

MOV Corporation Limited and controlled entities

ACN: 090865357

Financial Statements

For the Year Ended 30 June 2011

MOV Corporation Limited and controlled entities

ACN: 090865357

Contents

30 June 2011

	Page
Financial Statements	
Directors' Report	1
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cashflows	13
Notes to the Financial Statements	14
Directors' Declaration	49
Independent Audit Review Report	50

MOV Corporation Limited and controlled entities

ACN: 090865357

Directors' Report

30 June 2011

Your directors present their report, together with the financial statements of the Group, being MOV Corporation Limited and controlled entities (the company) and its controlled entities, for the financial year ended 30 June 2011.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
David Paterson	Chairman & Independent Director	Resigned 20 January 2012
John Lee	Independent Director	Resigned 20 January 2012
Leo Moio	Independent Director	Resigned 20 January 2012
Trent Harris	Independent Director	Resigned 15 February 2011
Steven Nicols	Director	Appointed 20 January 2012
Adam Blumenthal	Director	Appointed 20 January 2012
Gregory Cornelsen	Director	Appointed 20 January 2012

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were:

- Print and stationary broker
- Printing

The following significant changes in the nature of the principal activities occurred during the financial year:

- The company was placed into voluntary administration on 31st May 2011 and it ceased to trade whilst a deed of company arrangement was implemented.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

2. Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to (\$ 21,733,000), (2010: loss of (\$4,079,000)) after providing for income tax. The further deterioration in operating results was largely from the accounting effect of implementing the voluntary administration process.

Review of operations

A review of the operations of the Group during the financial year and the results of those operations show the company was unable to trade, thus causing the company to go into voluntary administration on 31 May 2011.

Directors' Report

30 June 2011

3. Financial review

The company's creditors accepted a deed of company arrangement, and on 20/1/2012 all creditor claims were extinguished. The recapitalisation plan put forward by Billabong Capital Partners Pty Ltd was accepted by shareholders on 20th January 2012 and has now been implemented.

4. Other items

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Events after the end of the reporting period

During the year end 30 June 2011 the group is under a deed of administration and continues not to trade. On the 20 January 2012 the Company's creditors and shareholders accepted a deed of company arrangement whereby all creditor claims are extinguished.

The company changes its name from Moore Australasia (Holdings) Limited to MOV Corporation Limited on the 20 January 2012.

The company announced the acquisition of AE Siberia Pty Ltd on the 18 June 2012.

On 6 September 2012, the parent group disposed of its 100% interest in Moore Business Systems Pty Limited and Moore Australasia Pty Limited as both companies went into liquidation. No operating profit was attributable to members of the parent group from the disposal. No remaining interest in the entity was held by any member of the Group. The carrying amount of the net assets of Moore Business Systems Pty Limited and Moore Australasia Pty Limited at the date of disposal were nil.

Except for the above, no other matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future developments and results

The company is proceeding with its proposed acquisition of AE Siberia Pty Ltd as announced on the ASX on the 18th of June 2012.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

MOV Corporation Limited and controlled entities

ACN: 090865357

Directors' Report

30 June 2011

5. Director Information

Information on directors

Steven Nicols

Director

Qualifications

B.Com, CPA, IPA,

Experience

Steve Nicols is the principal of Nicols and Brien, a specialised accounting practice with offices in Sydney and Wollongong. He provides advice to businesses for the purposes of reconstruction or profit enhancement. He has over 25 years experience in this field. Previous directorships include Tangiers Petroleum Ltd, Resource Star Ltd, Blackcrest Resources Ltd, FTD Corporation Ltd, RKS Consolidated Ltd and GRP Corporation Limited. He is a current director of Welcome Stronger Mining Ltd, EHG Corporation Ltd and VGP Corporation Ltd.

Adam Blumenthal

Director

Qualifications

Dip. Com, B.Com.

Experience

Mr Adam Blumenthal has been working in financial markets for the past 6 years, currently as a stockbroker based in Sydney, Australia. Adam has a Diploma of Commerce and a Bachelor of Commerce. Adam is currently the MD of Victory Mines Ltd (rare earths and copper), and has worked closely with a large number of companies providing finance through debt and equity facilities and capital raisings. Adam has an international network spanning Asia, Europe and the USA where he is currently dual listing several Australian ASX listed companies. He has been involved in the relisting of several suspended companies and has played an intimate role in over 12 IPOs in the past 18 months, including Metal Bank Ltd (copper), Global Nickel Investments NL (bauxite), Enerji Ltd (energy). Adam is a current director of EHG Corporation Ltd.

Gregory Cornelsen

Director

Qualifications

BEC

Experience

Mr Gregory Cornelsen, is an economist, business development specialist and a successful businessman having held leadership positions in both large Australian based multinationals and start-up operations. In 1990 he developed and grew Springbrook Natural Waters Pty Ltd from the ground right through to its sale to Palm Spring Limited. Previously he was a Senior Grain Trader for Elders managing the Futures and Foreign exchange trades of coarse grain to Japan. He is also a former international rugby player with 25 caps for the Australian Wallabies. His rugby and business backgrounds have allowed him to develop an extensive network within the Australian business community. He is a current director of ASX listed Blueglass Ltd, Welcome Stranger Mining Limited and EHG Corporation Ltd.

Company secretary

The following person held the position of company secretary at the end of the financial year:

Robert Nielsen (B.Com, FCA) has been the company secretary since 30th June 2006.

MOV Corporation Limited and controlled entities

ACN: 090865357

Directors' Report

30 June 2011

Meetings of directors

During the financial year, no meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
David Paterson (resigned 20 January 2012)	-	-	-	-	-	-
John Lee (resigned 20 January 2012)	-	-	-	-	-	-
Leo Moio (resigned 20 January 2012)	-	-	-	-	-	-
Trent Harris (resigned 15 February 2011)	-	-	-	-	-	-
Steven Nicols (appointed 20 January 2012)	-	-	-	-	-	-
Adam Blumenthal (appointed 20 January 2012)	-	-	-	-	-	-
Gregory Cornelsen (appointed 20 January 2012)	-	-	-	-	-	-

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of MOV Corporation Limited and controlled entities.

