

STYLE LIMITED
ABN 87 009 248 720
AND
CONTROLLED ENTITIES

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

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CORPORATE DIRECTORY

Directors

Peter Hutchinson
Marcello Cardaci
Faldi Ismail

Secretary

Mark Pitts

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street,
Subiaco WA 6008

Share Registry

Automic Registry Services
Level 1
7 Ventnor Avenue
West Perth WA 6005
Telephone: 61 8 9324 2099
Facsimile: 61 8 9321 2337

Registered Office

Suite 8, 7 The Esplanade,
Mount Pleasant, WA 6153
Telephone: 61 3 9316 9100
Facsimile: 61 3 9315 5475

Corporate Office

Suite 8, 7 The Esplanade,
Mount Pleasant, WA 6153
Telephone: 61 3 9316 9100
Facsimile: 61 3 9315 5475

Australian Stock Exchange

ASX Code Ordinary Shares: SYP

Website Address

www.stylelimited.com

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Corporate Governance Statement

The Company has adopted corporate governance practices that are consistent with the ASX Corporate Governance Council Principles and Recommendations (2nd Edition) as published by ASX Corporate Governance Council (Recommendations), except in regard to specific elements of the Principles and Recommendations as explained in this statement.

In light of the Company's size and nature, the Board considers that the composition of the current board is appropriate. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Statement are outlined below and the Company's full suite of Corporate Governance policies, as stated below, are available on the Company's website (www.stylelimited.com.au):

Board Charter

The Company's Board Charter establishes the role, responsibilities and powers of the Board of Directors. The directors' overriding objective is to increase shareholder value within an appropriate framework which protects the rights and enhances the interests of shareholders and ensures the Company and its controlled entities are properly managed. The function of the Board of directors is clearly defined and includes responsibility for:

- Approval of corporate strategies, the annual budget and financial plan;
- Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- Appointment of, and assessment of the performance of the Executive Chairman;
- Establishing policies on risk management and ensuring that the significant risks facing the Company and its controlled entities have been identified, and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- Reporting to shareholders and regulatory authorities.

The directors are committed to the principles underpinning best practice in corporate governance, applied in a manner which is best suited to the Company and to addressing the directors' accountability to shareholders and other stakeholders.

The Board has delegated the day to day operations of the Company to the Executive Chairman.

Composition of the Board

The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report are detailed in the Directors' Report.

The Board currently comprises three directors, including two non-executive directors.

When determining whether a non-executive director is independent, the Board considers whether the director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- has a material contractual relationship with the Company or another group member other than as a director

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The Board currently includes one independent director, Mr Faldi Ismail. Both Mr Peter Hutchinson and Mr Marcello Cardaci are substantial holders or are associated with substantial holders of the Company and thus cannot be considered independent.

Director selection, appointment and succession

Directors are selected based upon the specific skills, knowledge and experience that they possess.

The Board has considered the need for a nomination committee, and believes that the Company is not of a size to justify the establishment of a separate committee. It is therefore more appropriate for such responsibilities to be met by the full Board rather than a separate committee.

In determining the composition of the Board, the directors are required to consider the following:

- a) The candidates' ability to have a proper understanding of, and competence to deal with, the current and emerging issues of the business;
- b) The skills represented on the Board by sitting directors and determine whether those skills meet the skills identified as required, taking into account such factors as the complexity and size of operations;
- c) Structuring the Board such that it can encourage enhanced performance of the Company; and
- d) Structuring the Board such that it can effectively review and challenge the performance of management.

The directors have access to the advice of external consultants or specialists in determining the composition of the Board. A majority of directors must agree to the appointment of a new director to the Board.

A director appointed mid-term by the Company must seek re-election at the next general meeting.

Whilst there are no set terms for a director to serve, the Constitution requires that one-third (or the number nearest to but not less than one-third) of the directors must retire from office at each annual general meeting. Re-appointment of directors is not automatic.

A retiring director is eligible for re-election. Prior to the election of any director, candidate information with appropriate detail to support an informed decision is provided to shareholders.

Access to Information and Advice

The Company has, due to the Board's size and situation, an informal induction process. New Directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

All directors have access to the Company Secretary. The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

The Board has determined that individual directors may, in appropriate circumstances, engage independent professional advisers at the Company's expense. The engagement of an independent professional adviser is subject to the prior approval of the Chair, which will not be unreasonably withheld.

Director Remuneration

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Non-executive directors may also receive superannuation payments in accordance with statutory levels. There are no schemes for retirement benefits, other than superannuation, for non-executive directors.

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

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Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Board Operations

The Board will determine an appropriate frequency of Board and Board committee meetings to be held during the year. In addition, directors are expected to engage in regular informal discussions with management. Where directors are associated with organisations with which the Company might have ongoing commercial relationships, the director involved will withdraw from all deliberations where a potential conflict of interest may arise unless all other directors determine that the director may continue to participate in such deliberations.

Board Committees

The Board has established an Audit Committee to assist in the execution by all the Board of its duties and to allow detailed consideration of complex financial issues to flow from that committee to the Board. However, as a consequence of the Company's current situation and Board composition, the duties of the Audit Committee are discharged by the full Board until such time as new non-executive directors are appointed to the Board.

It is the view of the Board that they have the skills and experience to discharge their responsibilities in this area.

Board Performance Evaluation

The Board has not conducted a performance evaluation for the period to 30 June 2014.

Diversity

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporate Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2014:

	Proportion of female / total number of persons employed
Females employed in the Company as a whole	0 / 0
Females employed in the Company in senior positions	0 / 3
Females appointed as a Director of the Company	0 / 3

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The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the ASX and the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company will grant reward and promotion based on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implement requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability based policies currently implemented by the Company.

The Board will consider the future implementation of gender based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

Code of Conduct

The Company has established a code of conduct and all directors are expected to comply with this code. In summary, the code requires that all Company personnel act with honesty and integrity and in compliance with the letter and the spirit of the law, ASX Listing Rules and Company policies.

Risk Management

The Company's business strategies and activities involve risk.

Risk is minimised to the extent it does not inhibit the Company or its controlled entities from pursuing its goals and objectives with a considered and balanced view of risk. A program has been commenced to identify, assess and manage risk in the context of the Company's strategies, as well as regular assessment of the performance of the risk management system.

The Board is responsible for the oversight of the risk management system.

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The Board is also responsible for approving the risk management policy, framework and risk tolerance of the Company. Due to the size and nature of the Company, there is no internal audit function.

Trading in Company Securities

Directors are governed by a Securities Trading policy. This policy covers insider trading, share trading black-out periods and the maintenance of confidentiality. The Share Trading Policy is available on the Company website.

Outside the black-out periods, these individuals, or associates, can purchase or sell Company securities only after referring the matter to the Chairman and/or Company Secretary. Black-out periods are called at least 20 trading days prior to the release of the financial results and at any other time when the Company as a whole or individuals might be precluded from entering into security transactions.

Continuous Disclosure

The directors and Company Secretary have been nominated as the people responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and co-ordinating information disclosures to the ASX, shareholders, analysts, brokers, the media and the public.

The Company has policies and procedures contained within the Continuous Disclosure Policy that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities.

