the role and responsibility of the board. The Company's current activities expose it to minimal risk. However, as activities increase there may be exposure to credit, liquidity, and interest rate risks.

(a) Credit Risk

The Company has no significant concentrations of credit risk and as such, no sensitivity analysis is prepared by the Company. The ageing of the Group's trade and other receivables at the reporting date is:

	2014	2013
	$	$
Current	13,217	*
30 - 60 days	-	*
60 - 90 days	-	*
More than 90 days	-	*
	13,217	*

* On 30 August 2013 the Group was 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.

(b) Liquidity

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Company does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with Westpac Banking Corporation which is available as required.

The material liquidity risk for the Company is the ability to raise equity in the future.

NOTE 3: FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is:

	1 year or less			Over 1 to 5 years	
	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Non Interest Bearing	Total
30 June 2014	$	$	$	$	$
Financial assets					
Cash and deposits	857,995	-	-	-	857,995
Current receivables	-	-	13,217	-	13,217
	857,995	-	13,217	-	871,212
Weighted average interest rate	-		-		
Financial liabilities					
Trade and other payables	(206,181)	-	-	-	(206,181)
Borrowings	-	-	-	-	-
	(206,181)	-	-	-	(206,181)
Weighted average interest rate	-				
Net financial assets / (liabilities)	651,814	-	13,217	-	665,031

The Company has interest bearing assets and therefore income and operating cash flows are subject to changes in the market rates. However, market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Group. At this time, no detailed sensitivity analysis is undertaken by the Group.

	1 year or less			Over 1 to 5 years	
	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Non Interest Bearing	Total
30 June 2013	$	$	$	$	$
Financial assets					
Cash and deposits	*	-	*	-	*
Current receivables	-	-	1,289,838	-	1,289,838
	*	-	1,289,838	-	1,289,838
Weighted average interest rate	*				
Financial liabilities					
Trade and other payables	-	*	*	-	*
Borrowings	-	(2,577,024)	-	-	(2,577,024)
	-	(2,577,024)	*	-	(2,577,024)
Weighted average interest rate		*		*	
Net financial assets / (liabilities)	*	(2,577,024)	*	-	(1,287,186)

* On 30 August 2013 the Group was 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.

Exposure arises predominantly from assets and liabilities bearing variable interest rates, as the consolidated entity intends to hold fixed rate assets and liabilities to maturity. Borrowings have fixed interest arrangements and are therefore not subject to interest rate variation.

NOTE 4: SEGMENT INFORMATION

The segment information provided to the Board of directors, for the reportable segments for the year ended 30 June 2014, is as follows:

	Software Services	Total
30 June 2014	**$**	**$**
Revenue from external customers	6,150	6,150
Reportable segment profit/(loss) before tax	(186,847)	(186,847)
Total segment assets	939,435	939,435
Total segment liabilities	(1,558,060)	(1,558,060)

	Corporate	SMS	InfoMaster	Pinnacle	Total
30 June 2013	**$**	**$**	**$**	**$**	**$**
Revenue from external customers	87,351	401,569	3,639,272	1,748,916	5,877,108
Reportable segment profit/(loss) before tax	(1,638,824)	201,719	53,169	(1,286,187)	(2,670,123)
Total segment assets	48,694	26,117	1,735,068	340,827	2,150,706
Total segment liabilities	(2,452,042)	-	(1,467,994)	(2,068,796)	(5,988,832)

NOTE 5: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Montech Holdings Limited:

(a) Summarised statement of financial position

	2013
	$
Assets	
Current assets	68,456
Non current assets	656,385
Total assets	724,841
Liabilities	
Current liabilities	2,578,285
Non current liabilities	-
Total liabilities	2,578,285
Net assets	(1,853,444)
Equity	
Share Capital	13,636,037
Reserves	6,790
Accumulated losses	(15,496,271)
Total equity	(1,853,444)

(b) Summarised statement of comprehensive income

Loss for the year	(2,269,016)
Other comprehensive income for the year	-
Total comprehensive income for the year	(2,269,016)

On the 16May 2014, the DOCA was effectuated and the Company was released from being subject to the DOCA. All of the Company’s subsidiaries were transferred to the Creditors’ Trust and were de-consolidated from the Group.