6. Options

At the date of this report, the unissued ordinary shares of MOV Corporation Limited and controlled entities under option were as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
2 December 2010	2 December 2012	\$42.00	2,500,000

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

7. Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the year.

Directors' Report

30 June 2011

8. Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees were paid or payable to the external auditors for non-audit services provided during the financial year ended.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2011 has been received and can be found on page 9 of the financial report.

9. ASIC class order 98/100 rounding of amounts

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

10. Remuneration report

Remuneration policy

The remuneration policy of MOV Corporation Limited and controlled entities has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of MOV Corporation Limited and controlled entities believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best KMP to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

- The remuneration policy has been developed by the Remuneration Committee and approved by the Board following professional advice from independent external consultants.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

Directors' Report

30 June 2011

10. Remuneration report continued

Remuneration policy continued

The performance of KMP is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

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

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. KMP are paid a percentage of between 5-10% of their salary in the event of redundancy. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholders' interests.

Options granted under these arrangements do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology.

KMP who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests.

Performance conditions linked to remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with KMP to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

MOV Corporation Limited and controlled entities

ACN: 090865357

Directors' Report

30 June 2011

10. Remuneration report continued

Performance conditions linked to remuneration continued

The satisfaction of the performance conditions are based on a review of the audited financial statements of the Group, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external of the Group at this time as the Company remains under administration.

Remuneration details for the year ended 30 June 2011

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group and, to the extent different, the five Group executives and five company executives receiving the highest remuneration:

Table of benefits and payments

	Salary, fees and leave \$	Bonus \$	Termination payments \$	Superannuation \$	Share based payments \$	Total \$
2011						
Directors						
David Paterson	45,000	-	-	-	-	45,000
John Lee	45,000	-	-	-	-	45,000
Leo Moio	45,000	-	-	-	744,000	789,000
Trent Harris	45,000	-	-	-	-	45,000
Total Directors	180,000	-	-	-	744,000	924,000
Represents remuneration from 1 July 2010 to 30 June 2011	180,000	-	-	-	744,000	924,000
	Salary, fees and leave \$	Bonus \$	Termination payments \$	Superannuation \$	Share based payments \$	Total \$
2010						
Directors						
David Paterson	26,231	-	-	2,361	-	28,592
David Glavonjic	181,138	-	-	14,795	-	195,933
Amir Hyster	24,000	-	-	2,160	-	26,160
Lindsay Yelland MACS, FAIDC	53,333	-	20,124	6,611	-	80,068
Bruce Lyman	91,752	-	-	7,822	-	99,574
Stephen Simpson FCA	-	-	11,124	33,339	-	44,463
David Bell	29,667	-	11,124	3,672	-	44,463
Key Management Personnel						
Neil Mitchell-Clark	130,030	-	-	23,795	-	153,825
Laurie Newman	106,791	-	-	3,615	-	110,406
Gregory Sampson	111,291	-	-	8,713	-	120,004
Alex McLaren	100,246	-	-	6,026	-	106,272
Damien Davis	89,948	-	-	8,095	-	98,043
	944,427	-	42,372	121,004	-	1,107,803

Securities received that are not performance related

No members of KMP are entitled to receive securities which are not performance-based as part of their remuneration package.

Directors' Report

30 June 2011

10. Remuneration report continued

Share based compensation

Issue of Shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2011 are set out below:

Name	Date	No of shares	Issue price	\$
None issued	-	-	-	-

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Per option at grant date
6 December 2010	No vesting conditions	2 December 2012	\$0.07	\$0.0496

Options granted carry no dividend or voting rights

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2011 are set out below:

Name	Number of options granted during the year		Number of options vested during the year	
	2011	2010	2011	2010
Leo Moio	-	15,000,000	-	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2011 are set out below:

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	\$	\$	\$	%
None granted, exercised or lapsed during 30 June 2011	-	-	-	-

MOV Corporation Limited and controlled entities

ACN: 090865357

Directors' Report

30 June 2011

10. Remuneration report continued

Cash performance-related bonuses

There have not been any alterations to the terms or conditions of any grants since grant date.

No cash bonuses, performance related bonuses and share based payments were made during the current financial year.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director:



Steven Nicols

Director:



Adam Blumenthal

Dated this day of 2014 in Sydney

20th June

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF MOV CORPORATION LIMITED

As lead auditor of MOV Corporation Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of MOV Corporation Limited and the entities it controlled during the period.



Grant Saxon
Partner

BDO East Coast Partnership

Sydney, 20 June 2014

MOV Corporation Limited and controlled entities

ACN: 090865357

Consolidated Statement of Comprehensive Income**For the Year Ended 30 June 2011**

		2011 000's \$	2010 000's \$
	Note		
Revenue	2	33,788	22,823
Other income	2	2	62
Raw materials and consumables used	3	(18,380)	(14,639)
Employee benefits expense	3	(7,566)	(5,433)
Finance costs	3	(450)	(663)
Liquidator fees	3	(253)	-
Depreciation, amortisation and impairment	3	(26,076)	(1,276)
Other expenses		(1,998)	(5,751)
Loss before income tax		(20,933)	(4,877)
Income tax expense	5	(800)	798
Loss for the year		(21,733)	(4,079)
Other comprehensive income		-	-
Total comprehensive loss for the year		(21,733)	(4,079)
Loss for the year attributable to:			
Members of the parent entity		(21,733)	(4,079)
Total comprehensive loss for the year attributable to:			
Members of the parent entity		(21,733)	(4,079)
Earnings per share			
Basic earnings per share (cents)		(20.08)	(2.28)
Diluted earnings per share (cents)		(20.03)	(2.07)

The accompanying notes form part of these financial statements.