The table below summarises the status of the Company's compliance with each of the recommendations contained in the ASX Principles and Recommendations, and discloses reasons for non-compliance where necessary.

ASX Principles and Recommendations		Status
1	Lay solid foundations for management and oversight Companies should establish and disclose the respective roles and responsibilities of Board and management	
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions	Compliant. The role of the Board, delegations of authority, and powers of the Board have been formalised in the Board Charter, and have been disclosed on the Company website
1.2	Companies should disclose the process for evaluating the performance of senior executives	Non-Compliant. The Board does not have a formal policy for the evaluation of the performance of its senior executives. As the Company progresses, the Board intends to establish formal, quantitative and qualitative performance evaluation procedures.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	Compliant. Disclosed in the Board Charter.
2	Structure the Board to add value Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties	
2.1	A majority of the Board should be independent directors	Non-Compliant. The Board currently comprises 3 directors, one of whom is independent. However the Board believes that its composition is appropriate at the current time.
2.2	The chair should be an independent director	Non-Compliant. The Company's Chairman, Mr. Peter Hutchinson, is an executive director; in addition he is a substantial shareholder. As a result he is not considered independent in accordance with the ASX Principles and Recommendations.

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2.3	The roles of chair and chief executive officer should not be exercised by the same individual	Non-Compliant. The Company's Chairman, Mr. Peter Hutchinson, is the only executive director at this time.
2.4	The Board should establish a nomination committee	Non-Compliant. The Board has considered the need for a nomination committee, and believes that the Company is not of a size to justify the establishment of a separate committee. It is therefore more appropriate for such responsibilities to be met by the full Board rather than a separate committee.
2.5	Companies should disclose the process for evaluating the performance of the Board, its committee and individual directors	Non-Compliant. The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 2.5. Until such time as a formal process is required and developed, the Chairman will assess the performance of the Board, Directors and Key Management Personnel on an informal basis.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	Compliant. Disclosed in the Board Charter and Remuneration and Nomination Policy on the Company website.
3	Promote ethical and responsible decision-making Companies should actively promote ethical and responsible decision-making	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> the practices necessary to maintain confidence in the Company's integrity the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders the responsibility and accountability of individuals for reporting and investigating reports of unethical practices 	Compliant. The Company's Code of Conduct addresses these practices and issues, and is included on the Company's website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Compliant. A copy of the Policy is available to be viewed on the Company's website.
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	Compliant. The Board has adopted a Diversity Policy that details the purpose of the policy and the employee selection and appointment guidelines, and as such complies with Recommendation 3.2.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Compliant. As at the date of this Statement the Company has published this information.
3.5	Companies should provide the information	The Company has provided the information indicated in the Guide and has published the

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	indicated in the Guide to reporting on Principle 3.	relevant policies on its website.
4	Safeguard integrity in financial reporting Companies should have a structure to independently verify and safeguard the integrity of their financial reporting	
4.1	The Board should establish an audit committee	Compliant. The Board has established an Audit Committee, however, as a consequence of the size of the Company, and the Board consisting of two non-executive directors and one executive director, the duties of the Audit Committee are discharged by the full Board until such time as new non-executive directors are appointed to the Board. It is the view of the Board that it has the skills and experience to discharge their responsibilities in this area.
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not a chair of the Board • has at least three members 	Non-compliant. The Committee does not consist of a majority of independent directors.
4.3	The audit committee should have a formal charter	Compliant. The formal charter is contained in the Company's Audit Committee Charter.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	Compliant. Disclosed in the Audit Committee Charter on the Company's website.
5	Make timely and balanced disclosure Companies should promote timely and balanced disclosure of all material matters concerning the company	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	Compliant. The Company's policies and procedures for compliance with the ASX Listing Rule disclosure requirements are included in the Company's Continuous Disclosure Policy and Procedure document on the Company website.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	Compliant. Disclosed in the Company's Continuous Disclosure Policy and Procedure document on the Company website.
6	Respect the rights of shareholders Companies should respect the rights of shareholders and facilitate the effective exercise of those rights	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	Compliant. The Company has a Shareholder Communications Policy and shareholder communication with the Company is encouraged.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	Compliant. Disclosed in Shareholder Communications Policy on the Company's website.
7	Recognise and manage risk Companies should establish a sound system of risk oversight and management and internal control	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	Compliant. Company policy towards risk management outlined in the Risk Management Policy and the Code of Conduct.

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7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	Non-Compliant. The new Board has not yet received a report from Management setting out material business risks as the Company has had no recent corporate or operational activity. The new Board will monitor this as it moves forward with re-evaluation of the business and remaining assets post Deed of Company Arrangement.
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	Non-Compliant. Although the Company has sought and received the relevant assurance in the past, no such requirement has been received by the new Board. It is anticipated that the Executive Chairman and the Chief Financial Officer will provide these assurances in the future as part of the annual financial statement review.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	Compliant. Disclosed in the Code of Conduct on the Company's website.
8	Remunerate fairly and responsibly Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear	
8.1	The Board should establish a remuneration committee	Non-Compliant. The Board has considered the need for a remuneration committee, and believes that the Company is not of a size to justify the establishment of a separate committee. It is therefore more appropriate for such responsibilities to be met by the full Board rather than a separate committee. The procedures for determining remuneration of directors are contained in the Company's Remuneration and Nomination Policy, as disclosed on the Company website.
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> consists of a majority of independent directors is chaired by an independent director has at least three members 	Non-Compliant. The Board does not have a separate remuneration committee and as such does not comply with Recommendation 8.2.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Compliant. It is the intention of the Board to distinguish between the remuneration of non-executive directors and executive directors. Remuneration policy in this respect is set out on the Company's website.
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8	Compliant. Disclosed in the Company's Annual Report and in the Risk Management Policy and the Code of Conduct on the Company's website.

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Directors' Report

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being of the Company and its controlled entities for the financial year ended 30 June 2014.

Directors

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

- Peter Hutchinson
- Marcello Cardaci
- Faldi Ismail

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

Company Secretary

Mark Pitts

BBus, FCA, appointed 3 May 2013.

Mr Pitts is a Fellow of the Institute of Chartered Accountants with more than 25 years' experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions.

He is a Partner in the corporate advisory firm Endeavour Corporate providing company secretarial support; corporate and compliance advice to a number of ASX listed public companies.

Principal Activities

The Company continues to maintain its Patents and commercial relationships and is working to develop opportunities to deliver value from these assets. In this regard, the Company has progressed discussions with the groups that have shown interest in potential commercialisation collaborations.

Operating Result and Review of Operations

The consolidated entity incurred a profit after tax of \$464,180 (2013: loss \$630,040) for the year ended 30 June 2014. The result from continuing activities included consolidated revenues of \$32,040 (2013: \$198,393).

The result for the year is impacted by two material amounts, the first is a reversal of a prior year subsidiary creditor (\$225,820) and the second is the reversal of a foreign exchange reserve on deconsolidation of subsidiary companies (\$426,838).

