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Current reporting period:	Year ended 30 June 2014
Previous corresponding period:	Year ended 30 June 2013

EARNINGS	Percentage change Up(+)/Down(-)	Amount $A
Revenue from ordinary activities	-13%	27,475,559
Revenue and other income from ordinary activities	-12%	28,257,189
Loss from ordinary activities after tax attributable to members (from continuing operations)	-540%	(4,495,958)
Net loss for the period attributable to members	-977%	(8,955,330)

It is recommended that the Appendix 4E be read in conjunction with the Company's ASX release dated 29 August 2014 and all public announcements made by ILH Group Limited (ILH) and its controlled entities (the Group) during the year ended 30 June 2014 and subsequently in accordance with the continuous disclosure obligations under the ASX listing rules.

ILH has not declared a dividend with respect to the financial year ended 30 June 2014 given the poor trading performance of the ILH Group in the year.

DIVIDENDS	Amount per share	Franked amount per share at 30% Australian tax rate
2014 final dividend (fully entitled shares)	-	-
2014 interim dividend	-	-
Total	**-**	**-**
2013 final dividend (fully entitled shares)	0.40 cents	0.40 cents
2013 interim dividend	0.20 cents	0.20 cents
Total	**0.60 cents**	**0.60 cents**

NET TANGIBLE ASSET BACKING	30 June 2014 Amount $	30 June 2013 Amount $
Net tangible assets	(8,568,879)	4,701,956
	¢	¢
Total number of shares on issue	167,156,892	111,521,145
Net tangible asset backing per security	(5.12)	4.22

The Group does not have any interests in joint ventures outside the group.

During the period, the Group gained control over the following entity:

ENTITY NAME	Investment Date
Capricorn Investment Partners Limited - 100% interest	1 September 2013

As at 30 June 2014 the following asset is held for sale and classified as a discontinued operation:

BUSINESS NAME	Divestment Date
Eaton Capital Partners	15 May 2014

An agreement has been signed for the sale of the Eaton Capital Partners corporate advisory business (Eaton), conditional on shareholder approval.

The Eaton business was acquired in September 2013 as part of the Capricorn Investment Partners Limited (CIPL) acquisition and has not met the Board's nor CIPL's expectations since that time.

Agreement has been reached with Symon Capital Pty Ltd (a company related to ILH former executive director Stephen Moss) to buy the business. It has been agreed that the risk to and benefit of the business will pass to the buyer effective 15 May 2014, with title passing to the buyer only upon shareholder approval being obtained.

As a related party transaction and a substantial asset, the proposed sale is subject to shareholder approval of an ordinary resolution under ASX listing rules 10.1 and 10.2. It will also require an Independent Expert's Report to be provided to shareholders.

The Company will seek to have the transaction approved at an Extraordinary General Meeting intended to be held in October 2014.

Bank Covenants and Funding Arrangements

As a result of the financial performance in FY14, ILH was in breach of the Group's bank funding interest cover ratio covenant (ICR) at 30 June 2014.

In response, management has been undertaking urgent action to return the Group to profitability and positive cash flow, to alleviate pressures on the short term cash position, to restore working capital to an acceptable level, to move away from the ICR breach position and to strengthen the Group's balance sheet.

In this regard, the bank is fully aware of ILH's strategic and operational transformation process and key initiatives in this regard.

The bank has acknowledged the continued breach of the ICR ratio in a letter dated 4 August 2014. In this letter the bank has agreed to continue providing facilities to ILH and to forbear from enforcing its rights under the facilities, guarantees and securities until 19 September 2014 during which period ILH will work with the bank on a review of the facilities.

During this period a limited scope lending review is being undertaken by an appointed accounting firm including, but not limited to, a review of Company's most recent month's historical financial performance (July 2014), FY15 financial forecasts for profitability, working capital and cash flow, as well as for ILH to provide a revised ratio and formula for the calculation of the ICR for the ILH Group which is acceptable to the bank.

The Directors anticipate that revised bank funding arrangements will be agreed by 19 September 2014.

Going Concern

The Group's working capital position (current assets less current liabilities) has declined during the year ended 30 June 2014 from a positive $10.09m position at 30 June 2013 to a negative $11.25m position (excluding assets and liabilities classified as held for sale).

