

Infomedia Ltd

ABN 63 003 326 243

Appendix 4E

Year Ended 30 June 2014

CONTENTS

- Result For Announcement To The Market
- Commentary On Results For the Period
- Annual Financial Report
- Independent Audit Report

Appendix 4E

Preliminary final report

Name of entity

Infomedia Ltd

ABN or equivalent company
reference

A.B.N 63 003 326 243

Half yearly
(tick)

☐

Preliminary
final (tick)

☒

Financial year ended ('current period')

12 months ended 30 June 2014

Results for announcement to the market

\$A'000

SA 000				
Sales revenue	Up	17.4%	to	57,143
Profit after income tax attributable to members	Up	22.0%	to	12,279
Profit (loss) from extraordinary items after tax attributable to members				Nil
Net profit for the period attributable to members	Up	22.0%	to	12,279
Dividends (distributions)		Amount per security	Franked amount per security	
Current Year:				
Final dividend – declared and not paid		1.89¢	1.89¢	
Special dividend – paid		-	-	
Interim dividend – paid		1.89¢	0.5¢	
Previous Corresponding Period:				
Final dividend		1.55 ¢	1.55¢	
Special dividend		-	-	
Interim dividend		1.27¢	0.5¢	
Record date for determining entitlements to the dividend		3 September 2014		
Date the dividends are payable		17 September 2014		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:				

Infomedia Ltd

Year Ended 30 June 2014

The report is based on accounts that have been audited.

Commentary on the results for the period:

The earnings per security and nature of any dilution aspects:

Earnings per share were 4.02 cents (2013: 3.32 cents). Refer to income statement and note 5 to the accounts for more information.

Net Tangible Assets per security

	Cents
The Company's net tangible assets per security are as follows:	
• Net tangible assets per share at 30 June 2014	2.5
• Net tangible assets per share at 30 June 2013	1.3

Return to shareholders including distributions and buy backs:

Final dividend distributions:

The Company is pleased to announce a fully franked final dividend payment of 1.89 cents. This, together with the partially franked interim dividend of 1.89 cents (franked to 0.5 cents), results in a full year dividend of 3.78 cents (franked to 2.39 cents) for the full year. The record date to determine entitlements to the dividend distribution is 3 September 2014 and the date on which the dividend is payable is 17 September 2014.

Significant features of operating performance:

The results for the year ending 30 June 2014 show that the Company's Net Profit After Tax (NPAT) grew by 22.0% to \$12.3m and Sales revenues grew by 17.4% to \$57.1m.

The Company's NPAT exceeded previously advised guidance by \$0.3m. The achievement of NPAT beyond guidance is attributed to sales growth combined with tight cost control and a small benefit from a weaker Australian dollar compared with that used for guidance.

The increase in Sales Revenue was driven by growth in all major product lines. Electronic Parts Catalogue Solutions (EPC) revenue grew \$6.6m, Superservice revenue grew \$2.2m and other revenue reduced \$0.4m.

Subscription Equivalents increased to an all-time high of 75,838 with Superservice products increasing 9.2% to 18,274 subscriptions, and EPC subscriptions by 1.5% to 57,564.

In constant currency terms, sales revenue rose by \$2.9m and operating costs increased \$1.1m. Foreign currency translations favourably affected constant currency EBITDA over the prior year by \$2.0m. Consequently, the Company achieved an EBITDA (excluding capitalisation of research and development) of \$16.5m, an increase of \$3.8m (30.0%).

The Company saw increased capitalisation and amortisation during the year and a higher tax expense. Overall, NPAT increased \$2.2m or 22.0% to \$12.3m.

Cash flows from operations increased \$1.2m to \$12.5m due to the higher profit.

The Company is debt free and had \$11.4m of cash as at 30 June 2014.

The Board has declared a fully franked final dividend payment of 1.89 cents per share. This, together with the interim dividend of 1.89 cents (franked to 0.5 cents), results in a total dividend of 3.78 cents for the full year which is 34% higher than the prior year and represents a payout ratio of 94% of NPAT.

The record date to determine entitlements to the dividend distribution is 3 September 2014 and the date on which the dividend is payable is 17 September 2014.

With regards to FY2015, the Company advises that it expects both constant currency and reported AUD growth. Accordingly, the Company provides guidance that it expects NPAT to exceed \$14.5 million in FY2015 driven by increasing sales.

The result of segments that are significant to an understanding of the business as a whole:

Details of segmental results are located in the Financial Report (Note 24).

A discussion of trends in performance:

In the year ahead the Company expects to continue to release its internet-based products. The company expects to continue increasing Superservice Menu™ revenue.

Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified

Factors that may influence or affect future results either favourably or unfavourably include:

- Movements in foreign currency exchange rates
- Renewal of data licence contracts with automakers and other key suppliers
- Continuous research & development of leading edge technology products
- Rate of rollout & growth of new and existing products

Infomedia Ltd

ABN 63 003 326 243

Annual Financial Report
for the year ended 30 June 2014

ABN 63 003 326 243

Directors

Andrew Pattinson*

Clyde McConaghy^

Frances Hernon* - Non-Executive Chairman

Myer Herszberg

Richard Graham*

*On 27 September 2013 Richard Graham resigned as Executive Chairman.

Andrew Pattinson was made Chief Executive Officer and appointed to the Board.

Frances Hernon was appointed Non-Executive Chairman

^ Appointed 1 November 2013

Company Secretary

Nick Georges

Chief Financial Officer

Jonathan Pollard

Registered Office

357 Warringah Road

Frenchs Forest NSW Australia 2086

Auditors

BDO East Coast Partnership

Share Register

Boardroom Pty Ltd

Solicitors

Thomson Geer Lawyers

Internet Address

www.infomedia.com.au

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DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2014

DIRECTORS

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated. The names and details of the Directors of the Company in office during the financial year and until the date of this report are:

Names, qualifications, experience and special responsibilities

Andrew Pattinson*
Chief Executive Officer and
Executive Director

Andrew Pattinson is a 25-year veteran of the Company, having held several senior positions including director of the Company between the period of October 2001 and October 2004. He joined the Company in 1988 and was appointed as COO in 1994, and in 2000 became General Manager of its first corporate acquisition, Melbourne-based Datateck Publishing Pty Ltd, where he orchestrated the successful business integration and oversaw its evolution to become the Company's second development centre and the eventual home of Superservice Menus. In 2004 Mr Pattinson established and became managing director of Infomedia's UK based European subsidiary. He returned to Australia in 2009 as director of the Company's Global Solutions and Systems division.

Mr Pattinson was appointed CEO and elected to the Board in 27 September 2013.

Clyde McConaghy^
Non-executive Director
(Chairman of Audit, Risk &
Governance Committee)

Clyde McConaghy was appointed to the Infomedia Board of Directors on 1 November 2013. Mr McConaghy has in excess of 15 years' experience as a senior international board director and executive of public listed and private companies. Having lived in Germany, China, the UK and Australia, his experience encompasses both multinational and early stage companies, in the technology, media and publishing, and venture capital sectors. He held a number of senior positions within BMW Australia. He was a director in The Economist Intelligence Unit in London and a founding director of World Markets Research Centre Plc (LSX:WMRC), both including Automotive industry analysis divisions. He is also currently a director of Integrated Research Ltd (ASX:IRI) and Serko (NZX:SKO). He is also Managing Director of Optima Boards, a Board advisory firm for companies and non-for-profit entities worldwide.

Mr McConaghy is Chairman of the Audit, Risk and Governance Committee, his current term will expire at the close of the 2014 Annual General Meeting.

Frances Hernon**
Non-executive Chairman

Frances Hernon was appointed to the Infomedia Board of Directors on 19 June 2000. Ms Hernon has extensive experience in media, publishing, marketing and technology. She has held senior editorial positions at News Ltd and Murdoch Magazines and was General Manager, Harrison Communications, Director of Publicity at Channel Ten, Managing Editor of the NRMA's member magazine The Open Road, Manager, Business Communications for NRMA, and Senior Account Manager, Group IT&T for the Insurance Australia Group (IAG). Ms Hernon was formally Corporate Affairs Manager for Nestlé Australia Ltd.

Ms Hernon serves the Board as Lead Non-executive Director for all matters that formerly fell within the ambit of the Remuneration & Nomination Committee.

Ms Hernon was last re-elected to the Board in October 2013 and appointed Chairman on 19 February 2014.

Myer Herszberg
Non-executive Director

Myer Herszberg has been a Director of Infomedia since 1992. Mr Herszberg has extensive consumer electronics experience and was active in bringing home computers to Australia in the early 1980s as well as many other leading edge electronic products. He also has extensive experience in the commercial property market, and is active in a number of community service organisations.

Mr Herszberg was last re-elected to the Board in October 2012.

*On 27 September 2013 Richard Graham became Non-Executive Chairman.

Andrew Pattinson was made Chief Executive Officer and appointed to the Board.

** On 19 February 2014 Frances Hernon was appointed Non-Executive Chairman

^Appointed 1 November 2013

DIRECTORS' REPORT
DIRECTORS (CONTINUED)
Names, qualifications, experience and special responsibilities

Richard Graham
Non-Executive Director

Mr Richard Graham has held senior management positions in the American and Australian computer industry since 1977. Mr Graham co-founded the Company in 1988 and was its Chairman and Managing Director/CEO from its establishment until he retired as CEO in December 2004. Since then Mr Graham has continued as Chairman until he resigned on 27 September 2013 and became a non-executive director.

Mr Graham was last re-elected to the Board in October 2008.