During the year the Company dealt with a number of legacy issues. It completed discussions with its manufacturing partner in China, Zhejiang Tianzhen Bamboo and Wood Development Co. Ltd (TZ), and finalized a settlement which was ordered by the Chinese court of Arbitration (CIETAC). As previously advised the settlement required the transfer of the Consolidated Group 25% interest in the joint venture entity in full satisfaction of all remaining amounts outstanding. Although the Company disputed the outstanding amounts the transfer was completed, this has complied with the Chinese Court of Arbitration directive and enables the continuation of workable commercial relationships.

In addition to discussions in respect to the Company's IP assets, the Board has considered a number of other commercial opportunities to add value for shareholders but at the date of this report had not identified a suitable transaction.

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Dividends Paid or Recommended

No dividends were paid or declared during or subsequent to the financial year.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Future Developments, Prospects and Business Strategies

Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, other than matters addressed elsewhere in this financial report, there are no matters sufficiently advanced or at a level of certainty that would require disclosure.

Environmental Regulations

The consolidated group's operations are not subject to significant environmental regulation under the laws of the Commonwealth and State. All products entering Australia from China are fumigated if necessary in accordance with Australian Quarantine service policy.

Information on Directors

Peter Hutchinson BCom,FCPA, FAICD	Executive Chairman
Experience	Mr Hutchinson was appointed to the Board on 16 May 2013. Mr Hutchinson served as the Managing Director of ASX listed Forge Group Limited from July 2007 to July 2012 and its Executive Chairman from March 2011 to June 2012. He held the positions of Chairman and Managing Director of A.I. Limited from February 2001 to March 2003 and was Managing Director of a diversified private company investing in engineering, construction and manufacturing. He has a Bachelor's Degree in Commerce from University of Western Australia.
Interest in Shares	136,250,000
Interest in Options	63,750,000
Special Responsibilities	Executive
Directorships held in other listed entities in the last three years	Resource Equipment Limited – 2013 to current Forge Group Limited – 2007 - 2012 Kumarina Resources Pty Ltd (Formerly Kumarina Resources Limited) – 2011 – June 2013
Marcello Cardaci Bjuri, LLB, B.Com	Director (Non-executive)
Experience	Marcello Cardaci is a partner in Gilbert + Tobin's Corporate Advisory group. Marcello advises on a wide range of corporate and commercial matters including public and private equity fund raisings and public and private mergers, acquisitions and divestment, Marcello also regularly advises on issues relating to the Corporations Act and Australian Securities Exchange Listing Rules. Marcello has significant cross-border experience, having advised on numerous overseas transactions including capital raisings, takeovers, schemes of arrangements and the structuring of acquisitions and joint ventures in numerous countries. A non-executive director of Manhattan Corporation, Marcello has also lectured in the securities law course conducted by the Securities Institute of Australia and is a past

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	committee member of the State Branch of the Australian Mining and Petroleum Law Association Limited.
Interest in Shares	136,250,000
Interest in Options	63,750,000
Special Responsibilities	Nil
Directorships held in other listed entities in the last three years	Forge Group Limited – 2007 – Oct 2013 Lemur Resources Limited – 2010 – Nov 2013 Manhattan Corporation Limited – 2006 - Present
Faldi Ismail B.Bus	Director (Non-executive)
Experience	Mr Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies. Mr Ismail has many years of investment banking experience covering a wide range of sectors, with a specific focus on the resources sector. Mr Ismail is the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and Initial Public Offerings (IPO's).
Interest in Shares	20,000,000
Interest in Options	8,000,000
Special Responsibilities	Nil
Directorships held in other listed entities in the last three years	Kalimantan Gold Corporation Limited – 2009 – present Emergent Resources Limited June 2014 – present WHL Energy Limited – Sept 2013 – present Coventry Resources Ltd Oct 2009 – January 2013 Ascot Resources Ltd – Sept 2010 – March 2013 Minbos Resources Limited – Dec 2009 – January 2013

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Style Limited and for the executives receiving the highest remuneration. The current directors have not received any remuneration during the financial year.

Remuneration Governance

Due to the Company size and the close involvement of the Board in the operations of the Company, the Company does not operate a formal remuneration committee. All remuneration paid to the Chairman and Directors are reviewed and discussed by the Board.

Remuneration Policy

It is the Policy of the Board to set remuneration levels competitively, to attract and retain appropriately qualified and experienced Directors and senior executives. Remuneration packages will include fixed remuneration with bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the Company and Shareholder approval where required.

The Remuneration Report outlines Directors' and executive remuneration arrangements of the Company. For the purposes of this report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, including any Directors of the Company and the five executives receiving the highest remuneration.

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Remuneration Policy (continued)

During the period the Board performed the role of the Remuneration Committee. The Board is responsible for determining and reviewing the remuneration of the Directors and executives. The Board assesses the appropriateness of the nature and amount of the remuneration on a periodic basis by reference to market and industry conditions.

The entire Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company. Non-Executive Directors do not receive bonuses. Directors' fees cover all normal Board activities.

Non-executive Directors receive fees agreed on an annual basis by the Board. Payments of Directors' fees are in addition to any payments to Directors in any employment capacity.

At the date of this report the Company has not entered into any agreements with Directors or senior executives which include performance based components.

A Director may also be paid fees or other amounts as the Directors determine, if a Director performs special duties or otherwise performs duties outside the scope of the normal duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The following table shows the gross revenue, profits and dividends for the last 5 years, as well as the share price at the end of the respective financial years:

	2010	2011	2012	2013	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	10,920	8,408	9,266	198	32
Net Profit/(Loss)	(6,074)	(3,082)	(5,102)	(630)	464
Share Price at Year-end (\$)	0.024	0.009	* 0.002	0.01	0.006
Dividends Paid	-	-	-	-	-

* Shares were suspended from trading due to the Company being under administration.

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

Directors' Report

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated group, and to the extent different, among the five Group executives or company executives receiving the highest remuneration.

	Positions held as at 30 June 2014 and any change during the year	Contract details (duration & termination)	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	Total
			Non-salary cash-based incentives	Shares/ units	Options/ Rights	Fixed Salary/ Fees	
			%	%	%	%	
Peter Hutchinson	Executive Chairman Appointed 16 May 2013	Subject to the Company's constitutional rules on retirement and termination of directors	-	-	-	100	100
Marcello Cardaci	Non-Executive Director Appointed 16 May 2013	Subject to the Company's constitutional rules on retirement and termination of directors	-	-	-	100	100
Faldi Ismail	Non-Executive Director Appointed 3 May 2013	Subject to the Company's constitutional rules on retirement and termination of directors	-	-	-	100	100
Mark Pitts	Company Secretary	Contract from 3 May 2013. One month notice required to terminate.	-	-	-	100	100

STYLE LIMITED

(ABN 87 009 248 720) and Controlled Entities

Directors' Report

Details of Remuneration for Year Ended 30 June 2014

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the consolidated group and, to the extent different, the Group executives and company executives receiving the highest remuneration:

2014	Short-term benefits			Post-Employment	Equity		Total
	Salary, Fees & Commissions	Other	Non-Cash Benefits	Superannuation Contribution	Options	Shares	
	\$	\$	\$	\$	\$	\$	\$
Directors							
Peter Hutchinson	-	-	-	-	-	-	-
Marcello Cardaci	-	-	-	-	-	-	-
Faldi Ismail	-	-	-	-	-	-	-
Executives	-	-	-	-	-	-	-
Mark Pitts ¹	36,000	-	-	-	-	-	36,000
	36,000	-	-	-	-	-	36,000

1. Company secretarial and accounting services are provided to the Company by Endeavour Corporate Pty Ltd, an entity that the Company Secretary, Mr Mark Pitts is a principal of.
2. Due to the decreased activity of the group during the financial year, the Directors resolved not to receive remuneration. Remuneration levels are regularly reviewed.