NOTE 6: REVENUE

	2014 $	2013 $
Revenue from services	5,000	5,446,908
Gain on deferred consideration	-	426,117
Interest received	1,150	4,083
Total revenue	6,150	5,877,108

NOTE 7: OPERATING LOSS

Loss before income tax includes the following expenses:		
Depreciation - plant and equipment	-	(61,322)
Amortisation - customer maintenance contracts	-	(564,542)
Finance costs - Interest and finance charges	-	(312,241)
Rental expense relating to operating leases	-	(366,159)

NOTE 8: INCOME TAX

(a) Income tax on (loss) from ordinary activities before income tax		
Loss from continuing operations before income tax expense	(186,847)	(2,670,123)
Profit from discontinuing operations before income tax expense	3,406,349	-
	3,219,502	(2,670,123)
Income tax calculated at 30%	965,850	(801,037)
Tax effect of amounts which are not taxable income	(1,021,905)	-
Tax loss not recognised	56,055	801,037
Income tax benefit	-	-
(b) Tax losses		
Approximate unused tax losses for which no deferred tax asset has been recognised	*	*
Potential tax benefit	*	*

Tax losses related to the entity prior to the reconstruction that were not used and have been lost. Current tax losses have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There are no deferred tax liabilities.

* On 30 August 2013 the Group was 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: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	857,995	176,078

NOTE 10: TRADE AND OTHER RECEIVABLES

Trade receivables	-	1,418,069
Less Provision for Impairment of Trade Receivables	-	(19,984)
Less: Provision for Bad Debts - Administration	-	(108,247)
GST receivable	13,217	-
	13,217	1,289,838

For 30 June 2013, trade and other receivables have been impaired to their net realisable value based on whether the Administratorshas received payment.

NOTE 11: OTHER ASSETS

Prepayments	-	15,176
Accrued income	-	11,917
Sundry debtors	-	15,125
Additional income	-	1,434
Less: Impairment	-	(42,218)
	-	1,434

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

At 30 June 2014	**Leasehold Improvements $**	**Plant and Equipment $**	**Total $**
Cost	73,755	4,333,418	4,407,173
Accumulated depreciation	(45,082)	(4,270,020)	(4,315,102)
Sale of InfoMaster business	-	(22,704)	(22,704)
Impairment due to Administration	(28,673)	(36,107)	(64,780)
	-	4,587	4,587

At 30 June 2013	**Leasehold Improvements $**	**Plant and Equipment $**	**Total $**
Cost	73,756	4,334,245	4,408,001
Accumulated depreciation	(44,925)	(4,259,970)	(4,304,895)
Impairment due to Administration	(28,673)	(36,107)	(64,780)
	158	38,168	38,326

(a) **Reconciliation of carrying amounts at the beginning and end of the year**

At 1 July 2013	158	38,168	38,326
Additions	-	1,043	1,043
Disposals	-	(1,870)	(1,870)
Disposal - Sale of InfoMaster business	-	(22,704)	(22,704)
Depreciation	(158)	(10,051)	(10,208)
Impairment due to Administration	-	-	-
At 30 June 2014	-	4,587	4,587
At 1 July 2012	25,771	115,592	141,363
Additions	4,630	18,435	23,065
Depreciation	(1,570)	(59,752)	(61,322)
Impairment due to Administration	(28,673)	(36,107)	(64,780)
At 30 June 2013	158	38,168	38,326

NOTE 13: INTANGIBLE ASSETS

At 30 June 2014	**Maintenance Contracts and Software $**	**Total $**
Cost	4,196,471	4,196,471
Disposal - Sale of InfoMaster business	(486,471)	(486,471)
Accumulated depreciation	(2,698,416)	(2,698,416)
Impairment due to Administration	(947,948)	(947,948)
	63,636	63,636