COMPANY SECRETARY

Nick Georges
General Counsel & Company
Secretary

Nick Georges is a qualified lawyer, admitted to the Supreme Courts of Victoria in 1991 and New South Wales in 1999. Prior to joining Infomedia and becoming its General Counsel & Company Secretary in 1999, Mr Georges worked in general practice as a solicitor in Victoria before moving to Sydney in 1995 to take up an executive role with Altium Limited.

Interests in the shares and options of the Company and related bodies corporate

	Ordinary Shares Fully Paid	Options over Ordinary Shares
Yarragene Pty Ltd atf Yenzick Trust*	10	-
Rentamobile Pty Ltd*	15,000	-
Andrew Pattinson	2,447,567	1,050,000
Clyde McConaghy	-	-
Frances Hernon	5,000	-
Myer Herszberg	-	-
Richard Graham	2,750,001	-

*Myer Herszberg is a Director and major shareholder of Yarragene Pty Limited and Rentamobile Pty Ltd.

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

Infomedia Ltd is a company limited by shares that is incorporated and domiciled in Australia.

The principal activities during the period of entities within the consolidated group were:

- developer and supplier of electronic parts catalogues and service systems for the automotive industry globally; and
- information management, analysis and creation for the domestic automotive and oil industries.

There have been no significant changes in the nature of those activities during the year.

EMPLOYEES

The company employed 242 (2013: 235) full time employees as at 30 June 2014.

DIVIDENDS

	Cents	\$'000
Final dividends recommended:		
On ordinary shares – final – fully franked	1.89	5,798
Dividends paid in the year:		
On ordinary shares – 2014 interim, 0.5c franked	1.89	5,777
Final for the 2013 year:		
On ordinary shares – as recommended in the 2013 report, fully franked	1.55	4,724

NET TANGIBLE ASSETS PER SECURITY

	Cents
Net tangible assets per share at 30 June 2014	2.5
Net tangible assets per share at 30 June 2013	1.3

REVIEW AND RESULTS OF OPERATIONS

The following table presents sales revenue and profit after tax. There were no non-recurring significant items during the 2014 or 2013 financial years:

	CONSOLIDATED	
	2014 \$'000	2013 \$'000
Sales revenue	57,143	48,689
Profit after tax	12,279	10,066

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

The results for the year ending 30 June 2014 show that the Company's Net Profit After Tax (NPAT) grew by 22.0% to \$12.3m and Sales revenues grew by 17.4% to \$57.1m.

The Company's NPAT exceeded previously advised guidance by \$0.3m. The achievement of NPAT beyond guidance is attributed to sales growth combined with tight cost control and a small benefit from a weaker Australian dollar compared with that used for guidance.

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In constant currency terms, sales revenue rose by \$2.9m and operating costs increased \$1.1m. Foreign currency translations favourably affected constant currency EBITDA over the prior year by \$2.0m. Consequently, the Company achieved an EBITDA (excluding capitalisation of research and development) of \$16.5m, an increase of \$3.8m (30.0%).

The Company saw increased capitalisation and amortisation during the year and a higher tax expense. Overall, NPAT increased \$2.2m or 22.0% to \$12.3m.

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The Board has declared a fully franked final dividend payment of 1.89 cents per share. This, together with the interim dividend of 1.89 cents (franked to 0.5 cents), results in a total dividend of 3.78 cents for the full year which is 34% higher than the prior year and represents a payout ratio of 94% of NPAT.

The record date to determine entitlements to the dividend distribution is 3 September 2014 and the date on which the dividend is payable is 17 September 2014.

With regards to FY2015, the Company advises that it expects both constant currency and reported AUD growth. Accordingly, the Company provides guidance that it expects NPAT to exceed \$14.5 million in FY2015 driven by increasing sales.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant change in the state of affairs of the Company since the last Directors' Report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected the operations of the Company, the results of those operations, or the state of affairs of the Company.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the year ahead the Company expects to continue to release its internet-based products. The company expects to continue increasing Superservice™ revenue.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is not subject to any particular or significant environmental regulation under a law of the Commonwealth of Australia or of a State or Territory.

DIRECTORS' REPORT

SHARE OPTIONS

Unissued shares

At the date of this report, there were 4,630,000 unissued ordinary shares under options. Refer to Note 19 of the financial statements for further details of the options outstanding.

Shares issued as a result of the exercise of options

There were 3,190,000 shares issued as a result of the exercise of options during the year. Since the end of the financial year there have been no options exercised.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year the Company paid a premium in relation to insuring Directors and other officers against liability incurred in their capacity as a Director or officer of the Company. The insurance contract specifically prohibits the disclosure of the nature of the policy and amount of premium paid.

REMUNERATION REPORT – AUDITED

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

(i) Directors

Clyde McConaghy [^]	Non-executive Director
Frances Hernon ^{**}	Non-executive Chairman
Myer Herszberg	Non-executive Director
Richard Graham [*]	Non-executive Director

(ii) Executives

Andrew Pattinson [*]	Chief Executive Officer and Executive Director
Jonathan Pollard	Chief Financial Officer
Karen Blunden	CEO IFM Americas
Michael Roach	General Manager Asia Pacific
Nick Georges	Company Secretary and Legal Counsel

^{*}On 27 September 2013 Richard Graham became Non-Executive Chairman.

Andrew Pattinson was made Chief Executive Officer and appointed to the Board.

^{**} On 19 February 2014 Frances Hernon was appointed Non-Executive Chairman

[^]Appointed 1 November 2013

Compensation Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. To this end, the Company embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable executive compensation.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Remuneration Decisions

This year your Directors decided to review Infomedia's approach to senior executive remuneration. Previously, Ms. Hernon, in her capacity as lead director for all matters that formerly fell within the former Remuneration & Nomination Committee of the Board of Directors was responsible for recommending to the Board the Company's remuneration and compensation policy arrangements for all Key Management Personnel (KMP). Ms. Hernon, together with the non-executive members of the Board, assessed the appropriateness of the nature and amount of these emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Whilst the Board considers the Company's current approach to senior executive remuneration to be in the interests of shareholders and its appropriateness is reflected in the results of the Company, Ms. Hernon as Chairman, with the assistance of external advisors, is leading a Board review with the aim of providing recommendations to the Board prior to the Company's next Annual General Meeting.

Compensation Structure

For the reporting year Infomedia's approach was, in accordance with best practice corporate governance recommendations, to maintain the structure of non-executive Director and senior executive compensation as separate and distinct.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level which provides the Company with the ability to attract and retain directors of appropriate calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then available between the Directors as appropriate (for the year ended 30 June 2014) non-executive Directors' compensation totalled \$297,593 (2013: \$153,335). The increase was due to an increase in the number of Directors. The latest determination was at the Annual General Meeting held on 30 October 2002 when shareholders approved a maximum aggregate compensation of \$450,000 per year.

The Board has historically considered the advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking a review process. During the current review it was found that the non-executive director remuneration was below the median compensation for Directors of companies of similar size and complexity. Consequently, a salary increase of 5% was approved for each Director. This was the first salary increase since 2007 for non-executive Directors..

Senior Executive and Executive Director Compensation

Objective

The Company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

The Company's policy is to pay at the median level for roles as measured against the Mercer data and/or market data to determine the salary levels.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Structure

In determining the level and make-up of executive compensation, the Company engages an external consultant from time to time to provide independent advice but more typically conducts its own market salary review of similar companies to determine the level and make-up of executive compensation.

Compensation consists of the following key elements:

- Fixed Compensation;
- Variable Compensation - Short Term Incentive (STI); and
- Variable Compensation - Long Term Incentive (LTI)

The actual proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for KMP (excluding the CEO and non-executive Directors) by the CEO in conjunction with the lead director (Ms. Hernon) for all remuneration matters, and in the case of the CEO, by the Chairman of the Board. Other executive salaries are determined by the CEO with reference to market conditions.

For new CEO, Andrew Pattinson, the 'at risk' component of his base salary is 19%. His KPIs include various measures relating to the Company's general performance as well as financial targets. Andrew's base salary is \$310,458 plus superannuation.

Fixed Compensation

Objective

The level of fixed compensation is set so as to provide a base level of compensation which is both appropriate to the position and is competitive in the market. Fixed compensation is reviewed periodically by the CEO in conjunction with the Chairman for the KMP excluding the CEO where the Chairman has access to external advice independent of management. All other executive positions are reviewed periodically by the CEO or Chairman.

Structure

Executives are given the opportunity to receive their fixed (primary) compensation in a variety of forms including cash or other designated employee expenditure such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Compensation – Short Term Incentive (STI)

Objective

The objective of STI compensation is to link the achievement of both individual performance and Company performance with the compensation received by the executive.

Structure

The structure of STI compensation is a cash bonus dependent upon a combination of individual performance objectives and Company objectives being met. This reflects the Company wide practice of 'Performance Planning & Review' (PPR) procedures. Individual performance objectives centre on key focus areas which are very specific to the organisation and its operations. Company objectives include achieving budgetary targets that are set at the commencement of the financial year (adjusted where necessary for currency fluctuations). In FY2014 all financial targets were exceeded and, therefore, KMP will receive at least 60% of their STI compensation. The STIs for FY2014 represent an amount equivalent to 19% of the KMP's base salary.

DIRECTORS' REPORT
REMUNERATION REPORT (CONTINUED) - AUDITED

These performance conditions were chosen, in the case of individual performance objectives, to promote and maintain the individual's focus on their own contribution to the Company's strategic objectives through individual achievement in key result areas (KRAs) which include, for example, 'leadership', 'decision making', 'results' and 'risk management'. In the case of Company objectives, budgetary performance conditions were chosen to promote and maintain a collaborative, Company wide focus on the achievement of those targets.