2013	Short-term benefits			Post-Employment	Equity		Total
	Salary, Fees & Commissions	Other	Non-Cash Benefits	Superannuation Contribution	Options	Shares	
	\$	\$	\$	\$	\$	\$	\$
Directors							
Peter Hutchinson ¹	-	-	-	-	-	-	-
Marcello Cardaci ¹	-	-	-	-	-	-	-
Faldi Ismail ¹	-	-	-	-	-	-	-
Peter Torreele ²	-	-	-	-	-	-	-
Anthony McIntosh ²	-	-	-	-	-	-	-
Charles Abbott ²	18,000	-	-	-	-	-	18,000
Andrew Nuland ²	-	-	-	-	-	-	-
Executives	-	-	-	-	-	-	-
Mark Pitts ³	19,620	-	-	-	-	-	19,620
Paul Smith ²	-	-	-	-	-	-	-
	37,620	-	-	-	-	-	37,620

1. Appointed during the year.
2. Resigned during the year.
3. Company secretarial and accounting services are provided to the Company by Endeavour Corporate Pty Ltd, an entity that the Company Secretary, Mr Mark Pitts is a principal of.

STYLE LIMITED (ABN 87 009 248 720) and Controlled Entities

Directors' Report

Performance Income as a Proportion of Total Remuneration

In previous years some executive directors and executives were paid performance-based bonuses based on set monetary figures, rather than proportions of their salary. This led to the proportions of remuneration related to performance varying between individuals. The then Board set these bonuses to encourage achievement of specific goals that were given a high level of importance in relation to the future growth and profitability of the consolidated group.

It is the intention of the current Board to consider the use of performance bonuses and adjust future years' incentives as they see fit to ensure use of the most cost effective and efficient methods.

Options Granted as Part of Remuneration for the Year Ended 30 June 2014

No options were granted as part of remuneration for the year ended 30 June 2014 (2013: Nil).

Employment Contracts of Directors and Senior Executives

At the date of this report the Company has not entered into any employment agreement with Directors or senior executive.

a. Compensation Options

Options granted as compensation:

No options were granted as compensation for the year ended 30 June 2014 and 30 June 2013.

Shares Issued on Exercise of Compensation Options

There were no shares issued during the period upon exercise of compensation options.

KMP Options Holdings

2014	Balance 1.7.13	Granted as Remuneration during the year	Options acquired	Net Change upon Resignation	Balance 30.6.14	Vested during the year	Vested and exercisable	Vested and unexercisable
Directors								
Peter Hutchinson	63,750,000	-	-	-	63,750,000	-	63,750,000	-
Marcello Cardaci	63,750,000	-	-	-	63,750,000	-	63,750,000	-
Faldi Ismail	8,000,000	-	-	-	8,000,000	-	8,000,000	-
	135,500,000	-	-	-	135,500,000	-	135,500,000	-
Executives								
Mark Pitts	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	135,500,000	-	-	-	135,500,000	-	135,500,000	-

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

Directors' Report

KMP Options Holdings

2013	Balance 1.7.12	Granted as Remuneration during the year	Options acquired	Net Change upon Resignation	Balance 30.6.13	Vested during the year	Vested and exercisable	Vested and unexercisable
Directors								
Peter Hutchinson	63,750,000 ¹	-	-	-	63,750,000 ²	-	63,750,000	-
Marcello Cardaci	63,750,000 ¹	-	-	-	63,750,000 ²	-	63,750,000	-
Faldi Ismail	-	-	8,000,000	-	8,000,000 ³	-	8,000,000	-
Peter Torreele	26,659,482	-	-	(26,659,482)	-	-	-	-
Andrew Nuland	4,000,000	-	-	(4,000,000)	-	-	-	-
	158,159,482	-	8,000,000	(30,659,482)	135,500,000	-	135,500,000	-
Executives								
Mark Pitts	-	-	-	-	-	-	-	-
Paul Smith	4,000,000	-	-	(4,000,000)	-	-	-	-
	4,000,000	-	-	(4,000,000)	-	-	-	-
Total	162,159,482	-	8,000,000	(34,659,482)	135,500,000	-	135,500,000	-

- Option holding information for Key Management Personnel who were not Key Management Personnel for the whole year is only for that portion of the year during which they held a key management position. For the purpose of this table, options held at appointment are assumed to have been held at 1 July, with any acquisitions or disposals prior to appointment or after termination, not shown.
- Option holdings consist of 23,750,000 unlisted options exercisable on or before 15 May 2017 at \$0.005 each and 40,000,000 unlisted options exercisable on or before 15 May 2017 at \$0.01 each.
- 8,000,000 unlisted options exercisable on or before 15 May 2017 at \$0.01 each.

KMP Shareholdings

Number of shares held (direct & indirect interest) by each KMP of the Group during the financial year is as follows:

2014	Balance 1.7.13	Granted as remuneration during the year	Shares Acquired Rights Issue	Net Change upon Resignation	Balance 30.6.14
Directors					
Peter Hutchinson	136,250,000	-	-	-	136,250,000
Marcello Cardaci	136,250,000	-	-	-	136,250,000
Faldi Ismail	20,000,000	-	-	-	20,000,000
	292,500,000	-	-	-	292,500,000
Executives					
Mark Pitts	-	-	-	-	-
	-	-	-	-	-
Total	292,500,000	-	-	-	292,500,000

STYLE LIMITED (ABN 87 009 248 720) and Controlled Entities

Directors' Report

KMP Shareholdings

2013	Balance 1.7.12 ¹	Granted as remuneration during the year	Shares Acquired	Net Change upon Resignation	Balance 30.6.13
Directors					
Peter Hutchinson	136,250,000	-	-	-	136,250,000
Marcello Cardaci	136,250,000	-	-	-	136,250,000
Faldi Ismail	-	-	20,000,000	-	20,000,000
Peter Torreele	26,457,928	-	-	(26,457,928)	-
Andrew Nuland	12,000,000	-	-	(12,000,000)	-
	310,957,928	-	20,000,000	(38,457,928)	292,500,000
Executives					
Mark Pitts	-	-	-	-	-
Total	310,957,928	-	20,000,000	(38,457,928)	292,500,000

1. Shareholding information for Key Management Personnel who were not Key Management Personnel for the whole year is only for that portion of the year during which they held a key management position. For the purpose of this table, shares held at appointment are assumed to have been held at 1 July, with any acquisitions or disposals prior to appointment or after termination, not shown.

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

The following entities transacted with the Company during the reporting period. In each instance normal commercial terms and conditions applied. Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available, for a similar transaction to unrelated parties on an arms-length basis.

Faldi Ismail is a director in Otsana Capital. This firm provided corporate advisory services to the Company in the ordinary course of business. The value of the transactions in the financial year ended 30 June 2014 amounted to nil (2013:\$200,000.)