This is a result of current liabilities of $21.96m at 30 June 2014 including the full value of the bank loans of $13.60m. Bank loans of $12.65m have been reclassified from non-current liabilities as they have become due and payable under the terms of the funding facility due to a breach of the ICR covenant on the facility.

Had the bank debt not otherwise repayable within 12 months been treated as a non-current liability, the working capital position of the company would have remained in a positive position at $1.40m.

The consolidated financial statements have been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and therefore continue to realise its assets and settle its liabilities in the ordinary course of business.

This assumes the continued support of the bank, the ILH Group achieving the successful implementation of the Group's strategy and trading in a manner that generates sufficient cash flow to support the working capital needs of the Group over the next 12 months. ILH is also considering a number of other initiatives to improve the financial position of the company.

Should the above not materialise, there would be significant uncertainty as to whether the Group could continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability or classification of recorded assets' amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Given the above, the auditor's report is expected to include an emphasis of matter in relation to going concern considerations.

AUDIT REPORT

The preliminary final report is based on accounts which are in the process of being audited.

Consolidated Statement of Financial Position

	Note	Consolidated As at 30 June 2014	Consolidated As at 30 June 2013
ASSETS		**$**	**$**
Current Assets			
Cash and cash equivalents	5	**233,244**	1,164,462
Trade and other receivables		**8,578,754**	10,749,159
Dividends receivable		**112,513**	125,906
Work in progress		**1,783,895**	2,928,984
Income tax receivable		**-**	227,602
		10,708,406	15,196,113
Assets classified as held for sale	**9**	**781,333**	-
Total Current Assets		**11,489,739**	15,196,113
Non-Current Assets			
Investment in an associate		**2,784,281**	2,861,383
Plant and equipment		**727,738**	983,162
Goodwill		**22,183,651**	14,590,139
Intangible assets		**972,527**	666,330
Deferred tax assets		**2,068,506**	-
Other assets		**-**	3,717
Total Non-Current Assets		**28,736,703**	19,104,731
TOTAL ASSETS		**40,226,442**	34,300,844
LIABILITIES			
Current Liabilities			
Trade and other payables		**4,283,214**	3,378,660
Interest bearing loans and borrowings		**14,844,525**	623,115
Income tax payable		**78,640**	-
Provisions		**1,274,443**	991,027
Other liabilities		**1,475,695**	114,494
		21,956,517	5,107,296
Liabilities associated with assets classified as held for sale	**9**	**80,551**	-
Total Current Liabilities		**22,037,068**	5,107,296
Non-Current Liabilities			
Interest bearing loans and borrowings		**8,310**	8,374,908
Provisions		**587,958**	387,748
Deferred tax liabilities		**-**	310,340
Other liabilities		**3,005,807**	162,127
Total Non-Current Liabilities		**3,602,075**	9,235,123
TOTAL LIABILITIES		**25,639,143**	14,342,419
NET ASSETS		**14,587,299**	19,958,425
EQUITY			
Issued capital	6	**38,862,375**	34,831,886
Accumulated losses		**(26,323,477)**	(17,368,147)
Reserves	7	**2,048,401**	2,494,686
TOTAL EQUITY		**14,587,299**	19,958,425

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Comprehensive Income

	Note	Consolidated 2014	Consolidated 2013
		$	**$**
Professional fees		**27,475,559**	31,719,416
Total revenue		**27,475,559**	31,719,416
Movement in fair value of financial liabilities		**575,056**	230,835
Share of profit of an associate		**124,289**	301,341
Interest revenue		**44,170**	32,916
Dividend revenue		**95**	138
Other income		**38,020**	24,850
Total other income		**781,630**	590,080
Occupancy expenses		**(3,022,724)**	(2,811,707)
Salaries and employee benefits expenses		**(22,345,699)**	(21,641,716)
Depreciation and amortisation expenses	3(a)	**(715,243)**	(609,624)
Advertising and marketing expenses		**(530,890)**	(577,478)
Administrative expenses		**(5,174,454)**	(4,111,781)
Other expenses	3(b)	**(1,961,780)**	(666,850)
Finance costs	3(c)	**(1,102,159)**	(522,955)
Share based payments expense		**(29,109)**	(37,226)
Total expenses		**(34,882,058)**	(30,979,337)
Profit/(loss) before tax from continuing operations		**(6,624,869)**	1,330,159
Income tax expense		**2,128,911**	(309,071)
Profit/(loss) after tax from continuing operations		**(4,495,958)**	1,021,088
Discontinued operations			
Loss after tax for the year from discontinued operations	9	**(4,459,372)**	-
Net profit/(loss) for the year		**(8,955,330)**	1,021,088
Other comprehensive income			
Net gains on available-for-sale financial assets		**1,977**	856
Other comprehensive income for the year, net of tax		**1,977**	856
Total comprehensive income/(loss) for the year		**(8,953,353)**	1,021,944
Basic earnings per share (cents)		**(5.71)**	0.94
Diluted earnings per share (cents)		**(5.71)**	0.94