MOV Corporation Limited and controlled entities

ACN: 090865357

Consolidated Statement of Financial Position**As At 30 June 2011**

		2011 000's \$	2010 000's \$
	Note		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,359	2
Trade and other receivables	8	2,386	11,405
Inventories	9	-	2,425
Current tax receivable	16	25	252
Other assets	10	-	345
TOTAL CURRENT ASSETS		3,770	14,429
NON-CURRENT ASSETS			
Property, plant and equipment	11	-	5,252
Deferred tax assets		-	600
Intangible assets	12	-	12,409
TOTAL NON-CURRENT ASSETS		-	18,261
TOTAL ASSETS		3,770	32,690
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	507	13,899
Borrowings	15	852	9,375
Short-term provisions	14	-	404
TOTAL CURRENT LIABILITIES		1,358	23,678
NON-CURRENT LIABILITIES			
Borrowings	15	-	404
Long-term provisions	14	-	60
TOTAL NON-CURRENT LIABILITIES		-	464
TOTAL LIABILITIES		1,358	24,142
NET ASSETS		2,412	8,548
EQUITY			
Issued capital	18	49,714	4,953
Share based payments reserve		744	-
(Accumulated losses) / Retained Earnings		(48,046)	3,595
TOTAL EQUITY		2,412	8,548

The accompanying notes form part of these financial statements.

MOV Corporation Limited and controlled entities

ACN: 090865357

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2011

	Note	Ordinary Shares 000's \$	Retained Earnings / (Accumulated losses) 000's \$	Foreign Currency Translation Reserve 000's \$	Share Based Payments Reserve 000's \$	Total 000's \$
Balance at 1 July 2010		4,953	3,595	-	-	8,548
Loss attributable to members of the parent entity		-	(21,733)	-	-	(21,733)
De-recognition of equity of Moore Business Systems Pty Ltd	(a)	-	(5,917)	-	-	(5,917)
Restatement of equity of MOV Corporation Limited	(b)	40,551	(23,991)	-	-	16,560
Issue of shares		4,340	-	-	-	4,340
Transaction costs		(130)	-	-	-	(130)
Share based payments - options		-	-	-	744	744
Balance at 30 June 2011		49,714	(48,046)	-	744	2,412

	Note	Ordinary Shares 000's \$	Retained Earnings / (Accumulated losses) 000's \$	Foreign Currency Translation Reserve 000's \$	Share Based Payments Reserve 000's \$	Total 000's \$
Balance at 1 July 2009		22,692	(22,233)	(1)	-	458
Loss attributable to members of the parent entity		-	(4,079)	-	-	(4,079)
Shares issued during the year		4,222	-	-	-	4,222
Transaction costs		(715)	-	-	-	(715)
Transfer of reserves to retained earnings		-	(1)	1	-	-
Shares issued on acquisition of subsidiary		19,304	-	-	-	19,304
Transfers to goodwill on acquisition		(40,550)	23,991	-	-	(16,559)
Retained earnings acquired on acquisition		-	5,917	-	-	5,917
Sub-total		(17,739)	25,829	-	-	8,090
Balance at 30 June 2010		4,953	3,595	-	-	8,548

(a) Pre-acquisition equity of Moore Business Systems Pty Limited, i.e. equity of Moore Business Systems Pty Limited as at 11 January 2010 under the reverse acquisition method of accounting.

(b) Pre-acquisition equity of MOV Corporation Limited as at 11 January 2010 on de-consolidation of Moore Business Systems Pty Limited.

The accompanying notes form part of these financial statements.

MOV Corporation Limited and controlled entities

ACN: 090865357

Consolidated Statement of Cashflows**For the Year Ended 30 June 2011**

		2011 000's \$	2010 000's \$
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		-	22,274
Payments to suppliers and employees		-	(24,493)
Interest received		-	7
Interest paid		-	(600)
Net receipts		2,993	-
Net cash provided by (used in) operating activities	24	2,993	(2,812)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for subsidiary, net of cash acquired		-	(19,654)
Purchase of intangible assets		-	(469)
Net cash used by investing activities		-	(20,123)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		-	23,876
Payment of transaction costs		-	(1,052)
Proceeds from borrowings		-	8,434
Repayment of borrowings		-	(10,046)
Net cash used by financing activities		-	21,212
Net increase (decrease) in cash and cash equivalents held		2,993	(1,723)
Cash and cash equivalents at the beginning of year		(1,634)	89
Cash and cash equivalents at the end of financial year	7	1,359	(1,634)

The accompanying notes form part of these financial statements.

MOV Corporation Limited and controlled entities

ACN: 090865357

Notes to the Financial Statements

For the Year Ended 30 June 2011

This financial report includes the consolidated financial statements and notes of MOV Corporation Limited and controlled entities and its interest in associates and jointly controlled entities (the 'group'). The financial statements were authorised for issue by the Board of Directors on 16 June 2014.

MOV Corporation Limited and controlled entities is a for profit company domiciled in Australia.

The separate financial statements and notes of the parent entity, MOV Corporation Limited and controlled entities, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001. The parent entity summary is included in note 27.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The company was placed into voluntary administration on 31 May 2011 and it ceased to trade whilst a deed of company arrangement was implemented. The company's creditors and shareholders accepted a deed of company arrangement on 20 January 2012 and all creditor claims were extinguished (refer to note 25).

As a result of being placed into administration the accounting records pertaining to the company and controlled entities become the property of the administrators. The directors were not given access to these accounting records. As a result of not having access to these accounting records, it has not been possible to provide the break-up of the result and cash flows in the consolidated statement of comprehensive income and consolidated statement of cashflows.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(a) Basis of preparation continued

The directors have prepared the 30 June 2011 financial report based on available information provided to them following their appointment. The information included, but has not limited to, the following:

- Argus Solutions Ltd 30 June 2010 annual financial report
- Moore Australasia (Holdings) Ltd 31 December 2010 half year financial report
- Moore Australasia (Holdings) Ltd 31 May 2011 – 20 January 2012 Form 524 Administrators accounts
- Moore Business Systems Pty Ltd 1 September 2011 – 31 August 2012 Form 524 Liquidators accounts
- Notices of general meetings and explanatory statements for the various shareholders meetings held on 30 November 2010 and 20 January 2012
- Minutes of meeting of committee of inspection of Moore Australasia Pty Limited (In Liquidation)
- Moore Australasia (Holdings) Ltd 28 November 2012 Form 1500 Annual Report to creditors
- ASX announcements during the financial report period and up to the date of this report;
- A listing of receipts and payments prepared by the administrator for the periods mentioned above
- Deed of company arrangement 21 September 2011 Form 5047.