Faldi Ismail is a director in Adamantium Holdings Pty Ltd. This firm provided office space to the Company in the ordinary course of business. The value of the transactions in the financial year ended 30 June 2014 amounted to \$9,000 (2013: \$3,000).

Endeavour Corporate, a corporate advisory firm of which Mark Pitts is a partner was paid \$54,066 (2013: \$19,706) for company secretarial, accounting and bookkeeping services. Refer Note 5 for information on Company Secretarial Fees paid to Endeavour Corporate which are included in this amount.

Gilbert & Tobin Lawyers, of whom Marcelo Cardaci is a director, were paid legal fees of \$8,142 during the year.

Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and specified directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future.

END OF REMUNERATION REPORT

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

Directors' Report

MEETINGS OF DIRECTORS

During the 2014 financial year, 7 meetings of the Board of directors were held. Attendances by each director during the year were:

	Number eligible to attend	Number attended
Peter Hutchinson	7	7
Marcello Cardaci	7	7
Faldi Ismail	7	7

INDEMNIFYING OFFICERS AND AUDITOR

During or since the end of the financial year the Company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has procured directors and officers insurance to insure directors and executive officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or executive officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium is confidential under the terms of the policy.

The Company has not entered into any agreement to indemnify its auditors against any claims that might be made by third parties arising from their report on the financial statements.

OPTIONS

At 30 June 2014, the unissued ordinary shares of Style Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
20/10/11	30/8/14	\$0.50	600,000
20/10/11 (listed)	31/7/14	\$0.50	907,755
4/11/11 (listed)	31/7/14	\$0.50	2,570,647
16/05/13	16/05/17	\$0.005	50,000,000
16/05/13	16/05/17	\$0.01	100,000,000
			154,078,402

For further details on the options outstanding, refer to Note 13 to the financial statements.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceeding nor was the Company a party to any such proceedings during the year.

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

Directors' Report

NON-AUDIT SERVICES

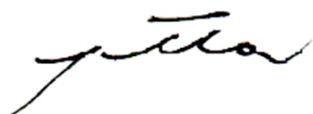
Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 6 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 21 of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors:



Peter Hutchinson
Director

Dated this 28th day of August 2014

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF STYLE LIMITED

As lead auditor for the audit of Style Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

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

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



Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 28 August 2014

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

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

	Note	Consolidated Group 2014 \$	2013 \$
Revenues	2	32,040	198,393
Raw materials and consumables used		-	(28,204)
Employee benefits expense		-	(27,712)
Depreciation and amortisation expense		(1,181)	-
Patent costs		(12,761)	(16,083)
Consultants and contractors		(19,596)	(468,956)
Occupancy costs		(12,000)	(8,632)
Legal costs and claims		(12,818)	(150,892)
Other expenses		(162,162)	(127,954)
Gain on deconsolidation of foreign controlled subsidiaries	11	652,658	-
Profit/(loss) before income tax expense		464,180	(630,040)
Income tax expense	4	-	-
Profit/(loss) after income tax		464,180	(630,040)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Net gain/(loss) arising from the translation of foreign controlled entities		-	(30,621)
Reversal of foreign currency translation reserve		(426,838)	-
Income tax on other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		37,342	(660,661)
Basic earnings/(loss) per share (cents per share)	7	0.085	(0.049)
Diluted earnings/(loss) per share (cents per share)	7	0.078	(0.049)

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2014

	Note	Consolidated Group 2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,289,317	1,540,055
Trade and other receivables	9	11,316	58,051
Prepayments		8,804	16,988
TOTAL CURRENT ASSETS		1,309,437	1,615,094
Property, plant and equipment	10	2,362	-
TOTAL NON-CURRENT ASSETS		2,362	-
TOTAL ASSETS		1,311,799	1,615,094
CURRENT LIABILITIES			
Trade and other payables	12	20,428	361,065
TOTAL CURRENT LIABILITIES		20,428	361,065
TOTAL LIABILITIES		20,428	361,065
NET ASSETS		1,291,371	1,254,029
EQUITY			
Issued capital	13	41,528,119	41,528,119
Reserves	14	97,500	758,747
Accumulated losses		(40,334,248)	(41,032,837)
TOTAL EQUITY		1,291,371	1,254,029

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

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

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

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1.7.2013	41,528,119	(41,032,837)	426,838	331,909	1,254,029
Total comprehensive income for the period					
Profit attributable to members of the parent entity	-	464,180	-	-	464,180
Reversal of foreign currency translation reserve	-	-	(426,838)	-	(426,838)
	-	464,180	(426,838)	-	37,342
Transactions with equity holders in their capacity as equity holders:					
Options expired	-	234,409	-	(234,409)	-
Balance at 30.6.2014	41,528,119	(40,334,247)	-	97,500	1,291,371
Balance at 1.7.2012	39,097,518	(40,645,627)	457,459	573,239	(517,411)
Total comprehensive income for the period					
Loss attributable to members of parent entity	-	(630,040)	-	-	(630,040)
Reversal of foreign currency translation reserve	-	-	(30,621)	-	(30,621)
	-	(630,040)	(30,621)	-	(660,661)
Transactions with equity holders in their capacity as equity holders:					
Shares issued during the year	2,500,301	-	-	-	2,500,301
Fund raising costs	(69,700)	-	-	-	(69,700)
Options issued	-	-	-	1,500	1,500
Options expired	-	242,830	-	(242,830)	-
Balance at 30.6.2013	41,528,119	(41,032,837)	426,838	331,909	1,254,029

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

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

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

	Note	Consolidated Group 2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	45,158
Payments to suppliers and employees		(269,068)	(1,170,493)
Interest received		32,040	4,513
Net cash used in operating activities	18	(237,028)	(1,120,822)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant equipment		(3,544)	-
Purchase of intangible assets		-	(16,083)
Refund of bank guarantee		-	37,295
Security deposit		(10,166)	-
Net cash provided by (used in) investing activities		(13,710)	21,212
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,501,800
Payments for equity raising costs		-	(75,700)
Proceeds from loans under DOCA		-	528,000
Repayment of loans		-	(515,007)
Net cash provided by (used in) financing activities		-	2,439,093
Net increase/(decrease) in cash held		(250,738)	1,339,483
Cash at start of period		1,540,055	201,369
Effect of exchange rates on cash holdings in foreign currencies		-	(797)
Cash at end of period	8	1,289,317	1,540,055

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

STYLE LIMITED
(ABN 87 009 248 720) and Controlled Entities

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the consolidated group of Style Limited and controlled entities. Style Limited is a listed public company, incorporated and domiciled in Australia. Style Limited is a for profit entity.

The financial report of Style Limited and its subsidiaries for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 28th August 2014

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report of Style Limited and controlled entities, complies with all International Financial Reporting Standards (IFRS) in their entirety. The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

a. Principles of Consolidation

A controlled entity is any entity over which Style Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

c. Trade and other receivables

Trade receivables, which generally have 30-90 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 Group will not be able to collect the debts. Bad debts are written off when identified.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Profit or Loss and Other Comprehensive Income. Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the Statement of Profit or Loss and Other Comprehensive Income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	9%-40%
Motor vehicles	9% - 22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Each class of property, plant is equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

e. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the consolidated group are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the consolidated group will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

f. Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Financial assets at fair value through profit and loss

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

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

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

g. Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life.