NOTE 13: INTANGIBLE ASSETS

	Maintenance Contracts and Software	Total
At 30 June 2013	**$**	**$**
Cost	4,196,471	4,196,471
Accumulated depreciation	(2,603,494)	(2,603,494)
Impairment due to Administration	(947,948)	(947,948)
	645,029	645,029

NOTE 14: TRADE AND OTHER PAYABLES

	2014	2013
	$	$
Trade creditors	196,181	580,799
Other payables and accrued expenses	-	505,976
Auditors fees	10,000	5,000
Creditors' Claims under Administration	-	738,298
	206,181	1,830,073

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.

NOTE 15: BORROWINGS

Unsecured Loan Interest bearing	-	2,577,024

The prior year borrowings have been satisfied by the Deed Administrator through the Creditors Trust Deed.

NOTE 16: PROVISIONS

Employee benefits - long service leave	-	159,511
Impairment of long service leave	-	(128,500)
	-	31,011

The prior year provisions have been satisfied by the Deed Administrator through the Creditors Trust Deed.

NOTE 17: OTHER LIABILITIES

Income in advance*	-	1,800,657
Write off of income received in advance	-	(249,933)
	-	1,550,724

The prior year other liabilities have been satisfied by the Deed Administrator through the Creditors Trust Deed.

* Income in advance relates to maintenance and support fees paid in advance. Pinnacle customers that purchased a perpetual license from the Administrator agreed to forgo the right to claim the fees paid in advance as an unsecured creditor under the DOCA. As a result, it is expected that the liability for income in advance will reduce however the Group does not have sufficient information to allow this level of disclosure for the year ended 30 June 2013.

NOTE 18: SYNDICATE LOAN

	2014	2013
	$	$
Loan from Syndicate	500,000	-

On 16 May 2014, the Syndicate headed by Pager Partners lent to the Company $500,000 which was paid over to the Creditors' Trust which allowed the effectuation of DoCA and the Company to be removed from external administration.

NOTE 19: FUNDS HELD ON TRUST FOR EQUITY TO BE ISSUED

Funds held on Trust for equity to be issued	851,879	-

NOTE 20: SHARE CAPITAL

Ordinary shares - 15,409,857 (2013: 308,196,565)	13,636,115	13,636,115

(a) Ordinary shares - Parent entity

		2014		2013	
Details	**Date**	**Number**	**$**	**Number**	**$**
Opening balance		308,196,565	13,636,115	308,196,565	13,636,115
Share consolidation (1:20)	7/4/2014	(292,786,708)	-	-	-
Closing balance		15,409,857	13,636,115	308,196,565	13,636,115

The following shares were authorised by shareholders at Extraordinary Shareholder Meeting held on 7 April 2014:

- Up to 150,000,000 fully paid ordinary shares at an issue price of $0,0025 per share; and
- Up to 150,000,000 fully paid ordinary shares at an issue price of $0,01 per share;

(b) Rights of each type of share

On 7 April 2014, the shareholders approved consolidation of the issued capital of the Company on the basis of every twenty (20) Shares have been consolidated into one (1) 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.

(c) Options

The following options were authorised by shareholders at Extraordinary Shareholder Meeting held on 7 April 2014:

- Up to 75,000,000 unlisted options at an issue price $0.000025 per option, exercisable at $0.01 per option, expires on 30 June 2017;

On 7 April 2014, the shareholders approved consolidation of options of the Company on the basis of every twenty (20) Options have been consolidated into one (1) Option.

At 30 June 2014, the Company has on issue 3,193,334 non quoted options (post consolidation), issued pursuant to the Non Renounceable Rights Issue (NRRI) Prospectus dated 31 October 2011 to shareholders and attaching to the ordinary shares issued under the NRRI on the basis of 1 option for each 2 shares allotted. The options have exercise price of 70 cents each and expire on 9 December 2014. 500,000 options exercisable at 70 cents expiring at various dates from 12 February 2016.