In assessing whether an individual performance condition has been satisfied, pre-agreed key performance indicators (KPIs) are used. In assessing whether Company objectives have been satisfied, Board level pre-determined budgetary targets are used. These methods have been chosen to create clear and measurable performance targets.

Variable Compensation – Long Term Incentive (LTI)
Objective

The objective of the LTI plan is to reward executives in a manner which aligns this element of compensation with the creation of shareholder wealth. As such LTI grants are made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against the relevant long term performance hurdle.

Structure

The structure of LTI compensation is in the form of share options pursuant to the Company's employee option plans. Options granted to employees vest subject to the following hurdles:

1. **Time:** the options vest in three equal tranches over three years post the date of grant;
2. **Share price appreciation:** the traded share price of the Company must increase by 10% year on year over the exercise price of the options; and
3. **Service:** the option holders must remain in the employment of the Company at any relevant vesting date. Employees who depart the Company automatically forfeit any unexercised options.

Contract for Services

The table and notes below summarise current executive employment contracts with the Company as at the date of this report:

<u>Executives</u>	Commencement date per latest contract	Duration	Notice Period Company	Notice Period Executive
Andrew Pattinson	27-Sep-13	3 years	6 months	6 months
Jonathan Pollard	15-Jan-12	3 years	3 months	3 months
Karen Blunden	15-Jan-12	3 years	3 months	3 months
Michael Roach	15-Jan-12	3 years	3 months	3 months
Nick Georges	15-Jan-12	3 years	3 months	3 months

The Company may terminate each of the contracts at any time without notice if serious misconduct has occurred. Options that have not yet vested upon termination will be forfeited.

DIRECTORS' REPORT
REMUNERATION REPORT (CONTINUED) - AUDITED

Key Management Personnel for the year ended 30 June 2014 and 30 June 2013 is set out below. The amounts are based on individual contracts with each person. The proportion of remuneration that is based on performance is dependent on their individual achievement of KPI's

	Short-Term			Post Employment	Share Based Payments	Long Service leave	Total	Percentage Performance Related	Percentage Attributable to Options
2014 Financial Year:	Salary & Fees	Bonus	Non Monetary Benefits	Superannuation	Options				
	\$	\$	\$	\$	\$	\$	\$	%	%
<u>Directors:</u>									
Clyde McConaghy [^]	44,846	-	-	4,148	-	-	48,994	-	-
Frances Hernon ¹	76,587	-	-	7,084	-	-	83,671	-	-
Myer Herszberg	56,300	-	-	5,208	-	-	61,508	-	-
Richard Graham ¹	94,664	-	-	8,756	-	-	103,420	-	-
<u>Executives:</u>									
Andrew Pattinson ¹	310,813	58,987	-	28,750	65,895	5,174	469,619	13%	14%
Jonathan Pollard	249,076	47,270	-	23,040	4,262	3,732	327,380	14%	1%
Karen Blunden	290,029	52,650	1,091	-	4,262	-	348,032	15%	1%
Michael Roach	225,659	42,826	-	20,873	4,262	3,757	297,377	14%	1%
Nick Georges	215,014	40,806	-	19,937	4,262	3,579	283,598	14%	2%
Total	1,562,988	242,539	1,091	117,796	82,943	16,242	2,023,599		

2013 Financial Year:	Salary & Fees	Bonus	Non Monetary Benefits	Superannuation	Options				
<u>Directors:</u>									
Frances Hernon	56,250	-	-	5,062	-	-	61,312	-	-
Geoff Henderson*	28,125	-	-	2,531	-	-	30,656	-	-
Myer Herszberg	56,300	-	-	5,067	-	-	61,367	-	-
Richard Graham	115,000	-	-	10,350	-	-	125,350	-	-
<u>Executives:</u>									
Andrew Pattinson	292,000	55,480	-	26,280	10,061	4,867	388,688	14%	3%
Jonathan Pollard	234,000	44,460	-	21,060	10,061	3,120	312,701	14%	3%
Karen Blunden	256,056	44,890	968	-	10,061	-	311,975	14%	3%
Michael Roach	212,000	40,280	-	19,080	10,061	3,533	284,954	14%	4%
Nick Georges	202,000	38,380	-	18,227	10,061	3,367	272,035	14%	4%
Total	1,451,731	223,490	968	107,657	50,305	14,887	1,849,038		

*Resigned 3rd January 2013

[^]Appointed 1 November 2013

¹ On 27 September 2013 Richard Graham resigned as Non-Executive Chairman. Andrew Pattinson was made Chief Executive Officer and appointed to the Board. On 19 February 2014 Frances Hernon was appointed Non-Executive Chairman.

Bonuses were paid at a rate of 100% of maximum bonus potential (2013: 100%)

DIRECTORS' REPORT
REMUNERATION REPORT (CONTINUED) - AUDITED
Compensation options: Vested during the year 30 June 2014

<u>Executives</u>	Options Issued No.	Terms and Conditions for each Grant				Vested		Exercised	
		Grant date	Fair value per option at grant date(\$)	Exercise price per option (\$)	Expiry date	No.	%	No.	%
Andrew Pattinson	450,000	15/01/2012	0.050	0.190	14/03/2015	300,000	66.7%	150,000	50.0%
Andrew Pattinson	750,000	27/09/2013	0.110	0.565	31/10/2016	-	0.0%	-	0.0%
Jonathan Pollard	450,000	15/01/2012	0.050	0.190	14/03/2015	300,000	66.7%	300,000	100.0%
Karen Blunden	450,000	15/01/2012	0.050	0.190	14/03/2015	300,000	66.7%	300,000	100.0%
Michael Roach	450,000	15/01/2012	0.050	0.190	14/03/2015	300,000	66.7%	300,000	100.0%
Nick Georges	450,000	15/01/2012	0.050	0.190	14/03/2015	300,000	66.7%	300,000	100.0%
Total	3,000,000					1,500,000	50.0%	1,350,000	90.0%

Compensation options: Vested during the year 30 June 2013

<u>Executives</u>	Options Issued No.	Terms and Conditions for each Grant				Vested		Exercised	
		Grant date	Fair value per option at grant date(\$)	Exercise price per option (\$)	Expiry date	No.	%	No.	%
Andrew Pattinson	450,000	15/01/2012	0.050	0.190	14/03/2015	150,000	33.3%	-	0.0%
Jonathan Pollard	450,000	15/01/2012	0.050	0.190	14/03/2015	150,000	33.3%	-	0.0%
Karen Blunden	450,000	15/01/2012	0.050	0.190	14/03/2015	150,000	33.3%	150,000	100.0%
Michael Roach	450,000	15/01/2012	0.050	0.190	14/03/2015	150,000	33.3%	-	0.0%
Nick Georges	450,000	15/01/2012	0.050	0.190	14/03/2015	150,000	33.3%	150,000	100.0%
Total	2,250,000					750,000	33.3%	300,000	40.0%

DIRECTORS' REPORT
REMUNERATION REPORT (CONTINUED) - AUDITED
Option holdings of Key Management Personnel (Consolidated)

2014 Financial Year:	Balance at beginning of period	Granted as compensation	Options exercised	Expired	Balance at end of period	Vested at 30 June 2014	
<u>Executives</u>	1 July 2013				30 June 2014	Not exercisable	Exercisable
Andrew Pattinson	450,000	750,000	(150,000)	-	1,050,000	900,000	150,000
Jonathan Pollard	450,000	-	(300,000)	-	150,000	150,000	-
Karen Blunden	300,000	-	(150,000)	-	150,000	150,000	-
Michael Roach	450,000	-	(300,000)	-	150,000	150,000	-
Nick Georges	300,000	-	(150,000)	-	150,000	150,000	-
Total	1,950,000	750,000	(1,050,000)	-	1,650,000	1,500,000	150,000

2013 Financial Year:	Balance at beginning of period	Granted as compensation	Options exercised	Expired	Balance at end of period	Vested at 30 June 2013	
<u>Executives</u>	1 July 2012				30 June 2013	Not exercisable	Exercisable
Andrew Pattinson	450,000	-	-	-	450,000	300,000	150,000
Jonathan Pollard	450,000	-	-	-	450,000	300,000	150,000
Karen Blunden	450,000	-	(150,000)	-	300,000	300,000	-
Michael Roach	450,000	-	-	-	450,000	300,000	150,000
Nick Georges	450,000	-	(150,000)	-	300,000	300,000	-
Total	2,250,000	-	(300,000)	-	1,950,000	1,500,000	450,000

DIRECTORS' REPORT
REMUNERATION REPORT (CONTINUED) - AUDITED
Shareholdings of Key Management Personnel - Number of shares held in Infomedia Ltd

2014 Financial Year:	Balance 30 June 2013	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2014
<u>Directors</u>					
Clyde McConaghy [^]	-	-	-	-	-
Frances Hernon	5,000	-	-	-	5,000
Myer Herszberg	23,436,599	-	-	(23,421,589)	15,010
Richard Graham	103,390,901	-	-	(100,640,900)	2,750,001
<u>Executives</u>					
Andrew Pattinson	2,447,567	-	150,000	(150,000)	2,447,567
Jonathan Pollard	1,996	-	300,000	(200,000)	101,996
Karen Blunden	150,000	-	150,000	-	300,000
Michael Roach	18,721	-	300,000	(300,000)	18,721
Nick Georges	153,000	-	150,000	(303,000)	-
Total	129,603,784	-	1,050,000	(125,015,489)	5,638,295

2013 Financial Year:	Balance 1 July 2012	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2013
<u>Directors</u>					
Frances Hernon	5,000	-	-	-	5,000
Geoff Henderson*	-	-	-	-	-
Myer Herszberg	23,436,599	-	-	-	23,436,599
Richard Graham	103,390,901	-	-	-	103,390,901
<u>Executives</u>					
Andrew Pattinson	2,447,567	-	-	-	2,447,567
Jonathan Pollard	1,996	-	-	-	1,996
Karen Blunden	-	-	150,000	-	150,000
Michael Roach	18,721	-	-	-	18,721
Nick Georges	24,421	-	150,000	(21,421)	153,000
Total	129,325,205	-	300,000	(21,421)	129,603,784

*Resigned 3/01/13

[^]Appointed 1 November 2013

All equity transactions with key management personnel other than those arising from the exercise of compensation options and compensation shares have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Loans to Key Management Personnel

There were no loans at the beginning or the end of the reporting period to key management personnel. No loans were made available during the reporting period to key management personnel.