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Non-competition agreements

Non-competition agreements are recognised at cost. Non-competition agreements have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Non-competition agreements are amortised over the life of the agreement.

h. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Group companies

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

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

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which the operation is disposed.

i. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the consolidated group to employee superannuation funds and are charged as expenses when incurred.

Equity-settled compensation

The bonus element over the exercise price of the employee services rendered in exchange for the grant of options is recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

j. Provision for Warranties

Provision is made in respect of the consolidated group's estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated group's history of warranty claims.

k. Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and investments in money market instruments with less than 14 days to maturity.

l. Revenue recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

m. Goods and Services Tax (GST)

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

n. 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.

o. Share Issue Costs

Transaction costs on the issue of equity instruments are to be recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

p. Earnings per share

Basic EPS is calculated as net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net result attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with potential dilutive ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues 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 potential dilutive ordinary shares, adjusted for any bonus element.

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q. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

r. Comparative Figures

Where required by Accounting Standards or to provide more meaningful classification, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

s. Critical Accounting Estimates and Judgements

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

Key Estimates

Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Style Limited.

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 date.

Deferred income tax is provided on all temporary differences at the balance 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:

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u. Income tax (continued)

- 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.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 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.

Other taxes

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

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

v. Adoption of New and Revised Accounting Standards

In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no changes are necessary to Group accounting policies.

New standards and interpretations not yet adopted.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
AASB 9 Financial Instruments	AAB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	There will be no impact on the company's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	Must be applied for financial years commencing on or after 1 January 2017. Therefore application date for the company will be 30 June 2018. The company does not currently have any hedging arrangements in place.

IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2017. Therefore application date for the company will be 30 June 2018.
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Note	Consolidated Group	
	2014	2013
	\$	\$

NOTE 2: REVENUE

Sales revenue		
— sale of goods	-	28,205
Other revenue		
— interest received from other persons	32,040	4,513
— other revenue	-	165,675
Total revenue	32,040	198,393

NOTE 3: LOSS FOR THE YEAR

Expenses		
— Employee superannuation	-	530

NOTE 4: INCOME TAX EXPENSE

The prima facie tax on loss from continuing activities before income tax is reconciled to the income tax as follows:

Consolidated profit/(loss) at 30% (2013: 30%)	139,254	(189,012)
Add Tax effect of:		
- Income not taxable	(195,798)	-
- other allowable items	(99,605)	-
	(156,149)	(189,012)
Less Tax effect of:		
- tax losses not brought to account	156,149	189,012
Income tax expense/(benefit) attributable to loss	-	-

The following deferred tax balances at 30% (2013: 30%) have not been recognised

Deferred Tax Assets:		
- carry forward losses	4,769,919	4,596,980
- temporary differences	19,431	26,083
	4,789,350	4,623,063

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions of deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

NOTE 5: INTEREST OF KEY MANAGEMENT PERSONNEL (KMP)

Names and positions held of directors and key management personnel in office at any time during the past two financial years are:

Directors

Peter Hutchinson	Chairman
Marcello Cardaci	Director
Faldi Ismail	Director
Mark Pitts	Company Secretary

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2014 \$	2013 \$
Short-term employee benefits	36,000	37,620
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	36,000	37,620

NOTE 6: AUDITOR'S REMUNERATION

	Consolidated Group	
	2014 \$	2013 \$
Auditors of the Company – BDO Audit (WA)		
- Audit and review of financial statements	17,810	-
- Other non-audit services	-	-
	17,810	-
Other Auditors		
- Audit and review of financial statements	15,700	15,950
- Other non-audit services	3,700	3,700
-	19,400	19,650

NOTE 7: EARNINGS PER SHARE

	Consolidated Group	
	2014 \$	2013 \$
a. Reconciliation of earnings to net profit/(loss)		
Net profit/(loss)	464,180	(630,040)
Profit/(loss) used in the calculation of basic and diluted EPS	464,180	(630,040)
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	543,915,659	1,279,512,761
c. Weighted average number of ordinary shares outstanding during the year used in calculation of diluted eps	593,915,659	1,279,512,761

NOTE 8: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2014	2013
	\$	\$
Cash at bank	1,289,317	1,540,055
	<u>1,289,317</u>	<u>1,540,055</u>

Reconciliation of cash

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

Cash	<u>1,289,317</u>	<u>1,540,055</u>
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Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 9: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2014	2013
	\$	\$
CURRENT		
GST receivables	1,150	58,051
Bank guarantee	10,166	-
	<u>11,316</u>	<u>58,051</u>

Current trade and other receivables are non-interest bearing and generally on 30 day terms.

Credit Risk — Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

There are no trade or other receivables that are past due but not impaired at the date of this report.

Consolidated Group	
2014	2013
\$	\$

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant and equipment - at cost	3,543	-
Accumulated depreciation	(1,181)	-
	<u>2,362</u>	<u>-</u>
Total Property, Plant and Equipment	<u>2,362</u>	<u>-</u>

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

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

	Buildings	Plant and Equipment	Motor Vehicles	Leasehold improvements	Total
Consolidated Group					
Carrying amount at 30 June 2012	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	-	-	-	-
Impairment expense	-	-	-	-	-
Foreign exchange movements	-	-	-	-	-
Carrying amount at 30 June 2013	-	-	-	-	-
Additions	-	3,543	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	(1,181)	-	-	-
Impairment expense	-	-	-	-	-
Foreign exchange movements	-	-	-	-	-
Carrying amount at 30 June 2014	-	2,362	-	-	-

NOTE 11: CONTROLLED ENTITIES

	Country of Incorporation	Date of Deregistration	Percentage Owned	
			2014	2013
Parent Entity				
Style Limited	Australia			
Subsidiaries of Style Limited:				
Style Asia Pacific Pty Ltd	Australia	23.10.13	-	100%
Anji Ya Feng Bamboo Products Co., Ltd.	China	11.7.13	-	100%
Style Plantation Ospark Pty Ltd	Australia	23.10.13	-	100%
Style Distribution Limited	Hong Kong	-	100%	100%
Style Asia Limited	China	11.7.13	-	100%
Zhejiang Ya Feng Bamboo Plantation Technology Company	China	11.7.13	-	100%

A gain of \$652,658 arises as a result of deconsolidation of foreign subsidiaries. The detail of the gain as follows:

- \$225,820 being the reversal of prior year creditors that were recorded as liabilities in previous financial statements. The payables relate to Anji Ya Feng Bamboo Products Co., Ltd. (AYF) previously a wholly owned Chinese subsidiary. The Company noted in its 2013 Annual Report that it did not believe these creditors were payable and as a result of the revocation of business licence of AYF the amount has been written back.
- 426,838 being the reversal of historical foreign currency translation reserve as a result of the deconsolidation of foreign subsidiaries.