NOTE 21: ACCUMULATED LOSSES

	2014 $	2013 $
Accumulated losses at beginning of financial year	(17,481,032)	(14,810,908)
Net profit / (loss) for the year	3,219,502	(2,670,124)
Accumulated losses at end of financial year	(14,261,530)	(17,481,032)

NOTE22: FRANKING CREDITS

Franking credits available for subsequent financial years based on a tax rate of 30%	279,000	279,000

NOTE 23: KEY MANAGEMENT PERSONNEL DISCLOSURE

Key Management Personnel Compensation

Compensation received by key management personnel of the consolidated entity		
Short term employee benefits	42,411	*
Post employment benefits	1,875	*
Termination benefits	-	*
	44,286	*

* On 30 August 2013 the Group was 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 25: CONTROLLED ENTITIES

		Country of Incorporation	Ownership 2014 %	Ownership 2013 %
Pinnacle Software (Australia) Pty Ltd	Incorporated 12 May 2014	Australia	100	-
InfoMaster Pty Ltd	Deconsolidated	Australia	-	100
InfoMaster (NZ) Ltd	Deconsolidated	New Zealand	-	100
Pinnacle Software Pty Ltd	Deconsolidated	Australia	-	100
Siricle Pty Ltd	Deconsolidated	Australia	-	100
Sirius Budgets Pty Ltd	Deconsolidated	Australia	-	100
Sirius Finance (Aust.) Pty Ltd	Deconsolidated	Australia	-	100

On 30 August 2013, The Company and all its Australian subsidiaries were placed into voluntary administration. All the above subsidiaries were placed into liquidation by the Administrator after the appointment date.

As at 30 June 2014, with the exception of Pinnacle Software (Australia) Pty Ltd, all subsidiaries were deconsolidated from the Group upon transfer to the Creditors' Trust.

NOTE 26: AUDITOR'S REMUNERATION

	2014 $	2013 $
Amounts paid / payable to Stantons International (2012: RSM Bird Cameron Partners) for audit and review work undertaken under Corporation Act 2001		
Auditing or reviewing the financial report	10,000	5,000
Prior year under provision	48	-
Independent expert report	7,262	-
	17,310	5,000

NOTE 27: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Directors' fees

Each of the Directors have agreed to receive 50% of their respective base salary up until the first material acquisition is made by the Company, at which time Directors will be paid the outstanding base salary to ensure that each Director receives 100% of their respective base salary for the period from the date of their appointment to the date of the acquisition. The remaining 50% of base salary has been treated as a contingent liability. Thereafter 100% of their respective base salary will be payable monthly.

The Company may stand to benefit from a research and development rebate however the quantum and likelihood of receiving this claim is uncertain and therefore has had no value ascribed.

NOTE 28: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Payable - minimum lease payments	-	*
- not later than 1 year	-	*
- later than 1 year and not later than 5 years	-	*
- later than 5 years	-	*
	-	*

* On 30 August 2013 Group was 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 29: EARNING PER SHARE

	2014 $	2013 $
(a) Basic earnings / (loss) per share (cents per share)		
From continuing operations	(1.21)	(0.87)
From discontinued operations	22.10	-
	20.89	(0.87)
(b) Diluted earnings / (loss) per share (cents per share)		
From continuing operations	-	(0.87)
From discontinued operations	3.77	-
	3.77	(0.87)
(c) Reconciliation of profit / (loss) in calculating earnings per share		
Basic and diluted loss per share		
Loss from continuing operations attributable to ordinary equity holders of the Company	(186,847)	(2,670,124)
Profit from discontinued operations	3,406,349	-
	3,219,502	(2,670,124)
(d) Total shares		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings / (loss) per share	15,409,857	308,196,565
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings / (loss) per share	90,409,857	308,196,565

NOTE 30: EVENTS AFTER BALANCE DATE

On 16 July 2014, the Company issued 300,000,000 fully paid ordinary shares, and 75,000,000 unlisted options raising in total $1,876,875 in capital. The funds will be used to recapitalize and restructure the Company.