DIRECTORS' REPORT
REMUNERATION REPORT (CONTINUED) - AUDITED
Additional information

Executive rewards are linked to the creation of shareholder value by providing incentives that positively impact the earnings of the company. The earnings of the consolidated entity for the five years to 30 June 2014 are summarised below:

	2010	2011	2012	2013	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
EBITDA	18,175	18,788	17,653	20,104	24,598
EBIT	14,430	13,172	11,087	11,974	15,406
Profit after income tax	11,336	10,039	8,461	10,066	12,279

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2010	2011	2012	2013	2014
	Cents	Cents	Cents	Cents	Cents
Dividends per share	2.40	2.40	2.40	2.82	3.78
Share price at financial year end	28	22	20	47	75

Reconciliation of Net Profit After Tax per the Statement of Profit or Loss & Other Comprehensive Income to EBIT and EBITDA.

	2010	2011	2012	2013	2014
Net Profit After Tax	11,336	10,039	8,461	10,066	12,279
Interest	(103)	(184)	(101)	(76)	(106)
Tax	3,161	3,317	2,727	1,984	3,233
EBIT	14,394	13,172	11,087	11,974	15,406
Depreciation & Amortisation	3,745	5,616	6,567	8,130	9,192
EBITDA	18,139	18,788	17,654	20,104	24,598

At the AGM, no comments were received on the remuneration report and it was adopted by way of a show of hands.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

<u>Directors</u>	Board Meeting		Audit, Risk & Governance Committee Meetings	
	Held	Attended	Held	Attended
Andrew Pattinson ¹	7	7	-	2
Clyde McConaghy ²	5	5	2	2
Frances Hernon	10	10	2	2
Myer Herszberg	10	7	2	1
Nick Georges ³	1	1 ³	-	-
Richard Graham	10	9	-	2

1. Mr Pattinson commenced as a Director with effect from 27 September 2013.

2. Mr McConaghy commenced as a Director with effect from 1 November 2013.

3. Mr Georges acting as Alternate Director for Mr Herszberg with effect from 26 September 2013 and ceasing on 27 September 2013.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year are outlined in note 22 to the financial statements .

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence for the following reasons:

All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Our Corporate Governance Statement can be found at www.infomedia.com.au.

DIRECTORS' REPORT**AUDITOR INDEPENDENCE**

The Directors received an auditor's independence declaration from the auditor of the Company as required under section 307c of the Corporations Act 2001 (refer page 19).

This report is made in accordance with a resolution of directors, pursuant to section 298 (2)(a) of the Corporations Act 2001.

On behalf of the directors,

A handwritten signature in black ink, appearing to read 'Frances Hernon', written over a horizontal line.

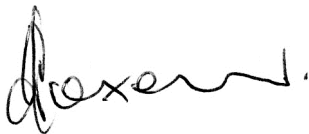
Frances Hernon
Chairman
Sydney, 21 August 2014

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF INFOMEDIA LTD

As lead auditor of Infomedia Ltd for the year ended 30 June 2014, 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 Infomedia Ltd and the entities it controlled during the period.



Grant Saxon
Partner

BDO East Coast Partnership

Sydney, 21 August 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 June 2014	Notes	CONSOLIDATED	
		2014	Restated ¹ 2013
		\$'000	\$'000
Sales revenue		57,143	48,689
Expenditure			
Research and development expenses	3	(13,778)	(12,362)
Sales and marketing expenses		(14,677)	(12,631)
General and administration expenses		(11,780)	(11,868)
Total expenditure		(40,235)	(36,861)
Other income and expenses			
Finance income		106	76
Currency exchange gains/(losses)		(1,502)	146
Profit before income tax		15,512	12,050
Income tax expense	4	(3,233)	(1,984)
Profit for the year		12,279	10,066
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		132	854
Effective cashflow hedges gain/(losses) recognised in equity		1,079	(1,240)
Other comprehensive income for the period, net of tax		1,211	(386)
Total comprehensive income for the period		13,490	9,680
Basic earnings per share (cents per share)		4.02	3.32
Diluted earnings per share (cents per share)		4.00	3.29
Dividends per share - ordinary (cents per share)	6	3.78	2.82

¹ The presentation of Statement of Profit or Loss & Other Comprehensive Income has been revised during the year and the comparative amounts restated. See note 2 (aa) for further details.

The above Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014	Notes	CONSOLIDATED	
		2014	2013
CURRENT ASSETS		\$'000	\$'000
Cash and cash equivalents	17(b)	11,410	9,299
Trade and other receivables	7	6,162	5,304
Inventories	8	-	1
Prepayments		926	1,214
Derivatives	26	460	-
TOTAL CURRENT ASSETS		18,958	15,818
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,269	1,438
Intangible assets and goodwill	10	34,322	34,359
TOTAL NON-CURRENT ASSETS		35,591	35,797
TOTAL ASSETS		54,549	51,615
CURRENT LIABILITIES			
Trade and other payables	12	2,601	2,634
Derivatives	26	-	2,193
Provisions	13	2,339	2,039
Income tax payable		1,149	611
Deferred revenue	14	477	668
TOTAL CURRENT LIABILITIES		6,566	8,145
NON-CURRENT LIABILITIES			
Provisions	15	498	448
Deferred tax liabilities	4	5,496	4,854
TOTAL NON-CURRENT LIABILITIES		5,994	5,302
TOTAL LIABILITIES		12,560	13,447
NET ASSETS		41,989	38,168
EQUITY			
Contributed equity	16	11,476	10,855
Reserves	16	1,569	147
Retained profits		28,944	27,166
TOTAL EQUITY		41,989	38,168

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

STATEMENT OF CASH FLOWS

YEAR ENDED 30 June 2014	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		55,085	50,179
Payments to suppliers and employees		(40,213)	(37,063)
Interest received		106	76
Income tax paid		(2,485)	(1,944)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17(a)	12,493	11,248
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(502)	(642)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(502)	(642)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share options	16	621	57
Dividends paid on ordinary shares	6	(10,501)	(8,010)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(9,880)	(7,953)
NET INCREASE IN CASH HELD		2,111	2,653
Add opening cash brought forward		9,299	6,646
CLOSING CASH CARRIED FORWARD	17(b)	11,410	9,299

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

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 June 2014	CONSOLIDATED					
	Contributed equity	Retained earnings	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2013	10,855	27,166	252	(755)	650	38,168
Profit for the year	-	12,279	-	-	-	12,279
Other comprehensive income	-	-	-	1,079	132	1,211
Total comprehensive income for the year	-	12,279	-	1,079	132	13,490
Transactions with shareholders:						
Share based payments (note 19)	-	-	211	-	-	211
Share options exercised (note 6)	621	-	-	-	-	621
Equity dividends	-	(10,501)	-	-	-	(10,501)
At 30 June 2014	11,476	28,944	463	324	782	41,989

YEAR ENDED 30 June 2013	CONSOLIDATED					
	Contributed equity	Retained earnings	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2012	10,798	25,110	56	485	(204)	36,245
Profit for the year	-	10,066	-	-	-	10,066
Other comprehensive income	-	-	-	(1,240)	854	(386)
Total comprehensive income for the year	-	10,066	-	(1,240)	854	9,680
Transactions with shareholders:						
Share based payments (note 19)	-	-	196	-	-	196
Share options exercised (note 6)	57	-	-	-	-	57
Equity dividends	-	(8,010)	-	-	-	(8,010)
At 30 June 2013	10,855	27,166	252	(755)	650	38,168

The above Statement of Changes in Equity should be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

1. CORPORATE INFORMATION

The financial report of Infomedia Ltd for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 21 August 2014.

Infomedia Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian stock exchange (ASX:IFM). The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations as appropriate for profit oriented entities. The financial report has also been prepared on an historical cost basis, except for derivative financial instruments that have been measured at fair value.

b) Statement of compliance

This financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board. This financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

New Accounting Standards and Interpretations not yet mandatory or early adopted.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Infomedia Ltd (the 'Company') and its subsidiaries ('the Group'). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Infomedia Ltd has control.

d) Significant accounting judgments, estimates and assumptions.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

- Impairment of goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and Intangibles with indefinite useful lives are discussed in Note 11.

- Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 19.

- Research & development

Development costs are only capitalised by the Group when it is assessed that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale and that the asset is expected to generate future economic benefit. Refer to note 2(k) for further discussion.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Foreign currency translation

Translation of foreign currency transactions

Transactions in foreign currencies of the Company are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the Company that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the reporting period.

All currency exchange differences in the consolidated financial report are taken to the Statement of Profit or Loss & Other Comprehensive Income.