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	Consolidated 2014	Consolidated 2013
		$	$
Cash flows from operating activities			
Receipts from customers		**34,536,535**	34,373,555
Interest received		**44,170**	32,916
Dividends received		**214,879**	34,413
Other revenue		**38,020**	24,850
Payments to suppliers and employees		**(35,951,304)**	(33,732,037)
Interest and other costs of finance paid		**(157,222)**	(448,414)
Income tax paid/(refund)		**171,748**	(303,479)
Net cash flows used in operating activities		**(1,103,174)**	(18,196)
Cash flows from investing activities			
Purchase of plant and equipment		**(231,756)**	(127,501)
Payment for intangible assets		**(180,057)**	(620,319)
Payment for available-for-sale investments		**5,694**	-
Proceeds from the disposal of plant and equipment		**425**	-
Payment for the acquisition of businesses	8	**(4,309,964)**	(2,017,809)
Net cash flows used in investing activities		**(4,715,658)**	(2,765,629)
Cash flows from financing activities			
Proceeds from loans received		**5,355,926**	4,418,135
Repayment of borrowings		**(931,788)**	(949,818)
Dividends paid		**(346,561)**	(813,661)
Proceeds from issue of shares		**81,362**	-
Payments for share issue expenses		**(21,521)**	(19,641)
Net cash flows from financing activities		**4,137,418**	2,635,015
Net decrease in cash held		**(1,681,414)**	(148,810)
Cash and cash equivalents at the beginning of the financial year		**1,130,826**	1,279,636
Cash and cash equivalents at the end of the financial year	5	**(550,588)**	1,130,826

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Consolidated Statement of Changes in Equity

CONSOLIDATED	Issued Capital $	Accumulated Losses $	Net Unrealised Gains/ (Losses) Reserve $	General Reserve $	Total Equity $
Balance as at 1 July 2013	**34,831,886**	**(17,368,147)**	**(367)**	**2,495,053**	**19,958,425**
Loss for the year	-	(8,955,330)	-	-	(8,955,330)
Other comprehensive income	-	-	1,977	-	1,977
Total comprehensive income for the year	-	**(8,955,330)**	**1,977**	-	**(8,953,353)**
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(448,262)	(448,262)
Share based payments	29,109	-	-	-	29,109
Issue of shares	4,016,445	-	-	-	4,016,445
Transaction costs on issue of shares	(21,521)	-	-	-	(21,521)
Income tax on items taken directly to or transferred from equity	6,456	-	-		6,456
Balance as at 30 June 2014	**38,862,375**	**(26,323,477)**	**1,610**	**2,046,791**	**14,587,299**

CONSOLIDATED	Issued Capital $	Accumulated Losses $	Net Unrealised Losses Reserve $	General Reserve $	Total Equity $
Balance as at 1 July 2012	**33,917,382**	**(17,368,147)**	**(1,223)**	**2,513,879**	**19,061,891**
Profit for the year	-	-	-	1,021,088	1,021,088
Other comprehensive losses	-	-	856	-	856
Total comprehensive (losses)/income for the year	-	-	**856**	**1,021,088**	**1,021,944**
Transactions with owners in their capacity as owners					
Transfer to general reserve	-	-	-	(1,039,914)	(1,039,914)
Dividends paid	-	-	-	-	-
Share based payments	37,226	-	-	-	37,226
Issue of shares	898,395	-	-	-	898,395
Transaction costs on issue of shares	(19,641)	-	-	-	(19,641)
Income tax on items taken directly to or transferred from equity	(1,476)	-	-		(1,476)
Balance as at 30 June 2013	**34,831,886**	**(17,368,147)**	**(367)**	**2,495,053**	**19,958,425**

Notes to the Consolidated Financial Statements

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These preliminary consolidated financial statements relate to ILH Group Limited and the entities it controlled during the year ended 30 June 2014.