NOTE 12: TRADE AND OTHER PAYABLES

	Note	Consolidated Group	
		2014	2013
		\$	\$
CURRENT			
Trade creditors and accrued expenses (Parent entity)		20,428	135,244
Trade creditors – subsidiary company		-	225,821
		20,428	361,065

NOTE 13: ISSUED EQUITY

	Consolidated Group	
	2014	2013
	\$	\$
543,915,659 (2013: 543,915,659) fully paid ordinary shares	41,528,119	41,528,119

	Consolidated Group		Consolidated Group	
	2014	2013	2014	2013
	No.	No.	\$	\$
a. Ordinary shares				
At the beginning of the reporting period	543,915,659	1,391,566,434	41,528,119	39,097,518
Consolidation of capital	-	(1,377,650,875)	-	-
Shares issued in the 2013 financial year:				
• 16 May 2013 - recapitalisation	-	30,000,000	-	300
• 16 May 2013 - recapitalisation	-	500,000,000	-	2,500,000
• 26 June 2013 – Shares issued	-	100	-	1
Capital raising costs	-	-	-	(69,700)
At reporting date	543,915,659	543,915,659	41,528,119	41,528,119

	Consolidated Group		Consolidated Group	
	2014	2013	2014	2013
	No.	No.	\$	\$
b. Options over unissued ordinary shares				
At the beginning of reporting period	154,413,402	491,933,995	331,909	573,239
Options lapsed	-	(10,000,000)	-	(161,350)
Consolidation of capital	-	(477,114,655)	-	-
Options lapsed	(335,000)	(405,938)	(234,409)	(81,480)
Options granted during the 2013 financial year:			-	-
• 16 May 2013 - recapitalisation	-	50,000,000	-	500
• 16 May 2013 - recapitalisation	-	100,000,000	-	1,000
At reporting date	154,078,402	154,413,402	97,500	331,909

NOTE 13: ISSUED EQUITY

Options over Ordinary Shares issued during year

There were no options over shares issued during the year.

Capital risk management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern. The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the group's capital by assessing the group's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

NOTE 14: RESERVES

	Note	Consolidated Group	
		2014	2013
		\$	\$
Reserves	13a, b	97,500	758,747
a. Foreign currency translation reserve			
Opening balance		426,838	457,459
Movement arising from the translation of foreign controlled entities' financial statements		-	(30,621)
Reversal of reserve on deconsolidation of subsidiary companies.		(426,838)	-
Closing balance		-	426,838

b. Options Reserve

Refer to note 13b for details on movements.

Assets Revaluation Reserve

The assets revaluation reserve records revaluations of non-current assets.

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary

Option Reserve

The option reserve records items recognised as expenses on valuation of share options.

NOTE 15: COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities, not provided for in the financial statements of the Group as at 30 June 2014 and 30 June 2013.

NOTE 16: SHARE-BASED PAYMENTS

No Share based payments issued during the year ended 30 June 2014.

The following options existed at 30 June 2014:

	2014		2013	
	Number Of Options	Weighted Average Exercise Price \$	Number Of Options	Weighted Average Exercise Price \$
Share Options				
Outstanding at the beginning of the year	935,000	0.03	110,500,000	0.06
Consolidation	-	-	(99,495,000)	-
Expired or Cancelled	(335,000)	-	(10,070,000)	-
Outstanding at year end	600,000	0.50	935,000	0.03
Exercisable at year end	600,000	0.50	880,000	1.15

NOTE 17: SEGMENT REPORTING

The Group has adopted AASB 8 Operating Segments which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker, being the Board of Style Limited, in order to allocate resources to the segment and assess its performance. The Board of Style Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the retail flooring sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

NOTE 18: CASH FLOW INFORMATION

	Consolidated Group	
	2014	2013
	\$	\$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Profit/(loss) from continuing activities after income tax	464,180	(630,040)
Cash flows excluded from loss from continuing activities attributable to operating activities		
Non-cash flows in result from continuing activities		
Depreciation and amortisation	1,181	-
Reversal of foreign exchange reserve	(426,838)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease in trade debtors	-	8,642
(Increase)/decrease in prepayments and other assets	65,085	(52,052)
Decrease in inventories	-	28,204
(Decrease) in creditors and accruals	(340,636)	(440,792)
(Decrease) / increase in provisions	-	(34,784)
Cash flow from operations	(237,028)	(1,120,822)

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 20: RELATED PARTY TRANSACTIONS

Some Directors and Executives hold positions within other entities which cause them to have control or exert significant influence over the financial or operating policies of those entities.

The following entities transacted with the Company during the reporting period. In each instance normal commercial terms and conditions applied. Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available, for a similar transaction to unrelated parties on an arms-length basis.

Faldi Ismail is a director in Otsana Capital. This firm provided corporate advisory services to the Company in the ordinary course of business. The value of the transactions in the financial year ended 30 June 2014 amounted to nil (2013: \$200,000.)

Faldi Ismail is a director in Adamantium Holdings Pty Ltd. This firm provided office space to the Company in the ordinary course of business. The value of the transactions in the financial year ended 30 June 2014 amounted to \$9,000 (2013: \$3,000).

Endeavour Corporate, a corporate advisory firm of which Mark Pitts is a partner was paid \$54,066 (2013: 19,706) for company secretarial, accounting and bookkeeping services. Refer Note 5 for information on Company Secretarial Fees paid to Endeavour Corporate which have been included in these figures.

Gilbert & Tobin Lawyers, of whom Marcelo Cardaci is a director, were paid legal fees of \$8,142 during the year.

Parent Entity Information

	2014	2013
	\$	\$
Current assets	1,309,437	1,615,094
Total assets	1,311,799	1,615,094
Current liabilities	20,428	135,244
Total liabilities	20,428	135,244
Issued capital	41,528,119	41,528,119
Reserves	97,500	331,909
Accumulated losses	(40,334,247)	(40,380,178)
Total shareholders' equity	1,291,371	1,479,850
Loss of the parent entity	(188,478)	(592,260)
Total comprehensive loss of the parent entity	(188,478)	(592,260)

NOTE 21: FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The group does not use derivatives for hedging.

Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk, and credit risk.

Risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The Board oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. During the period under the control of the external Administrators, the Administrators were responsible for the management of the company financial risk exposures.

Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits. The Directors monitor the Company's cash position relative to the expected cash requirements. Where appropriate, surplus funds are placed on deposit earning higher interest. The Group does not have short or long term debt, and therefore the risk is minimal.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. It was deemed necessary during the year for the directors to place the company into voluntary administration.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Potential customers are rated for credit worthiness through credit agency reports (where available) and customers that do not meet the group's credit policies may only purchase in cash or by using confirmed Letter of Credit facilities. The group does not normally require collateral in respect of trade and other receivables.

The group has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance comprises specific loss components that relate to individually significant exposures.

The group's maximum exposure to credit risk for trade and other receivables at the reporting date was shown in Note 9.

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

Financial instrument composition and maturity analysis

The tables below reflect the group's undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for other financial instruments.