Translation of financial reports of overseas operations

Both the functional and presentation currency of Infomedia Ltd is Australian dollars (A\$).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the overseas subsidiaries is as follows:

IFM Europe Ltd	Great British Pounds (GBP)
IFM Germany GmbH	Euros (EUR)
IFM North America Inc	United States Dollars (USD)
Different Aspect Software Ltd	Great British Pounds (GBP)

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Infomedia Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

f) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal values. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within three months, net of outstanding bank overdrafts.

g) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

h) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. For the Company the relevant categories are listed below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Investments in Subsidiaries

Investments in subsidiaries are recorded at cost.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials – purchase cost on a first-in-first-out basis

j) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Company at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Company's primary or the Company's secondary reporting format determined in accordance with AASB 8 Operating Segments

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

k) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Research costs are expensed as incurred. Development costs are capitalised and an intangible asset for development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project commencing from the commercial release of the project.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Intangible assets (continued)

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

l) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed (with the exception of goodwill) only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Major depreciation periods are:	2014	2013
Leasehold improvements:	5 to 20 years	5 to 20 years
Other plant and equipment:	3 to 15 years	3 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

n) Leases

Operating lease payments are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term. Lease incentives are recognised in the statement of Profit or Loss and Other Comprehensive Income as an integral part of the total lease expense.

o) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

q) Deferred revenue

Certain contracts allow annual subscriptions to be invoiced in advance. The components of revenue relating to the subscription period beyond balance date are recorded as a liability.

r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Subscriptions

Subscription revenue is recognised when the copyright article has passed to the buyer with related support revenue being recognised over the service period. Where the copyright article and related support revenue are inseparable then the revenue is recognised over the service period.

Interest

Interest is recognised using the effective interest method.

t) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments are measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction. Infomedia Ltd currently has cash flow hedges attributable to highly probable future foreign currency sales.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with anticipated future sales that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. The Group tests each of the designated cash flow hedges for effectiveness on a monthly basis both retrospectively and prospectively using the "matched terms" principle.

At each balance date, hedge effectiveness is measured in the first instance by determining whether there have been any changes to these "matched terms". When there have been no changes to these "matched terms", the hedge is considered to be highly effective. Where there has been a change to these terms, effectiveness is measured using the hypothetical derivative method.

The parent entity (Infomedia Ltd) sells software to its customers and uses its subsidiary companies (i.e. IFM North America Inc and IFM Europe Ltd) to act as billing agents and provide sales and support services. Sales are denominated in USD and Euros. The Group hedges foreign exchange exposure on sales (net of sales and support service costs) as this exposure affects consolidated profit when the sale is made to the external customer.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The tax consolidated current tax liability and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with Interpretation 1052 – Tax Consolidation Accounting. The group uses a group allocation method for this purpose where the allocated current tax payable, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if the company is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. Recognition of amounts allocated to members of the tax consolidated group has regard to the tax consolidated groups future tax profits.

v) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (“GST”) except:

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Other taxes (continued)

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

Cash flows are included in the Statement of Cash Flows on a gross basis.

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

w) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and current provisions respectively in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

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

(iii) Post employment and termination benefits

A Superannuation expense at 9.25% of salaries is recognised on a straight line basis. Termination benefits are recognised at the point of being incurred where relevant.

x) Share-based payment transactions

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ('equity-settled transactions').

There are currently two plans in place to provide these benefits:

- (i) the Employee Share Plan (ESP), and
- (ii) the Employee Option Plan (EOP).

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Infomedia Ltd ('market conditions'). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where the terms of an equity-settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

x) Share-based payment transactions (continued)

Where an equity-settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

y) Earnings per share

Basic earnings per share is determined by dividing the profit attributed to members of the parent after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- cost of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

z) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2014
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
z) Business combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

aa) Restatement of comparatives

Over recent years the Company has invested significant resources in changing the way customers use its software by migrating users from physical DVD discs and applications installed on end user infrastructure (Disc based), to products accessible online via internet browsers (Software as a Service or 'SaaS').

As customers increasingly migrate to the online 'SaaS' versions, the Company has seen a change to the nature of its business in certain areas. In accordance with the provisions of AASB101 Presentation of Financial Statements which requires classification of items of income and expense on the most reliable and relevant basis, the Company has now adopted a functional approach to presenting its Statement of Profit or Loss and Other Comprehensive Income showing Research & Development expenses, Sales & Marketing expenses and General & Administrative expenses which it believes gives readers a more intuitive view of the Company's activities. The approach adopted by the Company for creation and maintenance of the Software as a Service products has led to the lack of distinction between 'Direct Wages' and 'Employee benefits expense (Salary and wages)'. These costs are now included within the three functional areas of expense listed above. Consequently 'Cost of Sales' is no longer presented.

Reconciliation of cost of sales and employee benefit expense to Sales & Marketing, General & Administrative and Research & Development expense due to the change in presentation of the Statement of Profit or Loss and Other Comprehensive Income.

	2013 \$'000
Cost of sales	
Direct wages	12,032
Other	7,267
Total cost of sales	19,299
Reported as:	
Sales & Marketing expense	11,207
General & Administrative expense	3,517
Research & Development expense	4,575
Total Direct wages	19,299

NOTES TO THE FINANCIAL STATEMENTS
3. EXPENSES

Notes	CONSOLIDATED	
	2014 \$'000	2013 \$'000
(i) Research & development costs		
Total research & development costs incurred during the period	13,771	12,601
Amortisation of deferred development costs	8,113	7,178
Less: development costs capitalised	(8,106)	(7,417)
Net research and development costs expensed	13,778	12,362

Profit before income tax from continuing operations includes the following specific expenses:

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Depreciation		662	593
Amortisation		8,530	7,537
Minimum lease payments for rental expense		1,359	1,208
Superannuation expense		1,443	1,328
Share based payment expense		211	196
Employee benefits expense		24,828	22,743

NOTES TO THE FINANCIAL STATEMENTS

4. INCOME TAX

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
The major components of income tax expense are:			
(a) Income statement			
<i>Current income tax</i>			
Current income tax charge		3,128	2,404
Adjustments in respect of current income tax of previous years.		(68)	(711)
<i>Deferred income tax</i>			
Relating to origination and reversal of temporary differences		173	291
Income tax expense reported in the income statement		3,233	1,984
(b) Disclosure of tax effects relating to each component of other comprehensive income			
Movement in cash flow hedges		469	(542)
		469	(542)
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:			
Accounting profit before income tax		15,512	12,050
At the Company's statutory income tax rate of 30% (2013: 30%)			
Adjustments in respect of income tax of previous years		4,653	3,615
Additional research and development deduction		(151)	(487)
Additional research and development deduction		(1,345)	(1,214)
Expenditure not allowable for income tax purposes		76	70
Income tax expense for the year		3,233	1,984

NOTES TO THE FINANCIAL STATEMENTS

4. INCOME TAX (CONTINUED)

	Notes	STATEMENT OF FINANCIAL POSITION		STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Deferred income tax					
Deferred income tax at 30 June relates to the following:					
CONSOLIDATED					
<i>Deferred tax liabilities</i>					
Derivatives		(138)	658	327	(324)
Deferred development costs		(6,380)	(6,382)	(2)	72
Gross deferred income tax liabilities		(6,518)	(5,724)		
CONSOLIDATED					
<i>Deferred tax assets</i>					
Provisions		872	679	(193)	408
Other payables		40	50	10	17
Currency exchange		110	141	31	118
Gross deferred income tax assets		1,022	870		
Deferred tax income/ (expense)				173	291
Net deferred income tax liabilities		(5,496)	(4,854)		

5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options). The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	CONSOLIDATED	
	2014 \$'000	2013 \$'000
Net profit attributable to equity holders from continuing operations	12,279	10,066
	Number of shares	Number of shares
Weighted average number of ordinary shares for basic earnings per share	305,173,135	303,382,350
Effect of dilution:		
Share options	2,003,292	2,801,407
Adjusted weighted average number of ordinary shares for diluted earnings per share	307,176,427	306,183,757
Diluted EPS (cents)	4.00	3.29

NOTES TO THE FINANCIAL STATEMENTS
6. DIVIDEND PROPOSED OR PAID

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
(a) Dividends paid during the year:			
Interim dividend - 1.89 cents, 0.5c franked (2013: 1.27 cents, 0.5 cents franked) per share		5,777	3,855
Prior year final dividend - 1.55 cents fully franked (2013: 1.37 cents fully franked) per share		4,724	4,155
Total dividends paid during the year		10,501	8,010
(b) Dividends proposed and not recognised as a liability:			
Final dividend - 1.89 cents per share fully franked. (2013: 1.55 cents per share, fully franked)		5,798	4,713
(c) Franking credit balance:			
The amount of franking credits available for the subsequent financial year are:			
Franking account balance as at the end of the financial year		10	217
Franking credits/(debits) that will arise from the payment/(receipt) of income tax payable/(receivable) as at the end of the financial year		1,133	656
		1,143	873

If fully franked, the tax rate on dividends is 30% (2013: 30%).

NOTES TO THE FINANCIAL STATEMENTS
7. TRADE AND OTHER RECEIVABLES (CURRENT)

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Trade debtors		6,218	5,459
Allowance for impairment loss (a)		(188)	(224)
		6,030	5,235
Other debtors		132	69
		6,162	5,304

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of \$53,000 (2013: \$76,000 loss) has been recognised by the group in the current year. These amounts have been included in the General & Administration expenses item. The amount of the allowance/impairment loss is recognised as the difference between the carrying amount of the debtor and the estimated future cash flows expected to be received from the relevant debtors.