2) SEGMENT INFORMATION

Operating segments

The ILH Group Limited has identified its operating segments based on the internal management reporting that is used by the executive management team (the chief operating decision maker) in assessing performance and allocating resources.

ILH Group Limited's operating segments have been identified based on how the financial and operating results of the Group are monitored and presented internally to the executive management team. The reportable segments are based on aggregated operating segments determined by the similarity of the products sold and the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Rockwell Olivier (Perth), Rockwell Olivier (Sydney), Rockwell Olivier (Melbourne) and Signet Lawyers are operating within the legal services sector in the Australian market and have been aggregated to one reportable segment given the similarity of the services provided, method in which services are delivered, types of customers and regulatory environment.

Capricorn Investment Partners Limited is operating with the corporate advisory and wealth management services sector in the Australian market and has been aggregated to one reportable segment.

At 30 June 2014 the Eaton Capital Partners business (a business held within the Capricorn Investment Partners Limited entity) was classified as a discontinued operation held for sale and has been excluded from the segment note.

The ILH Group Head Office division has not been allocated to an operating segment, as the costs relate to managing group affairs including group financing. These have been reflected in the "other" column.

Notes to the Consolidated Financial Statements

2) SEGMENT INFORMATION (continued)

Year ended 30 June 2014	Legal $	Corporate Advisory and Wealth Management $	Total segments $	Other* $	Consolidated $
Revenue and other income					
External customers	24,232,167	3,414,131	27,646,298	610,891	28,257,189
Inter-segment	1,142,376	-	1,142,376	(1,142,376)	-
Total revenue and other income	**25,374,543**	**3,414,131**	**28,788,674**	**(531,485)**	**28,257,189**
Results					
Net loss before tax from continuing operations	**(2,666,768)**	**41,996**	**(2,624,772)**	**(4,000,097)**	**(6,624,869)**
Operating assets					
Total assets	29,296,787	8,899,777	38,196,564	1,248,545	39,445,109
Less deferred tax assets	(224,384)	(309,522)	(533,906)	(1,534,600)	(2,068,506)
Total operating assets	**29,072,403**	**8,590,255**	**37,662,658**	**(286,055)**	**37,376,603**
Operating liabilities					
Total liabilities	4,959,089	5,683,367	10,642,456	14,916,136	25,558,592
Less income tax receivable/(payable)	328,586	(236,724)	91,862	(170,502)	(78,640)
Total operating liabilities	**5,287,675**	**5,446,643**	**10,734,318**	**14,745,634**	**25,479,952**

*Includes eliminations, adjustments, corporate office overheads and group financing.

As the Group was aggregated into only one reporting segment prior to the acquisition of Capricorn Investment Partners Limited on 1 September 2013, there is no segment reporting for the year ended 30 June 2013.

Notes to the Consolidated Financial Statements

3) REVENUE AND EXPENSES

a) Depreciation and amortisation expenses

	Consolidated 2014 $	Consolidated 2013 $
Depreciation of plant and equipment	**503,052**	524,876
Amortisation of intangible assets	**212,191**	84,748
	715,243	609,624

b) Other expenses

	Consolidated 2014 $	Consolidated 2013 $
Author royalty fees	**254**	47,537
Consulting fees	**90,254**	29,102
Bad and doubtful debts	**1,552,059**	435,386
Bank fees	**149,685**	150,705
Capital raising and investor relations expenses	**159,719**	-
Other expenses	**9,809**	4,120
	1,961,780	666,850

c) Finance costs

	Consolidated 2014 $	Consolidated 2013 $
Interest – external entities	**837,701**	506,604
Interest accretion – deferred consideration liabilities	**264,458**	16,351
	1,102,159	522,955

Notes to the Consolidated Financial Statements

4) DIVIDENDS DECLARED

	2014		2013	
	Cents per share	Total $	Cents per share	Total $
a) Dividends declared, recognised and paid				
Interim dividend (fully franked)	-	-	0.2	222,036
b) Dividends declared and not recognised				
Final dividend (fully franked)	-	-	0.4	446,485

5) CASH AND CASH EQUIVALENTS

	Consolidated 2014 $	Consolidated 2013 $
Cash at bank and in hand	**233,244**	1,164,462

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents approximate fair value.