Following the recapitalisation, the Company was reinstated to the ASX Official List on 25 July 2014.

NOTE 31: DISCONTINUED OPERATIONS

(a) Details of operations disposed

On 30 August 2013, the Company went into voluntary administration. The Administrators sought expressions of interest from third parties in either acquiring the assets of the Company or reconstructing and recapitalising the Company.

As part of this process, the creditors approved the Administrators entering into a Deed of Company Arrangement (DoCA) on 17 October 2013, pursuant to which the Deed Administrator was authorised, among other things, to investigate the restructure of the Company's capital with a view to re-instating the Company's Shares to quotation on the ASX for the benefit of creditors and Shareholders.

The Company's creditors subsequently agreed with a proposal presented by a syndicate headed by Pager Partners for the restructure and recapitalisation of the Company. This proposal was approved by Shareholders on 7 April 2014 and was successfully completed on 16 May 2014.

At or subsequent to completion, the following occurred:

1) The syndicate headed by Pager Partners paid $500,000 to the Deed Administrator;
2) The Deed Administrator satisfied creditors' claims under the Creditors Trust Deed, with all other liabilities and obligations of the Company being comprised under the DoCA;
3) The Company confirmed the retention of the Company's existing business assets (unencumbered); and
4) The DoCA terminated

NOTE 31: DISCONTINUED OPERATIONS (Continued)

(b) Financial performance of operations disposed

	2014 $	2013 $
Carrying value of Net Liabilities	4,255,781	-
Payment to MOQ Creditors Trust	(500,000)	-
Net result for the year	(349,432)	-
Net gain on disposal of operations	3,406,349	-

(c) Assets and liabilities of discontinued operations

Cash and cash equivalents	108,669	-
Trade and other payables	(1,355,396)	-
Interest bearing loans and borrowings	(2,649,153)	-
Provisions	(40,705)	-
Other liabilities	(319,194)	-
Net liabilities attributable to discontinued operations	(4,255,779)	-

(d) Cash flows used in discontinued operations

Net cash used in operating activities	(1,549,342)	-
Net cash from investing activities	879,380	-
Net cash from financing activities	1,351,879	-
Net cash outflows for the year	681,917	-

NOTE 32: CASH FLOW INFORMATION

	2014	2013
	$	$
Reconciliation of cash flow from operations with loss after income tax		
Profit / (loss) from ordinary activities after income tax	3,219,502	(2,670,124)
Adjustments for non cash items		
Depreciation and amortisation expense	105,131	625,864
Finance costs	-	303,448
Share based payment	-	6,790
Gain on deferred consideration	-	(426,117)
Provision for doubtful debts	-	108,246
Impairment of other assets	-	42,218
Impairment of plant & equipment	-	64,780
Impairment of intangible assets	-	947,948
Creditors' Claims under Administration	-	738,298
Employee Entitlements due to Administration	-	(128,500)
Write off of income received in advance	-	(249,933)
Profit on sale of InfoMaster business	(1,328,012)	-
Profit from discontinued operations after tax		
Changes in assets and liabilities		
Trade and other receivables	1,174,691	(194,317)
Other assets	1,434	127,564
Trade and other payables	(1,623,893)	(598,541)
Other liabilities	(584,216)	24,930
Provisions	63,045	(98,733)
Short term borrowings	(2,577,024)	-
Net cash (used in) operating activities	(1,549,342)	(1,376,179)

DIRECTORS' DECLARATION

1) In the opinion of the Directors of Montech Holdings Limited (formerly Sirius Corporation Limited)and its controlled entities ('the Group'):

   a) as set out in note 1, 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 2014 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

David Shein
Non Executive Chairman

30 August 2014

Stantons International Audit and Consulting Pty Ltd
trading as
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QUALIFIED INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MONTECH HOLDINGS LIMITED

Report on the Financial Report

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

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an 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 30 August 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 Montech Holdings Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of 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 pages 8 to 11 of the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with 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 Montech Holdings Limited for the year ended 30 June 2014 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

Martin Michalik
Director

West Perth, Western Australia
30 August 2014

Stantons International Audit and Consulting Pty Ltd
trading as
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30 August 2014

Board of Directors
Montech Holdings Limited
Level 5,137-139 Bathurst Street
Sydney, NSW 2000

Dear Sirs

RE: MONTECH HOLDINGS 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 Montech Holdings Limited.