Rounding of amounts

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

Going Concern

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlements of liabilities in the ordinary course of business. For the 12 months ended 30 June 2012, MOV Corporation Limited and its controlled entities had a loss of \$21.7M (2010: \$4.07), however the group still holds a surplus of net asset of \$2.4M. Accumulated losses as at balance date amount to \$48,046M.

The directors consider the going concern basis as appropriate for the following reasons:

- The company continues to receive financial support from its shareholders and directors; and
- A recapitalisation plan has been formed which is suspected will generate sufficient funds for operating activities in the future.

No adjustments has been made in the financial reports relating to the recoverability and classification of recorded assets values or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by MOV Corporation Limited and controlled entities at the end of the reporting period. A controlled entity is any entity over which MOV Corporation Limited and controlled entities has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period that they were controlled. A list of controlled entities is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(b) Principles of consolidation continued

Business combinations

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and consolidated statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations occur where an acquirer obtains control over one or more businesses which results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill (refer Note 12) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration comprises the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the consolidated statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable.

Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the consolidated statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(b) Principles of consolidation continued

Reverse Acquisition

In some business combinations, commonly referred to as "reverse acquisitions", the acquirer is the entity whose equity interests have been acquired and the issuing entity is the acquiree. Reverse acquisition accounting determines the allocation of the cost of the business acquisition as at the acquisition date and does not apply to transactions after the combination.

Under this concept, the acquisition of Moore Business Systems Pty Ltd (the legal subsidiary) by MOV Corporation Limited (the legal parent) which occurred on 11 January 2010 has been accounted for as a reverse acquisition. Because the consolidated financial statements represent a continuation of the financial statements of the legal subsidiary, the following adjustments have been made:

- The assets and liabilities of the legal subsidiary are recognised and measured at their pre-combination carrying amounts;
- The retained earnings and other equity balances are the retained earnings and other equity balances of the legal subsidiary immediately before the business combination; and
- The amount recognised as issued equity instruments is determined by adding to the issued equity of the legal subsidiary immediately before the business combination the cost of the business combination. However, the equity structure (i.e. the number and type of equity instruments issued) reflect the equity structure of the legal parent, including the equity instruments issued by the legal parent to effect the combination.

De-recognition of reverse acquisition

On 31 May 2011 Moore Business Systems Pty Ltd was placed into voluntary administration as it ceased to trade whilst a deed of company arrangement was implemented.

Pursuant to the company going into voluntary administration, Moore Business Systems Pty Ltd was de-consolidated from the Group. As the reverse acquisition method of accounting was applied to record the original business combination, the following adjustments have been reflected in the statement of changes in equity:

- De-recognition of all pre-acquisition retained earnings and issued capital of Moore Business Systems Pty Ltd as at 11 January 2010 (being the date of the acquisition);
- De-recognition of shares issued by Moore Business Systems Pty Ltd to record the acquisition of MOV Corporation Limited under the reverse acquisition;
- Reinstatement of pre-acquisition retained earnings and issued capital of MOV Corporation Limited as at 31 May 2011; and
- Re-instatement of shares issued to record the acquisition of Moore Business Systems Pty Ltd by MOV Corporation Limited.

All transaction costs when incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

(c) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a consolidated statement of financial position as at the beginning of the earliest comparative period will be presented.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(d) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by KMP on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

The Group did not hold any held-to-maturity investments in the current or comparative financial year.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

Derivative instruments

The Group designates certain derivatives as either:

- (i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- (ii) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of comprehensive income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of comprehensive income.

Amounts accumulated in the hedge reserve in equity are transferred to the consolidated statement of comprehensive income in the periods when the hedged item will affect profit or loss.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Group assess whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

Impairment continued

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the consolidated statement of comprehensive income.

Financial guarantees

Where material, financial guarantees issued which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as financial liabilities at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118 'Revenue'.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Share capital

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

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(e) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill to nil and then to the other assets in the unit in proportion to their carrying amount.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Assets, other than goodwill that have an allocated impairment loss are reviewed for reversal indicators at the end of each reporting period. After recognition of an impairment loss, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation decrease as described in the accounting policy for property, plant and equipment.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). The Group is consolidated for tax, with the head consolidating entity being MOV Corporation Ltd.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

MOV Corporation Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

Income tax continued

entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(i) Revenue and other income

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(m) Share based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(n) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(o) Foreign currency transactions and balances

Functional and presentation currency

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

Transaction and balances

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 at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the consolidated statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of comprehensive income in the period in which the operation is disposed.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(p) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates - impairment of plant and equipment

The total impairment loss recognised in the consolidated statement of comprehensive income during the period amounted to \$5,252,000 (2010: \$nil) and is separately presented at Note 3 result of the year. This impairment was recognised due to a lack of information made available regarding property, plant and equipment.

Key judgments - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

(q) Adoption of new and revised accounting standards

During the current year, the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of MOV Corporation Limited and controlled entities.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

Standard Name	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	No significant changes on adoption of this standard.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	No significant changes on adoption of this standard.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	No significant changes on adoption of this standard.
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	No significant changes on adoption of this standard.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	Minimal impact since most of the disclosures required by AASB 1054 are already included within the financial statements.
AASB 2011 – 5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]	The group does not have any not-for-profit entities and therefore there is no impact from the adoption of this standard.

