



● ● IDT Australia Limited
annual report 2014

Company Information

Directors

Graeme Kaufman
BSc, MBA
(Chairman)

Geoffrey F Lord
B.Ec (Hons), MBA (Distn), ASSA, AICD
(Deputy Chairman)

Dr Graeme L Blackman OAM
BSc (Hons), PhD, FRACI, FTSE

Reo Shigeno
BA, Dip Financial Services

David Williams
B.Ec (Hons), M.Ec, FAICD

Dr Paul MacLeman
MBA, BVSc, Grad Dip Tech, Grad Cert Eng,
FAICD, MATTA
(Managing Director)

Secretaries

Joanna Johnson
B.Ec, Grad Dip Management, ICAA

Dr David Sparling
BVSc (Hons), LLB (Hons), GDI pAppCor Gov

Share Register

Link Market Services Limited
Level 1, 333 Collins Street
MELBOURNE VIC 3000

Bankers

National Australia Bank Limited
NAB Health
Level 2, 151 Rathdowne Street
CARLTON VIC 3053

Auditors

Deloitte Touche Tohmatsu
550 Bourke Street
MELBOURNE VIC 3000

Stock Exchange

Australian Stock Exchange Limited
530 Collins Street
MELBOURNE VIC 3000

(ASX Code : IDT)

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Registered Office and Principal Place of Business

45 Wadhurst Drive
BORONIA VIC 3155
Telephone +61 3 9801 8888
Facsimile +61 3 9837 6445

CMAX

Level 5, East Wing Royal Adelaide Hospital
North Terrace
ADELAIDE SA 5000
Telephone +61 8222 3923
Facsimile +61 8223 3475

Website Address

www.idtaus.com.au
www.cmax.com.au

Chairman's Report

Firstly I would like to thank shareholders for their continuing support over the past year, a year that marked the commencement of a period of significant change for the Company, and set the stage for new strategies for growth. The base businesses are being strengthened by additional sales and marketing resources, legacy assets such as temozolomide are being deployed and the Company is actively seeking non-organic growth opportunities.

It was with great pleasure that I joined the IDT board in the middle of 2013. With a background in manufacturing, finance and life sciences I saw and understood the potential of the Company with the right additions of commercial skills and strategies. In the first half of the year I was honoured to be asked to chair the Company and accepted the request.

Board changes

In the early part of this financial year Dr Graeme Blackman stood down as chairman after nearly 30 years and we are pleased to retain Graeme on the board as a non-executive director. Graeme was a true pioneer of the sector in Australia and as founder of IDT in 1977 he built up over that long history a world class manufacturing facility and preeminent expertise in drug development and manufacturing. The excellent facilities, infrastructure and expertise that were built over IDT's 30 year history are a credit to his stewardship and vision. The Board wishes to express its gratitude for his commitment, drive and enthusiasm in building IDT.

In the latter part of the first half Dr Roger Aston stepped down from the board due to mounting other executive commitments. We would like to thank him for his expertise and contribution over a number of years.

Strategy

With board changes came the addition of new commercial skill sets at management level. New senior managers joined the Company from a number of well-known pharmaceutical companies, bringing decades of commercial experience. The addition of this commercial acumen to the large existing pool of technical expertise will lay the foundations for future development and facilitate execution of our growth strategies. We are deploying strategies aimed at strengthening the base service businesses at CMAX and Boronia, leveraging existing assets and expertise into IDT owned registrations and seeking complementary acquisitions that bring near term revenues and that leverage the manufacturing assets. This will deliver in coming years a strong service business with the addition of an IDT owned specialty generic range of marketed products.

IDT products

The first of these products to be advanced late in the 2013 calendar year was temozolomide, an anti-cancer drug for the treatment of melanoma and brain tumours. This was filed with the US Food & Drug Administration as an Abbreviated New Drug Registration in November and accepted by the FDA for review early in 2014. Further such IDT registered products are planned and in development.

Financial resources

In September 2013 the Company raised approximately \$6 million through a placement to sophisticated and institutional investors and a rights issue. This brought a number of high profile funds onto the register for the first time and gave the Company a foundation of well resourced investors to support the Company's non-organic growth aspirations. The raising in 2013 was deployed in part to commence the development of the IDT generic product range.