	Consolidated 2014 $	Consolidated 2013 $
Reconciliation to statement of cash flows		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and in hand	**175,482**	1,160,712
Short-term deposits	**57,762**	3,750
Bank overdrafts	**(783,832)**	(33,636)
	(550,588)	1,130,826

Notes to the Consolidated Financial Statements

6) ISSUED CAPITAL

a) Ordinary shares

	Consolidated 2014 Shares	Consolidated 2013 Shares	Consolidated 2014 $	Consolidated 2013 $
Fully paid shares	**165,702,280**	**109,857,645**	**38,678,900**	**34,677,520**
Partly paid shares	**1,509,056**	**1,763,500**	**183,475**	**154,366**
Forfeited shares held in trust	**(54,444)**	**(100,000)**	**-**	**-**
	167,156,892	**111,521,145**	**38,862,375**	**34,831,886**

b) Movements in ordinary share capital

	Shares	$
Opening balance as at 1 July 2013	**111,521,145**	**34,831,886**
Issue of shares at 7.2 cents per share being part consideration for the acquisition of Capricorn Investment Partners Limited on 2 September 2013	40,377,523	2,907,182
Issue of shares at 7.2 cents per share being part consideration for the acquisition of the business and assets of The Pentad Group on 2 September 2013	12,308,333	886,200
Issue of shares at 9.0 cents per share being part consideration for services performed by Corporate Advisor, Taylor Collison on 5 September 2013	444,444	40,000
Issue of shares under the Deferred Employee Share Plan	245,556	36,335
Forfeited shares under the Deferred Employee Share Plan	(200,000)	(7,226)
Issues of shares under Dividend Reinvestment Plan	1,255,471	101,701
Issue of shares at 7.9 cents per share being part consideration for services performed by US Corporate Advisor, RB Milestone Group on 6 January 2014	400,000	31,600
Issue of shares at 8.1 cents per share in part satisfaction of 2013 principal profit share entitlement on 6 January 2014	388,307	31,453
Issue of shares at 4.4 cents per share in part satisfaction of 2013 principal profit share entitlement on 30 April 2014	416,113	18,308
Costs associated with issuing shares	-	(21,520)
Income tax on items taken directly to or transferred from equity	-	6,456
Balance as at 30 June 2014	**167,156,892**	**38,862,375**

Notes to the Consolidated Financial Statements

6) ISSUED CAPITAL (continued)

b) Movements in ordinary share capital (continued)

	Shares	$
Opening balance as at 1 July 2012	**101,734,515**	**33,917,382**
Issue of shares at 9.5 cents per share to vendors of Rockwell Olivier (Melbourne) for a 25% interest in the business on 2 July 2012	3,152,958	299,531
Issue of shares at 9.5 cents per share to vendors of Rockwell Olivier (Melbourne) for a further 24% interest in the business on 1 November 2012	3,026,842	287,550
Issue of shares at 10.0 cents per share in part satisfaction of 2011 and 2012 Principal profit share entitlement on 13 March 2013	850,605	85,061
Issue of shares under the Deferred Employee Share Plan	472,500	54,920
Forfeited shares under the Deferred Employee Share Plan	(200,000)	(17,694)
Issues of shares under Dividend Reinvestment Plan on 2 November 2012	1,880,797	176,803
Issues of shares under Dividend Reinvestment Plan on 3 May 2013	602,928	49,450
Costs associated with issuing shares	-	(19,641)
Income tax on items taken directly to or transferred from equity	-	(1,476)
Balance as at 30 June 2013	**111,521,145**	**34,831,886**

7) RESERVES

	Consolidated 2014 $	Consolidated 2013 $
Accumulated losses on available-for-sale financial assets	**1,610**	**(367)**
General reserve[(a)]	**2,046,791**	**2,495,053**
	2,048,401	**2,494,686**

a) General reserve

Due to accumulated losses incurred prior to the listing of the company on 17 August 2007, the Directors resolved to isolate profits derived from trading activities since listing through the establishment of a General Reserve.

Notes to the Consolidated Financial Statements

8) BUSINESS COMBINATIONS

Acquisition of Capricorn Investment Partners Limited

On 1 September 2013 the Company acquired 100% of the shares of Capricorn Investment Partners Limited (CIPL) and the business and assets of The Pentad Group (Pentad).