(q) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2016	- Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(q) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates.	30 June 2014	<p>AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess.</p> <p>AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.</p> <p>AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.</p>	<p>The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated.</p> <p>All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.</p> <p>Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.</p>
AASB 13 Fair Value Measurement. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 2011 – 4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	30 June 2014	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(q) New accounting standards for application in future periods continued

Standard name	Effective date for entity	Requirements	Impact
AASB 2011-7 – Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	30 June 2014	This standard provides many consequential changes due to the release of the new consolidation and joint venture standards.	The impact of this standard is expected to be minimal.
AASB 2011-9 - Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.	30 June 2013	Entities will be required to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	The items shown in other comprehensive income will be separated into two categories.
AASB 119 Employee Benefits (September 2011) AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	30 June 2014	The main changes in this standard relate to the accounting for defined benefit plans and are as follows: - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring remeasurements to be presented in other comprehensive income; and - enhancing the disclosure requirements.	Since the entity does not have a defined benefit plan, the adoption of these standards will not have any impact. OR Where the entity has a defined benefit plan, the impact of this standard should be calculated and disclosed.

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 000's \$	2010 000's \$
2 Revenue and Other Income		
Sales revenue		
- sale of goods	33,788	22,823
Other revenue		
- Interest received from bank	2	11
- other revenue	-	51
	2	62
Total Revenue	33,790	22,885
3 Result for the Year		
The result for the year includes the following specific expenses		
Raw material and consumables used	18,380	14,639
Employee benefits expense	7,566	5,433
Finance costs	450	663
Liquidator fees	253	-
Depreciation, amortisation and impairment:		
- Impairment of property, plant and equipment	7,153	-
- Impairment of intangible assets	13,387	-
- Impairment of trade receivables	5,536	-
Total depreciation, amortisation and impairment	26,076	-
During the year end 30 June 2011 the group operated under a deed of administration and discontinued to trade. On this basis the carrying value of property, plant and equipment, intangible assets and trade receivables were impaired during the year as these were assessed as not recoverable by the Administrators of the Directors.		
Bad and doubtful debts:		
- Doubtful debts	-	1,110
- Trade receivables	-	85
Total bad and doubtful debts	-	1,195
Rental expense on operating leases:		
- Minimum lease payments	-	594
Freight and cartage	-	1,757
Legal expenses - non-deductible	-	438
Other consulting and professional fees - deductible	-	726
Research and development costs	-	(469)
	\$	\$
4 Auditors' Remuneration		
- auditing or reviewing the financial statements	7,000	45,500

Notes to the Financial Statements

For the Year Ended 30 June 2011

2011	2010
000's	000's
\$	\$

5 Income Tax Expense

(a) The components of tax expense/(benefit) comprise:

Current tax

800	(798)
800	(798)

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2010: 30%)

- economic entity

(6,279)	(1,463)
(6,279)	(1,463)

Add:

Tax effect of:

- other non-allowable items

- deferred tax assets written off

- current year tax loss not recognised

-	90
1,008	575
6,071	-

Income tax attributable to the entity

800	(798)
------------	--------------

6 Operating Segments

Segment information

The Group operates predominately in one business and geographical segment being in print management. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

As noted the operations of the Group were placed into Administration.

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 000's \$	2010 000's \$
7 Cash and Cash Equivalents		
Cash at bank and in hand	1,359	2

Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cashflows is reconciled to items in the consolidated statement of financial position as follows:

Cash and cash equivalents	1,359	2
Bank overdrafts	15 -	(1,636)
	1,359	(1,634)

A floating charge over cash and cash equivalents has been provided for certain debts. Refer to Note 15 for further details.

8 Trade and Other Receivables

CURRENT

Trade receivables	11,394	8,301
Provision for impairment	(9,019)	(1,470)
	2,375	6,831
Related party receivables	-	4,589
Other receivables	11	(15)
Total current trade and other receivables	2,386	11,405

(a) Aged analysis

The ageing analysis of receivables is as follows:

0-30 days	-	4,583
31-60 days	-	1,672
61-90 days (past due not impaired)	2,375	576
61-90 days (considered impaired)	9,019	1,470
	11,394	8,301

(b) Credit risk

Due to the current limited availability of information and the present operating status of the company 79% of the receivables have been impaired as at 30 June 2011.

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 000's \$	2010 000's \$
9 Inventories		
CURRENT		
At cost:		
Finished goods	-	2,403
Goods in transit	-	22
	-	2,425
10 Other Assets		
CURRENT		
Prepayments	-	345
11 Property, Plant and Equipment		
Leasehold Building		
At cost	-	3,600
Accumulated depreciation	-	(164)
Total leasehold buildings	-	3,436
Plant and equipment		
At cost	-	1,739
Accumulated depreciation	-	(166)
Total plant and equipment	-	1,573
Leased plant and equipment		
Capitalised leased assets	-	259
Accumulated depreciation	-	(16)
Total leased plant and equipment	-	243
Total plant and equipment	-	1,816
Total property, plant and equipment	-	5,252

Notes to the Financial Statements

For the Year Ended 30 June 2011

11 Property, Plant and Equipment continued (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings 000's \$	Plant and Equipment 000's \$	Total 000's \$
Balance at 30 June 2011			
Balance at the beginning of year	3,436	1,816	5,252
Impairment write off	(3,436)	(1,816)	(5,252)
Balance at 30 June 2011	-	-	-
Balance at 30 June 2010			
Balance at the beginning of year	-	22	22
Additions	-	38	38
Additions through acquisition of entity	3,600	1,960	5,560
Disposals through business divestiture	-	(22)	(22)
Depreciation expense	(164)	(182)	(346)
Balance at 30 June 2010	3,436	1,816	5,252

12 Intangible Assets

Goodwill

Cost

Accumulated amortisation and impairment

Net carrying value

Capitalised ERP costs

Cost

Accumulated amortisation and impairment

Net carrying value

Total Intangibles

	2011 \$ 000's	2010 \$ 000's
Cost	11,734	11,734
Accumulated amortisation and impairment	(11,734)	-
Net carrying value	-	11,734
Cost	712	712
Accumulated amortisation and impairment	(712)	(37)
Net carrying value	-	675
Total Intangibles	-	12,409