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
At 1 July		224	210
Charge/(release) for the year		53	76
Foreign exchange translation		4	10
Amounts written off		(93)	(72)
At 30 June		188	224

At 30 June the aging analysis of trade receivables is as follows:

	Total	0-60 days NI*	0-60 days CI*	61-120 days NI*	61-120 days CI*	121+ days NI*	121+ days CI*
2014 Consolidated (\$'000)	6,218	4,547	21	959	31	524	136
2013 Consolidated (\$'000)	5,459	4,795	30	296	43	144	151

* Not impaired (NI)

Considered impaired (CI)

All trade receivables over 60 days are considered past due.

NOTES TO THE FINANCIAL STATEMENTS
8. INVENTORY

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Raw materials			
At cost		-	1
Total inventories at the lower of cost and net realisable value		-	1

9. PROPERTY, PLANT & EQUIPMENT

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
(a)			
Leasehold improvements			
At cost		491	481
Accumulated amortisation		(426)	(413)
		65	68
Office equipment			
At cost		8,893	8,455
Accumulated depreciation		(7,836)	(7,300)
		1,057	1,155
Furniture and fittings			
At cost		436	446
Accumulated depreciation		(329)	(287)
		107	159
Plant and equipment			
At cost		3,331	3,301
Accumulated depreciation		(3,291)	(3,245)
		40	56
Total property, plant and equipment			
At cost		13,151	12,683
Accumulated depreciation and amortisation		(11,882)	(11,245)
Total carrying amount		1,269	1,438

NOTES TO THE FINANCIAL STATEMENTS
9. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
(b) Reconciliation of property, plant and equipment carrying values			
Leasehold Improvements			
Carrying amount - opening balance		68	27
Additions		30	46
Disposals		-	-
Depreciation		(33)	(5)
Carrying amount - closing balance		65	68
Office equipment			
Carrying amount - opening balance		1,155	1,087
Additions		439	544
Disposals		(1)	-
Depreciation		(536)	(476)
Carrying amount - closing balance		1,057	1,155
Furniture and fittings			
Carrying amount - opening balance		159	162
Additions		3	38
Disposals		(8)	-
Depreciation		(47)	(41)
Carrying amount - closing balance		107	159
Plant and equipment			
Carrying amount - opening balance		56	113
Additions		30	14
Depreciation		(46)	(71)
Carrying amount - closing balance		40	56
Total property, plant and equipment			
Carrying amount - opening balance		1,438	1,389
Additions		502	642
Disposals		(9)	-
Depreciation		(662)	(593)
Carrying amount - closing balance		1,269	1,438

NOTES TO THE FINANCIAL STATEMENTS
10. INTANGIBLE ASSETS AND GOODWILL

	Notes	CONSOLIDATED				
		Development costs ¹	Intellectual Property ²	Other Intangibles ²	Goodwill ²	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2013						
Cost (gross carrying amount)		47,729	3,167	1,167	12,008	64,071
Accumulated amortisation		(26,458)	(2,825)	(429)	-	(29,712)
Net carrying amount		21,271	342	738	12,008	34,359
Year ended 30 June 2014						
At 1 July 2013, net of accumulated amortisation and impairment		21,271	342	738	12,008	34,359
Purchase from wholly owned		-	-	-	-	-
Additions		8,106	-	-	-	8,106
Revaluation on cost		-	54	101	300	455
Amortisation		(8,113)	(168)	(249)	-	(8,530)
Revaluation on amortisation		-	(28)	(40)	-	(68)
At 30 June 2014, net of accumulated amortisation and impairment		21,264	200	550	12,308	34,322
At 30 June 2014						
Cost (gross carrying amount)		55,835	3,221	1,268	12,308	72,632
Accumulated amortisation		(34,571)	(3,021)	(718)	-	(38,310)
Net carrying amount		21,264	200	550	12,308	34,322

¹ Internally generated

² Purchased as part of business/territory acquisition

Development costs that meet the recognition criteria as an intangible asset have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period not exceeding four years commencing from the commercial release of the project. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Intellectual property includes intangible assets acquired through business or territory acquisition and relates primarily to copyright and software code over key products. Intellectual property is amortised over its useful life being 3 years.

NOTES TO THE FINANCIAL STATEMENTS
10. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	Notes	CONSOLIDATED				
		Development costs ¹	Intellectual Property ²	Other Intangibles ²	Goodwill ²	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2012						
Cost (gross carrying amount)		40,312	3,115	1,071	11,723	56,221
Accumulated amortisation		(19,280)	(2,656)	(179)	-	(22,115)
Net carrying amount		21,032	459	892	11,723	34,106
Year ended 30 June 2013						
At 1 July 2012, net of accumulated amortisation and impairment		21,032	459	892	11,723	34,106
Additions		7,417	-	-	-	7,417
Foreign exchange movements		-	28	60	285	373
Amortisation		(7,178)	(145)	(214)	-	(7,537)
At 30 June 2013, net of accumulated amortisation and impairment		21,271	342	738	12,008	34,359
At 30 June 2013						
Cost (gross carrying amount)		47,729	3,167	1,167	12,008	64,071
Accumulated amortisation		(26,458)	(2,825)	(429)	-	(29,712)
Net carrying amount		21,271	342	738	12,008	34,359

¹ Internally generated

² Purchased as part of business/territory acquisition

NOTES TO THE FINANCIAL STATEMENTS
30 June 2014
11. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations or territory acquisition has been allocated to four individual cash generating units, each of which is a reportable segment (refer note 24) for impairment testing as follows:

- Asia Pacific;
- Europe, Middle East & Africa;
- North America; and
- Latin and South America

The recoverable amount of each cash generating unit has been determined based on a value in use calculation using cash flow projections as at 30 June 2014 based on financial budgets approved by The Board for the 2015 financial year extrapolated for a five year period on the basis of 5% growth together with a terminal value. The NPV of this calculation was \$109,404,000.

The discount rate applied to cash flow projections is 14% (2013: 14%). The discount rate reflects management estimate of the time value of money and the rates specific to each unit.

Carrying amount of goodwill allocated to each of the cash generating units is as follows:

CONSOLIDATED	Asia Pacific	Europe, Middle East &	North America	Latin and South America	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount of goodwill 2013	2,725	5,727	2,701	855	12,008
Foreign exchange movement	68	143	67	22	300
Carrying amount of goodwill 2014	2,793	5,870	2,768	877	12,308

Key assumptions used in value in use calculations:

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of its cash generating units:

- The Company will continue to have access to the data supply from automakers over the budgeted period;
- The Company will not experience any substantial adverse movements in currency exchange rates;
- The Company's research and development program will ensure that the current suite of products remain leading edge;
- The Company is able to maintain its current gross margins;
- The discount rates estimated by management are reflective of the time value of money; and
- Management has used an AUD/USD exchange rate of \$0.93 and an AUD/EUR exchange rate of \$0.66 in its cash flow projections.

Sensitivity to changes in assumptions:

Growth rate assumptions –Management notes if negative growth rates are applied to revenues, by 5% over the five year period, this still yields a recoverable amount to be above its carrying amount.

Discount rate assumptions – Management recognises that the time value of money may vary from what they have estimated. Management notes that applying a discount rate of double the current rate still yields the recoverable amount to be above its carrying amount.

Foreign exchange rate assumptions –Management notes that applying an AUD/USD exchange rate of \$1.20 and an AUD/EUR exchange rate of \$0.85 still yields the recoverable amount to be above its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
12. TRADE AND OTHER PAYABLES (CURRENT)

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Trade creditors	12(a)	411	411
Other creditors		2,190	2,223
		2,601	2,634

(a) Trade creditors are non-interest bearing and are normally settled on 30 day terms

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value

13. PROVISIONS (CURRENT)

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Employee benefits	15(a)	2,339	2,039
		2,339	2,039

Employee benefits obligation expected to be settled within 12 months is \$1,551,000

14. DEFERRED REVENUE (CURRENT)

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Revenue in advance		477	668
		477	668

15. PROVISIONS (NON-CURRENT)

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Employee benefits		498	448
		498	448
(a) Movement in employee benefit provision			
Carrying amount at the beginning of the year		2,487	2,239
Utilised		(1,219)	(1,208)
Arising during the year		1,569	1,456
Carrying amount at the end of the year		2,837	2,487
Current	13	2,339	2,039
Non-current		498	448
		2,837	2,487

NOTES TO THE FINANCIAL STATEMENTS
16. CONTRIBUTED EQUITY AND RESERVES

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Ordinary shares		11,476	10,855
		11,476	10,855

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue:	Notes	Number	\$'000
At 1 July 2013		303,576,855	10,855
Shares repurchased		-	-
At 30 June 2013		303,576,855	10,855
Share options exercised		3,190,000	621
At 30 June 2014		306,766,855	11,476

Capital management

When managing capital, the company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Subject to the company's financial position and future financial performance, the company's current dividend policy is to distribute, in the order of 75-85% of profit after tax.

During the 2014 financial year, the company paid dividends of \$10.5 million (2013: \$8.0 million).

NOTES TO THE FINANCIAL STATEMENTS

16. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

Employee Option Plan

There were 2,170,000 (2013: 600,000) options granted during the current year at an average exercise price of \$0.565 (2013: \$0.28).

Notes	CONSOLIDATED			
	Employee equity benefits reserve	Foreign currency translation reserve	Cashflow hedge reserve	Total
	\$'000	\$'000	\$'000	\$'000
Movement in reserves:				
At 1 July 2012	56	(204)	485	337
Currency translation differences	-	854	-	854
Share based payments	196	-	-	196
Transfer to retained profit	-	-	-	-
Derivatives marked to market	-	-	(1,240)	(1,240)
At 30 June 2013	252	650	(755)	147
Currency translation differences	-	132	-	132
Share based payments	211	-	-	211
Derivatives marked to market	-	-	1,079	1,079
At 30 June 2014	463	782	324	1,569

Nature and purpose of reserves

Employee equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their compensation. Refer to Note 19 for further details.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Cashflow hedge reserve

The derivatives reserve is used to record the mark to market valuation of forward currency contracts at the balance sheet date that are considered effective hedges.