	Fixed Interest Rate Maturing				Non-interest bearing	Total
	Floating	Within Year	1 to 5 Years	Over 5 Years		
	Interest Rate					
	\$	\$	\$	\$	\$	\$
2014						
Financial Assets						
Cash and cash equivalents	1,289,317	-	-	-	-	1,289,317
Trade and other receivables	-	-	-	-	11,316	11,316
Total Financial Assets	1,289,317	-	-	-	11,316	1,300,633
Financial Liabilities						
Trade and other payables	-	-	-	-	20,428	20,428
Total Financial Liabilities	-	-	-	-	20,428	20,428
2013						
Financial Assets						
Cash and cash equivalents	1,540,055	-	-	-	-	1,540,055
Trade and other receivables	-	-	-	-	-	-
Total Financial Assets	1,540,055	-	-	-	-	1,540,055
Financial Liabilities						
Trade and other payables	-	-	-	-	361,065	361,065
Total Financial Liabilities	-	-	-	-	361,065	361,065

Trade and sundry payables are expected to be paid as follows:

	Consolidated Group	
	2014	2013
	\$	\$
Less than 6 months	20,428	361,065
6 months to 1 year	-	-
1 - 5 years	-	-
	20,428	361,065

Net fair values

A number of the group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities.

Financial instruments carried at fair value are determined by valuation level, as determined in accordance with the relevant accounting standard. The different levels have been defined as:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There have been no transfers between levels during the current or prior year.

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

All financial assets and liabilities carried at fair value have been deemed to be level 2 within the fair value hierarchy. With respect to specific financial assets and liabilities, the following valuation methods have been used:

Term receivables, government and fixed interest securities and bonds are determined by discounting the cash flows, as at the market interest rates of similar securities, to their present value.

Other loans and amounts due are determined by discounting the cash flows, at market rates of similar borrowings, to their present value.

Other assets and other liabilities approximate their carrying value. The carrying amount of all financial assets and financial liabilities approximate their fair value at reporting date.

Sensitivity Analysis

Interest rate risk and foreign currency risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

	Consolidated Group	
	2014	2013
	\$	\$
Interest rate sensitivity analysis		
At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:		
Change in profit:		
Increase in interest rate of 0.5%	7,072	15,400
Decrease in interest rate of 0.5%	(7,072)	(15,400)
Change in equity:		
Increase in interest rate of 0.5%	7,072	15,400
Decrease in interest rate of 0.5%	(7,072)	(15,400)

NOTE 22: REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The registered office of the company is:

C/- Suite 8, 7 The Esplanade, Mt Pleasant 6153 Western Australia

The principal place of business of the company is:

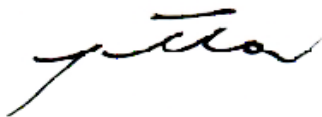
Suite 8, 7 The Esplanade, Mt Pleasant 6153 Western Australia

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 22 to 45 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company and consolidated group;
2. the directors have declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
4. the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements

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



Peter Hutchinson
Director

Dated this 28th day of August 2014

INDEPENDENT AUDITOR'S REPORT

To the members of Style Limited

Report on the Financial Report

We have audited the accompanying financial report of Style Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, 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 Style Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

Attention is drawn to the comparative figures included in the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of equity and the consolidated statement of cash flows for the year ending 30 June 2013. At the 30 June 2013, Style Asia Pacific Pty Limited, Anji Ya Feng Bamboo Products Co. Limited, Style Plantation Ospark Pty Limited, Style Distribution Limited, Style Asia Limited and Zhejiang Ya Feng Bamboo Plantation Technology Company have been consolidated into the financial statements of the consolidated entity. However, the directors were unable to access the appropriate records to support the transactions, balances and disclosures of these controlled entities. As a result, our audit opinion on the comparative figures included in the financial report at 30 June 2014 has been modified accordingly.

Attention is also drawn to the Gain on Disposal of Subsidiaries of \$652,659 recognised in the statement of profit or loss and other comprehensive income for the year ending 30 June 2014. As a result of the matters outlined above we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness and existence of this amount.

Our audit opinion in the current period's financial report is also modified because of the possible effect of the matters outlined above on the current year's figures as we are not able to determine the effect that any adjustments would have, if any, to these amounts in the statement of financial position at 30 June 2014, and 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 ending 30 June 2014.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs:

- (a) the financial report of Style Limited is 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 its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 17 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 Style Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Peter Toll', is written over a faint, light blue BDO logo.

Peter Toll

Director

Perth, 28 August 2014

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only. Details as at 15 October 2014.

1. Shareholding in Ordinary Quoted Securities

a. Distribution of Shareholders Number

Category (size of Holding)	Ordinary
1 – 1,000	567
1,001 – 5,000	152
5,001 – 10,000	47
10,001 – 100,000	95
100,001 – and over	108
	<hr/> 969 <hr/>

b. The number of shareholdings held in less than marketable parcels is 854.

c. The names of the substantial shareholders are:

Shareholder	Ordinary	
	No.	%
MOLONGLO PTY LTD <P & J HUTCHINSON S/F A/C>	136,250,000	25.05
POLLARA PTY LTD ATF THE POLLARA TRUST AND MALVASIA PTY LTD ATF THE SPYDER SUPERFUND	136,250,000	25.05

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. On market buy back

There is no current on market buy back.

f. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	MOLONGLO PTY LTD <P & J HUTCHINSON S/F A/C>	136,250,000	25.05
2.	POLLARA PTY LTD <THE POLLARA A/C>	125,000,000	22.98
3.	AH SUPER PTY LTD <THE AH SUPER FUND A/C>	23,000,000	4.23
4.	BENEFICO PTY LTD	20,000,000	3.68
5.	ZERO NOMINEES PTY LTD	13,000,000	2.39
6.	MALVASIA PTY LTD <THE SPYDER SUPER FUND A/C>	11,250,000	2.07
7.	AZURE CAPITAL INVESTMENTS PTY LTD	10,000,000	1.84
8.	GARRISON HOLDINGS PTY LTD <PAUL COOK SUPER FUND A/C>	10,000,000	1.84
9.	EMERALD CORPORATION PTY LTD <FR BLAKISTON NO 2. A/C>	10,000,000	1.84
10.	MR GIUSEPPE TOMMASO CARDACI	10,000,000	1.84
11.	LAMERTON PTY LTD <MACS SUPERFUND>	10,000,000	1.84
12.	GALACTICA PTY LTD <GALACTICA A/C>	8,000,000	1.47
13.	INTRACE INVESTMENTS PTY LTD <INTRACE INVEST SERVICE A/C>	7,550,000	1.39
14.	NEWD CORP PTY LTD	6,000,000	1.10
15.	SHERKANE PTY LTD	5,000,000	0.92
16.	RICH CAB PTY LTD <DALE-MCKENZIE SUPERFUND A/C>	5,000,000	0.92
17.	SOUTHAM INVESTMENTS 2003 PTY LTD <WARWICKSHIRE INVESTMENT A/C>	5,000,000	0.92
18.	MR ANTHONY JOHN DALE	5,000,000	0.92
19.	BR CORPORATION PTY LTD	4,410,000	0.81
20.	TOMBEL HOLDINGS PTY LTD <CLEMENT SUPER FUND A/C>	4,000,000	0.74
		428,460,000	78.77

2. Unquoted Securities

The Company has 150,000,000 unlisted options expiring 16 May 2017 on issue.

50,000,000 unlisted options held by 3 holders (2 of whom are Directors totaling 47,500,000*)

100,000,000 unlisted options held by 9 holders (3 of whom are Directors holding 88,000,000*)

**refer Directors report for detail.*

3. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on the Australian Stock Exchange Limited.

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