Notes to the Financial Statements

For the Year Ended 30 June 2011

12 Intangible Assets continued

	Patents, trademarks and other rights 000's \$	Capitalised ERP costs 000's \$	Goodwill 000's \$	Development costs 000's \$	Total 000's \$
Year ended 30 June 2011					
Balance at the beginning of the year	-	675	11,734	-	12,409
Impairment write-off	-	(675)	(11,734)	-	(12,409)
Closing value at 30 June 2011	-	-	-	-	-
Year ended 30 June 2010					
Balance at the beginning of the year	237	-	-	930	1,167
Additions	-	625	-	-	625
Additions through business combinations	-	50	11,734	-	11,784
Disposal through business divestiture	(237)	-	-	(930)	(1,167)
Closing value at 30 June 2010	-	675	11,734	-	12,409

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the consolidated statement of comprehensive income. Goodwill has an indefinite life and is not amortised.

2011	2010
\$	\$
000's	000's

13 Trade and Other Payables

CURRENT

Unsecured liabilities

Trade payables

Sundry payables and accrued expenses

Director related entity payables

507	8,281
-	831
-	4,787
507	13,899

14 Provisions

Analysis of total provisions

Current employee benefits

Non-current employee benefits

Total employee benefits

-	404
-	60
-	464

Notes to the Financial Statements

For the Year Ended 30 June 2011

		2011 000's \$	2010 000's \$
15 Borrowings			
CURRENT			
Secured liabilities:			
Bank overdraft		-	1,636
Lease liability secured	20	6	19
Bank loans		846	7,600
Other financial liabilities		-	120
		<u>852</u>	<u>9,375</u>
NON-CURRENT			
Secured liabilities:			
Lease liability secured	20	-	404
(a) Total Current and Non Current Borrowings			
Total borrowings		<u>852</u>	<u>9,779</u>
16 Current Tax Receivable			
Current tax		-	200
GST receivable		26	52
Current tax receivable		<u>26</u>	<u>252</u>

17 Interests of Key Management Personnel

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2011.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2011 \$	2010 \$
Short-term employee benefits	180,000	944,427
Post-employment benefits	-	42,372
Long-term benefits	-	121,004
Share-based payments	744,000	-
	<u>924,000</u>	<u>1,107,803</u>

Notes to the Financial Statements

For the Year Ended 30 June 2011

17 Interests of Key Management Personnel continued

Key management personnel options and rights holdings

Details of options provided as remuneration and shares issued on the exercise of such options together with terms and conditions of the options can be found in Note 10 of the Director's Report.

	Balance at beginning of year number	Granted during the year number	Exercised number	Other changes number	Balance at the end of year number
30 June 2011					
Directors					
David Paterson	-	-	-	-	-
John Lee	-	-	-	-	-
Leo Moio	-	15,000,000	-	-	15,000,000
Trent Harris	-	-	-	-	-
	-	15,000,000	-	-	15,000,000

	Balance at beginning of year number	Granted during the year number	Exercised number	Options lapsed in the year number	Balance at the end of year number
30 June 2010					
Directors					
David Paterson	-	-	-	-	-
John Lee	-	-	-	-	-
Leo Moio	-	-	-	-	-
Trent Harris	-	-	-	-	-
Other KMP					
Lindsay Yelland MACS, FAIDC	4,000,000	-	(3,945,349)	(54,651)	-
Bruce Lyman	4,000,000	-	(3,945,349)	(54,651)	-
Stephen Simpson FCA	4,000,000	-	(3,945,349)	(54,651)	-
David Bell	4,000,000	-	(3,945,349)	(54,651)	-
Gregory Sampson	2,500,000	-	(2,465,820)	(34,180)	-
Damien Davis	1,000,000	-	(986,337)	(13,663)	-
	19,500,000	-	(19,233,553)	(266,447)	-

Notes to the Financial Statements

For the Year Ended 30 June 2011

17 Interests of Key Management Personnel continued Key management personnel shareholdings

The number of ordinary shares in MOV Corporation Limited and controlled entities held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	On exercise of options	Other changes during the year	Balance at end of year
30 June 2011				
Directors				
David Paterson	28,000	-	-	28,000
John Lee	-	-	-	-
Leo Moio	-	-	55,000,000	55,000,000
Trent Harris	7,000	-	-	7,000
Other KMP				
David Glavonjic	3,413,576	-	-	3,413,576
Amir Hyster	45,539,184	-	-	45,539,184
Lindsay Yelland MACS, FAIDC	363,333	-	-	363,333
Bruce Lyman	82,339	-	-	82,339
David Bell	305,337	-	-	305,337
	<u>49,738,769</u>	<u>-</u>	<u>55,000,000</u>	<u>104,738,769</u>
30 June 2010				
Directors				
David Paterson	-	-	28,000	28,000
John Lee	-	-	-	-
Leo Moio	-	-	-	-
Trent Harris	-	-	7,000	7,000
Other KMP				
David Glavonjic	-	-	3,413,576	3,443,576
Amir Hyster	-	-	45,539,184	45,539,184
Lindsay Yelland MACS FAIDC	937,500	-	(574,167)	363,333
Bruce Lyman	3,050,001	-	(2,967,662)	82,339
Stephen Simpson FCA	3,287,250	-	(3,287,250)	-
David Bell	-	-	305,337	305,337
	<u>7,274,751</u>	<u>-</u>	<u>42,464,018</u>	<u>49,768,769</u>

Notes to the Financial Statements

For the Year Ended 30 June 2011

2011	2010
000's	000's
\$	\$

17 Interests of Key Management Personnel continued

Other key management personnel transactions

For details of other transactions with KMP, refer to Note 23: Related Party Transactions.