NOTES TO THE FINANCIAL STATEMENTS
17. STATEMENT OF CASH FLOWS

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
(a) Reconciliation of profit after tax to the net cash flows from operations			
Profit from ordinary activities after income tax expense		12,279	10,066
Depreciation of non-current assets		662	593
Amortisation of non-current assets		8,530	7,537
Share based payments		211	196
Ineffective (gains)/loss on hedging instruments		(1,112)	1,112
Disposal of property, plant, and equipment		7	-
Changes in assets and liabilities			
(Increase)/decrease in trade and other debtors		(687)	(430)
(Increase)/decrease in inventories		1	6
(Increase)/decrease in prepayments		129	(199)
(Increase)/decrease in deferred development costs		(8,106)	(7,417)
(Increase)/decrease in intangible assets		(387)	(373)
Increase/(decrease) in trade and other creditors		126	(267)
Increase/(decrease) in allowance for doubtful debts		(37)	15
Increase/(decrease) in provision for employee entitlements		350	250
Increase/(decrease) in income tax payable		538	(224)
Increase/(decrease) in deferred income tax liability		179	279
Increase/(decrease) in revenue in advance		(190)	104
Net cash flow from operating activities		12,493	11,248
(b) Reconciliation of cash			
Cash balance comprises:			
-Cash at bank		6,017	4,877
-Cash on deposit		5,393	4,422
		11,410	9,299

NOTES TO THE FINANCIAL STATEMENTS
18. COMMITMENTS & CONTINGENCIES

Notes	CONSOLIDATED	
	2014 \$'000	2013 \$'000
(a) Lease expenditure commitments		
Operating leases (non-cancellable):		
Minimum lease payments		
- not later than one year	1,268	1,290
- later than one year and not later than five years	1,990	3,264
- later than five years	-	-
- aggregate operating lease expenditure contracted for at balance date	3,258	4,554

Operating lease commitments are for office accommodation both in Australia and abroad.

(b) Performance Bank Guarantee

Infomedia Ltd has a performance bank guarantee to a maximum value of \$508,000 (2013: \$508,000) relating to the lease commitments of its corporate headquarters

NOTES TO THE FINANCIAL STATEMENTS
19. SHARE BASED PAYMENT PLANS
Employee Option Plan

The Employee Option Plan entitles the Company to offer 'eligible employees' options to subscribe for shares in the Company. Options will be granted at a nil issue price unless otherwise determined by the Directors of the Company and each Option enables the holder to subscribe for one Share. The exercise price for the Options granted will be as specified on the option certificate or, if not specified, the volume weighted average price for Shares of the Company for the five days trading immediately before the day on which the options were granted. The Options may be exercised in accordance with the date determined by the Board, which must be within four years of the option being granted.

Information with respect to the number of options granted under the employee share incentive scheme is as follows:

	Notes	2014		2013	
		Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	19(a)	5,850,000	\$0.200	5,670,000	\$0.190
- granted	19(b)	2,170,000	\$0.565	600,000	\$0.280
- expired	19(c)	(200,000)	\$0.190	(120,000)	\$0.280
- exercised	19(d)	(3,190,000)	\$0.230	(300,000)	\$0.190
Balance at end of year	19(e)	4,630,000	\$0.370	5,850,000	\$0.200

(a) Options held at the beginning of the year:

The following table summarises information about options held by employees at 1 July 2013

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
1,950,000	15/01/2012	15/01/2013	14/03/2015	\$0.190
3,420,000	30/05/2012	30/05/2013	30/05/2015	\$0.190
480,000	12/03/2013	15/01/2014	01/02/2016	\$0.280

(b) Options granted during the year:

The following table summarises information about options granted during the year.

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
750,000	27/09/2013	27/09/2014	31/10/2016	\$0.565
1,420,000	16/12/2013	15/12/2014	31/12/2016	\$0.565

NOTES TO THE FINANCIAL STATEMENTS
19. SHARE BASED PAYMENT PLANS (CONTINUED)
(c) Options forfeited during the year:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
120,000	30/05/2012	30/05/2013	30/05/2015	\$0.190
80,000	12/03/2013	15/01/2014	01/02/2016	\$0.280

(d) Options exercised during the year:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
1,050,000	15/01/2012	15/01/2013	14/03/2015	\$0.190
1,980,000	30/05/2012	30/05/2013	30/05/2015	\$0.190
160,000	12/03/2013	15/01/2014	01/02/2016	\$0.280

(e) Options held at the end of the year

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
900,000	15/01/2012	15/01/2013	14/03/2015	\$0.190
1,320,000	30/05/2012	30/05/2013	30/05/2015	\$0.190
240,000	12/03/2013	15/01/2014	01/02/2016	\$0.280
750,000	27/09/2013	27/09/2014	31/10/2016	\$0.565
1,420,000	16/12/2013	15/12/2014	31/12/2016	\$0.565

(f) Options held at the end of the year

The weighted average fair value of options granted during the year was \$0.295 (2013: \$0.21).

The fair value of the equity-settled options granted under the option plan is estimated as at the grant date using a binomial model taking into account the term and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year

	Granted 15/01/2012	Granted 30/05/2012	Granted 12/03/2013	Granted 27/09/2013	Granted 16/12/2013
Dividend yield (%)	10.00%	10.00%	4.33%	3.87%	4.98%
Expected volatility (%)	41%	39%	42%	42%	42%
Risk free rate (%)	3.95%	3.08%	3.22%	3.09%	3.17%
Option exercise price	\$0.190	\$0.190	\$0.280	\$0.565	\$0.565
Weighted average share price at grant date	\$0.190	\$0.190	\$0.280	\$0.565	\$0.565

The expense recognised for employee services received during the year is shown in the table below

	CONSOLIDATED	
	2014 \$'000	2013 \$'000
Expense arising from equity-settled share-based payment	211	196

NOTES TO THE FINANCIAL STATEMENTS
20. PENSIONS AND OTHER POST-EMPLOYMENT PLANS
Superannuation Commitments

Contributions are made by the Company in accordance with the relevant statutory requirements. Contributions by the Company for the year ending 30 June 2014 were 9.25% (2013 : 9.00%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

21. KEY MANAGEMENT PERSONNEL DISCLOSURES
Compensation of Key Management Personnel

	CONSOLIDATED	
	2014	2013
	\$'000	\$'000
Short-Term	1,806,618	1,676,189
Post Employment	117,796	107,657
Other Long-Term	16,242	14,887
Share-based Payments	82,943	50,305
	2,023,599	1,849,038

22. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2014	2013
	\$'000	\$'000
Amounts received or due and receivable by the auditor's of Infomedia Ltd:		
BDO East Coast Partnership		
-An audit or review of the financial report of the entity and any other entity in the consolidated entity	105,000	105,000
-Tax compliance	61,330	74,090
	166,330	179,090

NOTES TO THE FINANCIAL STATEMENTS

23. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedia Ltd is the ultimate Australian parent company

Wholly-owned group transactions

- (a) An unsecured, trade receivable of \$125,130 (2013: \$126,042) remains owing to IFM Europe Ltd from Infomedia Ltd.
- (b) An unsecured, trade receivable of \$744,265 (2013: \$1,090,359) remains owing from IFM North America Inc. to Infomedia Ltd.
- (c) An unsecured, trade receivable of \$Nil (2013: \$Nil) remains owing to Different Aspect Software Ltd. from Infomedia Ltd.
- (d) During the year Infomedia Ltd received \$Nil (2013: \$Nil) from IFM Europe Ltd for intra-group sales.
- (e) During the year Infomedia Ltd received \$Nil (2013: \$Nil) from IFM North America Inc. for intra-group sales.
- (f) During the year Infomedia Ltd paid \$3,989,036 (2013: \$3,507,668) to IFM Europe Ltd for intra-group distribution services.
- (g) During the year Infomedia Ltd paid \$4,065,682 (2013: \$2,969,538) to IFM North America Inc. for intra-group distribution services.
- (h) During the year IFM Europe paid \$22,441 (2013: \$307,221) to IFM Germany GmbH for intra-group distribution services.

NOTES TO THE FINANCIAL STATEMENTS
24. SEGMENT INFORMATION

30 June 2014	Notes	Asia Pacific	Europe, Middle East, Africa	North America	Latin & South America	Corporate*	Total
Business Segments		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Sales revenue		13,863	27,161	13,082	3,037	-	57,143
Consolidated revenue							57,143
Segment result		10,965	22,219	8,801	2,860	(29,439)	15,406
Finance revenue		-	-	-	-	106	106
Finance cost		-	-	-	-	-	-
Consolidated profit before income tax		10,965	22,219	8,801	2,860	(29,333)	15,512
Income tax expense	4						(3,233)
Consolidated profit after income tax							12,279
Assets							
Segment assets		-	7,941	486	-	-	8,427
Unallocated assets							46,122
Total assets							54,549
Liabilities							
Segment liabilities		-	504	461	-	-	965
Unallocated liabilities							11,595
Total liabilities							12,560
Capital Expenditure		-	51	21	-	430	502
Amortisation		-	417	-	-	8,113	8,530
Depreciation		-	93	66	-	503	662

* Corporate contains all business functions excluding direct sales & support costs of the other business segments.

Unallocated assets/liabilities are all group assets and liabilities not directly attributable to the business segments.