CIPL was an unlisted public company with operations in Queensland, New South Wales and Victoria. The business consists of two divisions: Corporate Advisory in Professional Services; and Wealth Management. In acquiring CIPL, the Company also acquired the business of a large Melbourne based boutique Financial Planning firm, Pentad. Pentad has been integrated with CIPL to provide scale to CIPL's Wealth Management operations.

The Directors believe that CIPL and Pentad are high quality businesses with strong growth prospects. CIPL provides ILH with additional platforms, growth and profitability, and access to new industries and clients in the Australasian market.

The transaction supports the Company's strategy to grow a limited number of high quality member firms, with strong, focused market positions and long term client relationships, into significant and highly profitable businesses.

In addition to the continued expansion of the legal business, ILH will develop a 'complementary business' strategy through the acquisition of complementary non-legal businesses with the following characteristics:

- Strong businesses with significant growth potential
- Recurring revenues
- Non-personal exertion revenues
- Scalable
- Synergistic with the legal businesses – opportunities to cross pollinate.

ILH considers the CIPL transaction will significantly progress its enhanced strategic objectives.

9) DISCONTINUED OPERATIONS

Divestment of Eaton Capital Partners (Eaton)

On 15 August 2014 the Directors of ILH advised that an agreement had been signed for the sale of the Eaton Capital Partners (Eaton) corporate advisory business, conditional on shareholder approval.

The Eaton business was acquired in September 2013 as a part of the CIPL transaction and has not met the Board's or Eaton's expectations.

Agreement has been reached with Symon Capital Pty Ltd (a company related to ILH executive director Stephen Moss) to buy the business. It has been agreed that the risk to and benefit of the business will pass to the buyer effective 15 May 2014, with title passing to the buyer only upon shareholder approval being obtained.

Notes to the Consolidated Financial Statements

Consideration for the sale will consist of the selective buy-back (cancellation) of 13,710,821 shares and $164,175 cash.

As a related party transaction and a substantial asset, the proposed sale is subject to shareholder approval of an ordinary resolution under ASX listing rules 10.1 and 10.2. The transaction requires an Independent Expert's Report to be provided to shareholders.

The selective buy-back of shares (cancellation) is subject to approval by shareholders of a special resolution under section 257D of the Australian Corporation and Securities Legislation.

The Company will seek to have the transaction approved at the Extraordinary General Meeting to be held in October.

At 30 June 2014, Eaton was classified as a discontinued operation. The results for Eaton for the year are presented below:

	Consolidated 2014 $	Consolidated 2013 $
Revenue	**404,339**	-
Expenses	**(851,609)**	-
Income tax benefit	**134,184**	-
Impairment loss on re-measurement to fair value	**(4,146,286)**	-
Loss after tax from discontinued operations	**(4,459,372)**	-

The major classes of assets and liabilities of Eaton classified as held for distribution as at 30 June 2014 are as follows:

	Consolidated 2014 $	Consolidated 2013 $
ASSETS		
Intangible assets	**753,714**	-
Trade and other receivables	**27,619**	-
Total assets classified as held for sale	**781,333**	-
LIABILITES		-
Trade and other payables	**4,926**	-
Provisions	**11,450**	-
Deferred consideration	**64,175**	-
Total liabilities associated with assets classified as held for sale	**80,551**	-

Notes to the Consolidated Financial Statements

Consideration

The number of shares to be given as consideration has been calculated as 13,710,281. The value attributed to those shares is calculated based on the closing share price at the balance date of the ILH reporting period, being 30 June 2014. The calculation is therefore:

Number of shares to be cancelled	13,710,281
Closing share price at 30 June 2014	$0.043
Value of the shares based on closing share price at 30 June 2014	**$589,542**

The number of shares is fixed per the agreement, not the value. Therefore the value recorded in the accounts can be determined by the value per share at the balance date.

Any movement in the share price between 30 June 2014 and the settlement date will be treated as a gain or loss on disposal in the FY15 financial year.

The value of the Eaton business as at 30 June 2014 is calculated as:

	$
Share consideration	589,542
Cash	164,175
Total Consideration	**753,714**

10) SUBSEQUENT EVENTS

The 30 June 2014 balance sheet includes deferred consideration payable to the vendors of CIPL and Pentad. The Board advises that negotiations are advanced in revising these deferred consideration arrangements from cash based payments to share based payments.

Other than the divestment of Eaton and the changes to the deferred consideration arrangements noted above, there were no events occurring subsequent to the balance date that have, or will have, a significant effect on the group.