18 Issued Capital

-2011:131,363,948 (2010: 69,363,948) Ordinary fully paid shares

49,714	4,953
--------	-------

(a) Ordinary shares

	2011 No.	2010 No.
At the beginning of the reporting period	69,363,948	281,787,233
Shares issued during the year		
Consolidation of shares	-	(277,936,721)
Allotment of shares under prospectus	62,000,000	15,079,436
Allotment of shares under prospectus - escrowed	-	50,434,000
At the end of the reporting period	131,363,948	69,363,948

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company. On a show of hands at meetings of the company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

(b) Capital Management

Management controls the capital of the Group in order to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Capital consists of share capital, non-redeemable preference shares, retained profit and non-controlling interests of the Group.

There are no externally imposed capital requirements.

Notes to the Financial Statements

For the Year Ended 30 June 2011

2011	2010
000's	000's
\$	\$

18 Issued Capital continued

(b) Capital Management continued

There have been no changes in the strategy adopted by management during the year.

The gearing ratios for the year ended 30 June 2011 and 30 June 2010 are as follows:

Total borrowings		852	9,779
Less Cash and cash equivalents	7	(1,359)	(2)
Net debt		(507)	9,777
Equity		2,412	8,548
Total capital		1,905	18,325
Gearing (%)		(27)%	53%

(c) Dividends

No dividends were paid or declared during the financial year.

19 Earnings per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

Profit from continuing operations	(21,733)	(4,079)
Earnings used to calculate basic EPS from continuing operations	(21,733)	(4,079)
Earnings used in the calculation of dilutive EPS from continuing operations	(21,733)	(4,079)

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2011 No.	2010 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	104,525,592	179,025,041
Weighted average number of dilutive options outstanding	15,000,000	18,095,722
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	104,804,770	197,120,763

Basic earnings per share (cents)	(20.08)	(2.28)
Diluted earnings per share (cents)	(20.03)	(2.07)

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 000's \$	2010 000's \$
20 Capital and Leasing Commitments		
(a) Finance lease commitments		
Payable - minimum lease payments:		
- no later than 1 year	6	227
- between 1 year and 5 years	-	174
Minimum lease payments	6	401
Less: finance charges	-	(40)
Present value of minimum lease payments	6	361
(b) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments:		
- no later than 1 year	-	895
- between 1 year and 5 years	-	2,049
- greater than 5 years	-	2,404
	-	5,348

21 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the company did not have any contingencies at 30 June 2011 (30 June 2010:None).

Notes to the Financial Statements

For the Year Ended 30 June 2011

2011	2010
000's	000's
\$	\$

22 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, bills, leases, preference shares, and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note		
Financial Assets			
Cash and cash equivalents	7	1,359	2
Trade and other receivables	8	2,386	11,405
Total financial assets		3,745	11,407
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13	507	13,899
- Borrowings	15	852	9,779
Total financial liabilities		1,359	23,678

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements. The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

MOV Corporation Limited and controlled entities does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables.

It is the Group's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the Board of Directors, these limits are reviewed on a regular basis. Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim.

Notes to the Financial Statements

For the Year Ended 30 June 2011

22 Financial Risk Management continued

(a) Credit risk continued

The maximum exposure to credit risk at the reporting date to recognize financial assets is the carrying amount, net of any provision for impairment of those assets, as disclosed in the Statement of Financial Position and the notes to the financial statements.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

(c) Liquidity Risk

Financial instrument composition and maturity analysis

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2011 *	2010	2011 *	2010	2011 *	2010	2011 *	2010	2011 *	2010
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash and cash equivalents	-	1.00	1,359	2	-	-	-	-	1,359	2
Receivables	-	-	-	-	-	-	2,386	11,405	2,386	11,405
Total Financial Assets			1,359	2	-	-	2,386	11,405	3,745	11,407
Financial Liabilities:										
Bank loans and overdrafts	-	9.15	846	9,236	-	-	-	-	846	9,236
Trade and sundry payables	-	-	-	-	-	-	506	13,899	506	13,899
Borrowings	-	-	-	-	-	120	-	-	-	120
Lease liabilities	-	-	6	423	-	-	-	-	6	423
Total Financial Liabilities			852	9,659	-	120	506	13,899	1,358	23,678

* Due to the limited availability of information the weighted average interest rates are unable to be determined.

Notes to the Financial Statements**For the Year Ended 30 June 2011****23 Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Amount \$000
Paragon Printing Limited	
Purchase of product during normal course of business - paid to Hall Chadwick as administrator	1,045
ADS One Pty Limited	
Purchase of product during normal course of business	321
Director Fees	
Director Fees	124
Europacific Corporate Advisory Pty Limited	
Consulting Fees	50
Mr Amir Hyster	
Consulting Fees	72
South Pacific Print Group Pty Limited	
Purchase of product during normal course of business	4,059
First Treasure Pty Limited	
Rental payments and utilities	120
	<u>5,791</u>

Background to the related party disclosure for the period is as follows:

- Fraser and Jenkinson Pty Limited - controlled by Mr Leo Moio, a Director of MOV Corporation Limited. Fraser and Jenkinson Pty Ltd is the largest shareholder of MOV Corporation Limited. During the period under review the Group paid \$4.059m to South Pacific Print Group Pty Ltd, a company controlled by Fraser and Jenkinson Pty Ltd. The goods were purchased at arms length rates.
- First Treasure Pty Limited / Hyster Amir Super Fund Pty Ltd / Tornado Alley Aviation Pty Limited - controlled by Mr Amir Hyster, a shareholder of MOV Corporation Limited. During the period under review the Group paid \$0.192m in relation to consulting fees and payments for rental and utilities. The services were purchased at arms length rates.
- Europacific Corporate Advisory Pty Limited - controlled by David Peterson, Chairman of MOV Corporation Limited. During the period the Group paid \$0.05m to Europacific Corporate Advisory Pty Limited. The payments were approved by the directors, at arms length commercial rates in return for advice in relation to the re-capitalisation and restructuring of the Group, above and beyond his role of Chairman.
- ADSOne Pty Ltd - controlled by Mr Amir Hyster, a shareholder of MOV Corporation Limited. During the period under review the Group paid \$0.321m to ADSOne Pty Ltd. The goods were purchased at arms length rates.
- Paragon Printing Limited (in administration) - controlled by Mr Amir Hyster, a shareholder of MOV Corporation Limited. During the period under review the Group paid \$1.045m to Hall Chadwick, the administrator of Paragon Printing Limited. These payments were in relation to purchase of goods before Paragon Printing Limited entered administration.