NOTES TO THE FINANCIAL STATEMENTS
24. SEGMENT INFORMATION (CONTINUED)

30 June 2013	Notes	Asia Pacific	Europe, Middle East, Africa	North America	Latin & South America	Corporate	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Segments							
REVENUE							
Sales revenue		13,275	22,184	10,555	2,675	-	48,689
Consolidated revenue							48,689
Segment result		10,610	18,086	7,943	2,190	(26,855)	11,974
Finance revenue		-	-	-	-	76	76
Finance cost		-	-	-	-	-	-
Consolidated profit before income tax		10,610	18,086	7,943	2,190	(26,779)	12,050
Income tax expense	4						(1,984)
Consolidated profit after income tax							10,066
Assets							
Segment assets		-	7,927	359	-	-	8,286
Unallocated assets							43,329
Total assets							51,615
Liabilities							
Segment liabilities		-	625	505	-	-	1,130
Unallocated liabilities							12,317
Total liabilities							13,447
Capital Expenditure		-	22	16	-	604	642
Amortisation		-	359	-	-	7,178	7,537
Depreciation		-	36	73	-	484	593

* Corporate contains all business functions excluding direct sales & support costs of the other business segments. Unallocated assets/liabilities are all group assets and liabilities not directly attributable to the business segments.

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the region in which the product is sold. Discrete financial information about each of these operating businesses is reported to the Board of Directors regularly. The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold as these are the sources of the Group's major risks and have the most effect of the rates of return.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the accounts and in the prior period.

The group accounting policies for segments are applied to the respective segments up to the segment result level.

Major customers

The Group has many customers to which it provides products. There is no significant reliance on any single customer.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments, other than derivatives, comprise cash and short-term deposits.

The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Company also enters into derivative transactions through forward currency and range forward contracts. The purpose is to manage the currency risks arising from the Company's operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

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

(a) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates solely to the Company's cash holding of \$11,410,000 (2013: \$9,299,000) with a floating interest rate.

The Company's policy is to accept the floating interest rate risk with both its cash holdings and bank loans. Cash is held primarily with leading Australian banks for periods not exceeding 30 days, as such any reasonably expected change in interest rates (+/- 1%) would not have a significant impact on post tax profit or other comprehensive income.

(b) Foreign currency risk

The Company has transactional currency exposures. These exposures mainly arise from the transactional sale of products and to a lesser extent the associated cost of sales component relating to these products. As the Company's product offerings are typically made on a recurring monthly subscription basis, there is a relatively high degree of reliability in estimating a proportion of future cashflow exposures. Approximately 40% of the Company's sales are denominated in United States Dollars and 40% are denominated in Euros (measured using the spot foreign exchange rates in existence in the current financial year). The Company seeks to mitigate exposure to movements in these currencies by entering into forward exchange derivative contracts under an approved hedging policy.

As a result of the Company's investment in both its European and United States subsidiaries, the Company's statement of financial position can be affected by movements in both the Euro and United States dollar against the Australian dollar.

At 30 June, the Group had the following exposure to foreign currency that is not designated in cash flow hedges:

	CONSOLIDATED USD \$		CONSOLIDATED EUR €	
	2014 \$'000	2013 \$'000	2014 €'000	2013 €'000
Financial Assets				
Cash and cash equivalents	2,512	1,242	853	1,833
	2,512	1,242	853	1,833

NOTES TO THE FINANCIAL STATEMENTS
25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

At 30 June, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and total equity would have been affected as follows:

Judgments of reasonably possible movements:

CONSOLIDATED	Post tax profit Higher/(Lower)		Total equity Higher/(Lower)	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
AUD/USD +10%	(160)	(79)	(160)	(79)
AUD/USD - 15%	310	153	310	153
AUD/EUR +10%	(54)	(117)	(54)	(117)
AUD/EUR - 15%	105	226	105	226

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

(c) Credit risk

The Company's credit risk with regard to accounts receivables is spread broadly across three automotive groups - manufacturers, distributors and dealerships. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. As the products typically have a monthly life cycle and are priced on a relatively low subscription price, the concentration of credit risk is typically low with automotive manufacturers being the exception.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, and certain derivative instruments, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Company trades only with recognised third parties, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

(d) Price risk

There are no items on the statement of financial position as at 30 June 2014 that are subject price risk.

NOTES TO THE FINANCIAL STATEMENTS
25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
(e) Liquidity risk

The Company's exposure to liquidity risk is minimal given the relative strength of the statement of financial position and cash flows from operations.

Given the nature of the Company's operations and no borrowings, the Company does not have fixed or contracted payments at balance date other than with respect of its cash flow hedges which are disclosed below. Consequently the remaining contractual maturity of the group entity's financial liabilities is as stated in the statement of financial position and is less than 60 days. Deferred revenue requires no cash outflow.

Liquidity and Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate or liquidity risk:

30 June 2014	CONSOLIDATED			
	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate
Floating rate	\$'000	\$'000	\$'000	%
Cash and cash equivalents	11,410	-	-	1.4
Trade and other receivables	6,162	-	-	-
Trade and other payables	(2,601)	-	-	-

30 June 2013	CONSOLIDATED			
	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate
Floating rate	\$'000	\$'000	\$'000	%
Cash and cash equivalents	9,299	-	-	1.5
Trade and other receivables	5,304	-	-	-
Trade and other payables	(2,634)	-	-	-

Interest on cash and cash equivalents classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS
25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
(f) Fair value

Derivative instruments use valuation techniques other than quoted prices in active markets with only observable market inputs for the asset or liability, either directly (as prices) or indirectly (derived from prices) to determine the fair value of foreign exchange contracts.

Derivative contracts

The following table summarises the forward exchange contracts on hand at 30 June 2014.

	CONSOLIDATED		
	Company buys	Company sells	Exchange rate
Maturity - Forward exchange contracts	\$A'000	USD'000	
Less than one year	9,408	8,445	0.898
Maturity - Forward exchange contracts	\$A'000	EUR'000	
Less than one year	9,301	6,245	0.671

The mark to market valuation of these contracts at 30 June 2014 was \$460,000 which is booked directly in equity.

The following table summarises the range forward contracts on hand at 30 June 2013.

	CONSOLIDATED		
	Company buys	Company sells	Exchange rate
Maturity - Forward exchange contracts	\$A'000	USD'000	
Less than one year	3,713	3,500	0.943
Greater than one year and not greater than two years	4,759	4,400	0.925
Maturity - Forward exchange contracts	\$A'000	EUR'000	
Less than one year	3,681	2,760	0.750
Greater than one year and not greater than two years	4,420	3,000	0.679

The mark to market valuation of these contracts at 30 June 2013 was (\$688,000) which is booked directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
26. FINANCIAL INSTRUMENTS
Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments recognised in the financial statements. The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates.

CONSOLIDATED	Carrying Amount		Fair Value	
	2014	2013	2014	2013
Financial assets	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	11,410	9,299	11,410	9,299
Trade and other debtors	6,162	5,304	6,162	5,304
Derivatives at fair value through profit or loss	460	-	460	-
Financial liabilities	\$'000	\$'000	\$'000	\$'000
Trade and other creditors	2,601	2,634	2,601	2,634
Derivatives at fair value through profit or loss	-	2,193	-	2,193

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

	30-Jun-14
	\$'000
Foreign exchange contracts - Level 2	460

Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

Transfers

During the year ended 30 June 2014, there were no transfers of available-for-sale equity securities or derivatives between levels 1 and 2 of the fair value hierarchy. There were also no transfers into or out of level 3 during the period.

Valuation techniques used to derive level 2 fair values

Derivative instruments use valuation techniques other than quoted prices in active markets with only observable market inputs for the asset or liability, either directly (as prices) or indirectly (derived from prices) to determine the fair value of foreign exchange contracts.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current receivables and current trade and other payables is assumed to approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS
27. PARENT ENTITY INFORMATION

	PARENT ENTITY	
	2014	2013
	\$'000	\$'000
Current assets	14,362	11,596
Total assets	51,127	48,333
Current liabilities	5,673	7,075
Total liabilities	11,596	12,317
Contributed equity	11,476	10,856
Retained earnings	27,268	25,663
Employee equity benefit reserve	463	252
Cashflow hedge reserve	324	(755)
Total shareholders' equity	39,531	36,016
Profit or loss of the parent entity	12,106	10,054
Total comprehensive income of the parent entity	13,185	8,812

28. INTERESTS IN CONTROLLED ENTITIES

Name	Country of incorporation	Percentage of equity interest held by the Company (directly or indirectly)		Parent entity	
		2014	2013	2014	2013
		%	%	\$	\$
IFM Europe Ltd	United Kingdom	100	100	247	247
-Ordinary shares					
Different Aspect Software Ltd**	United Kingdom	100	100	4,719	4,719
-Ordinary shares					
IFM North America Inc	United States of America	100	100	1	1
-Ordinary shares					
IFM Germany GmbH*	Germany	100	100	-	-
-Ordinary shares					

* Investment is held by IFM Europe Ltd.

** Entity was purchased on 2 September 2011

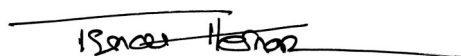
Directors' Declaration

In accordance with a resolution of the directors of Infomedia Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2b
- (c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2014.

On behalf of the Board



Frances Hernon
Chairman
Sydney
21 August 2014

INDEPENDENT AUDITOR'S REPORT

To the members of Infomedia Ltd

Report on the Financial Report

We have audited the accompanying financial report of Infomedia Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group 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 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion:

- (a) the financial report of Infomedia Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 16 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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

BDO East Coast Partnership



Grant Saxon
Partner

Sydney, 21 August 2014