As Audit Director for the audit of the financial statements of Montech Holdings Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

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

Martin Michalik
Director

ASX ADDITIONAL INFORMATION

NUMBER OF HOLDERS OF EQUITY SECURITIES AS AT 26 August 2014

ORDINARY SHARES:

315,409,857 fully paid ordinary shares held by 422 individual shareholders

All ordinary shares carry one vote per share.

UNQUOTED OPTIONS:

The Company has on issue:

- 3,193,334having an exercise price of 70 cents each and expiring on 9 December 2014.
- 500,000 options exercisable at 70 cents expiring at various dates from 12 February 2016 were issued to Mr Anthony Onsley.
- 75,000,000 options exercisable at 1 cents expiring on30 June 2017 across 11 holders.

Options do not carry any votes

DISTRIBUTION OF HOLDERS FULLY PAID ORDINARY SHARES:

Category		**Number held**	**% of issued shares**
1 to 1,000	195	76,435	0.02
1,001 to 5,000	53	142,102	0.05
5,001 to 10,000	11	94,164	0.03
10,001 to 100,000	45	2,318,343	0.74
100,001 and Over	118	312,778,813	99.17
Total	422	**315,409,857**	**100.00**

The number of holders who held less than a marketable parcel of shares was 271.

ASX ADDITIONAL INFORMATION

TOP 20 HOLDERS OF EQUITY SECURITIES:

	Holder	Shares	%
1	MONASH PRIVATE CAPITAL PTY LTD	143,950,000	45.64%
2	UNITED EQUITY PARTNERS PTY LTD	19,800,000	6.28%
3	HOLLOWAY COVE PTY LTD	18,000,000	5.71%
4	DAVCOL NOMINEES PTY LTD	16,666,667	5.28%
5	JARREN INVESTMENTS PTY LTD	15,833,333	5.02%
6	POLFAM PTY LTD	5,000,000	1.59%
7	OCEANVIEW SUPER FUND PTY LTD	5,000,000	1.59%
8	MYALDALI PTY LTD	4,950,000	1.57%
9	MARATHON ROAD PTY LIMITED	3,750,000	1.19%
10	CITICORP NOMINEES PTY LIMITED	3,715,138	1.18%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,454,450	1.10%
12	MR JACK LEON FRIDMAN	2,725,000	0.86%
13	ARMADA TRADING PTY LTD	2,179,935	0.69%
14	MRS MICHELLE KALINKO	2,000,000	0.63%
15	JAMIAD PTY LTD	2,000,000	0.63%
16	NCN INVESTMENTS PTY LTD	2,000,000	0.63%
17	PAGER PARTNERS CORPORATE ADVISORY PTY LTD	2,000,000	0.63%
18	MR GREGORY CHALOM	1,700,000	0.54%
19	MAXIM CAPITAL PTY LTD	1,500,000	0.48%
20	CHASTAIN CORPORATE PTY LTD	1,500,000	0.48%
	Top 20	279,306,383	88.55%
	All shareholders	315,409,857	100.00%

SUBSTANTIAL SHAREHOLDERS:

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

Holder	No. ordinary shares	% ordinary shares
MONASH PRIVATE CAPITAL PTY LTD	143,950,000	45.64%
ENTITIES ASSOCIATED WITH DAVID SHEIN (DAVCOL NOMINEES PTY LTD; JARREN INVESTMENTS PTY LTD)	32,500,000	10.30%
UNITED EQUITY PARTNERS PTY LTD	19,800,000	6.28%
HOLLOWAY COVE PTY LTD	18,000,000	5.71%