Notes to the Financial Statements

For the Year Ended 30 June 2011

2011	2010
000's	000's
\$	\$

24 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Profit for the year	(20,988)	(4,079)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation, amortisation and impairment expenses	25,210	1,276
- impairment of receivables	-	1,195
- conversion of retained earnings to share capital	-	2,323
- other non- cash items	7,560	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	1,697	(160)
- (increase)/decrease in prepayments	345	(44)
- (increase)/decrease in inventories	2,425	374
- (increase)/decrease in income in advance	-	(545)
- increase/(decrease) in trade and other payables	(13,392)	(2,167)
- increase/(decrease) in income taxes payable	-	(963)
- increase/(decrease) in deferred taxes payable	600	-
- increase/(decrease) in provisions	(464)	(22)
Cashflow from operations	<u>2,993</u>	<u>(2,812)</u>

25 Events after the end of the Reporting Period

During the year end 30 June 2011 the group is under a deed of administration and continues not to trade. On the 20 January 2012 the Company's creditors and shareholders accepted a deed of company arrangement whereby all creditor claims are extinguished.

The company changes its name from Moore Australasia (Holdings) Limited to MOV Corporation Limited on the 20 January 2012.

The company announced the acquisition of AE Siberia Pty Ltd on the 18 June 2012.

On 6 September 2012, the parent group disposed of its 100% interest in Moore Business Systems Pty Limited and Moore Australasia Pty Limited as both companies went into liquidation. No operating profit was attributable to members of the parent group from the disposal. No remaining interest in the entity was held by any member of the Group. The carrying amount of the net assets of Moore Business Systems Pty Limited and Moore Australasia Pty Limited at the date of disposal were nil.

Except for the above, no other matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

MOV Corporation Limited and controlled entities

ACN: 090865357

Notes to the Financial Statements

For the Year Ended 30 June 2011

26 Subsidiaries

	Country of Incorporation	Percentage Owned (%) [*] 2011	Percentage Owned (%) [*] 2010
Subsidiaries:			
Moore Business Systems Pty Limited	Australia	100	100
Moore Australasia Pty Limited [^]	Australia	100	100
Argus Solutions Inc #	USA	100	100
Argus Security Technologies Pty Limited #	Australia	100	100
Iris Australia Pty Limited #	Australia	100	100
Argus Cornerstone Technologies Pty Limited #	Australia	100	100

^{*} Percentage of voting power is in proportion to ownership.

[^] Moore Australasia Pty Limited is a wholly owned subsidiary of Moore Business Systems Pty Limited.

[#] These companies are dormant and have not traded during the financial year.

27 Parent entity

The following information has been extracted from the books and records of the parent, MOV Corporation Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, MOV Corporation Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

On 31 May 2011 the parent entity was placed into voluntary administration and it ceased to trade whilst a deed of company arrangement was implemented.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

MOV Corporation Limited and controlled entities and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

MOV Corporation Limited and controlled entities

ACN: 090865357

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 000's \$	2010 000's \$
27 Parent entity continued		
Financial Position of Parent Entity		
Assets		
Current Assets	3,770	3,160
Non-current assets	-	19,304
Total Assets	3,770	22,464
Liabilities		
Current liabilities	1,358	441
Total Liabilities	1,358	441
Equity		
Issued capital	49,714	46,169
Accumulated losses	(48,046)	(24,146)
Share based payments reserve	744	-
Total Equity	2,412	22,023
Result of the parent entity		
Total profit or loss for the year	(21,733)	(1,912)
Total comprehensive income	(21,733)	(1,912)

Guarantees

The parent entity has entered into a Deed of Cross-Guarantee with the effect that the company guarantee debts in respect of its subsidiaries.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2011 or 30 June 2010.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2011 or 30 June 2010.

28 Company Details

The registered office of an principal place of business for the company is:

MOV Corporation Limited
Level 2
350 Kent Street
Sydney NSW 2000

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 9 to 47, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company and consolidated group;
2. the directors have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Australian Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
Steven Nicols

Director 
Adam Blumenthal

Dated this 20th day of June 2013 in Sydney

INDEPENDENT AUDITOR'S REPORT

To the members of MOV Corporation Limited and Controlled Entities

Report on the Financial Report

We were engaged to audit the accompanying financial report of MOV Corporation Limited and Controlled Entities, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of MOV Corporation Limited and Controlled Entities, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Disclaimer of Opinion

During the financial year the company was under voluntary administration and subsequently all accounting records pertaining to the consolidated entity became the property of the administrators. We were not granted access to these accounting records. As the remaining records are not adequate to permit the application of necessary audit procedures, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.



As a result of these matters, we were unable to determine whether any adjustments were necessary in respect of the elements making up the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Report on the Remuneration Report

We were engaged to audit the remuneration report included in pages 5 to 8 of the directors' report for the year ended 30 June 2011. 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 upon our audit conducted in accordance with Australian Auditing Standards. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

During the financial year the company was placed into voluntary administration and subsequently all accounting records pertaining to the consolidated entity became the property of the administrators. We were not granted access to these accounting records. As the remaining records are not adequate to permit the application of necessary audit procedures, we are unable to obtain all the information and explanations we require in order to form an opinion on the remuneration report.

As a result of these matters, we were unable to determine whether any adjustments were necessary in respect of the remuneration report.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the remuneration report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Grant Saxon', with a horizontal line underneath it.

Grant Saxon

Partner

Sydney, 20 June 2014