The value of the Company is underpinned by tangible assets exceeding \$23 million substantially reflecting the world class manufacturing facilities at the Boronia campus. In addition the Company currently has no borrowings and has significant debt facilities available.

2014/15

IDT, having set its growth strategy now needs to focus upon rigorous execution of the activities required to deliver the desired outcomes. The Board has established and communicated key performance indicators to the executive team to measure and hold them to these goals. We expect to see progress on all three strands of our strategy, with increasing base income, further products in development and securing assets from outside the Company to spur growth.

As we move forward into 2015, I wish to thank my fellow directors for their contribution to the Company over the past year, particularly given ongoing difficult market conditions both locally and internationally. We also thank the management and staff for their commitment to the company and their response to the challenges facing us in repositioning IDT for future growth.



Graeme Kaufman
CHAIRMAN

Managing Director's Report

A year of change

My first full year at IDT has seen considerable change in the board, management and strategy. On top of this we have been working very hard to build and strengthen the base businesses, both at CMAX in Adelaide and at the Boronia manufacturing campus in Melbourne. Behind the scenes there has been a full strategic review by board and management, resulting in a concerted effort to increase the revenues of the base businesses, increase utilisation of our assets and our share of the value chain in markets we serve.

Operational leverage

In addition to this we have been very actively looking for acquisitions that will allow us to increase the utilisation rates of the Boronia manufacturing assets. These are world class and on the whole relatively new manufacturing facilities. Whilst they have a low depreciation cost relative to their replacement value, they also carry high fixed running costs relative to our current site revenues. The effect of these two factors is that any extra product that can be manufactured in Boronia becomes increasingly profitable as we move beyond breakeven. This is because little extra costs or capital expenditure would be needed for any of the facilities or site management functions as activity levels increase. The implications of this are that a rapid addition of market ready assets will very quickly move the company back to profitability. As a result we are actively seeking such assets with two advisory groups assisting us with this search globally.

Commercial focus

The filing of our first Abbreviated New Drug Application with the US Food & Drug Administration occurred in late 2013. This is significant in its own right, being the first time IDT has sought to own its own product filing, thus allowing us to claim significantly more of the wholesale value. IDT for much of its history acted as a contract s drug developer and s supplier of Active Pharmaceutical Ingredients, reaping little of the overall value chain. As announced early in the new financial year, we signed a temozolomide distribution agreement with Mayne Pharma, enabling us to share a significant proportion of the profits of a product that has a current US market in excess of US\$300 million.

The temozolomide filing is more significant however as a broader marker for IDT's direction in the future. As explained above we have the opportunity to return to profitability if we can increase our capacity utilisation. We therefore intend to continue to advance our own products into the regulatory approval pathways, as well as to seek out close to market assets that can deploy.

Efficiency Improvements

Once again CMAX has been a reliable performer, exceeding the previous year's revenues and contributing cash to the group as a whole. We have in addition been working hard to improve the efficiency of CMAX through better labour management practices. We have also been working hard to reduce costs in a responsible manner at Boronia, looking for efficiencies in areas that will not compromise quality or safety. Improved labour management and reductions in utility costs has been realised over the course of the year.

2015

We expect the 2015 Financial Year to be one where the work undertaken to date on improving both costs and revenues will allow us to see meaningful improvements in sales and a move back towards profitability. In addition we continue to look for acquisition opportunities for approved drug assets that we can rapidly take to market and so better utilise our manufacturing capacity. 2015 will therefore be one entailing both attention to detail in our growth efforts and some potential for non-organic growth through acquisition.



Dr Paul MacLeman
MANAGING DIRECTOR

Report of the Directors - 30 June 2014 (Including Remuneration Report)

Your Directors present their report on the financial report of the company for the year ended 30 June 2014.

The following persons were Directors of IDT Australia Limited during or since the end of the financial year are :

G Kaufman (Chairman from 30 September 2013)

G F Lord (Deputy Chairman)

G L Blackman (Chairman until 30 September 2013)

R Aston (resigned 20 November 2013)

P MacLeman (appointed 22 August 2013)

R Shigeno

D Williams

Principal Activities

The principal activities of the company in the course of the year were the supply of products and provision of research and development and other technical services for the pharmaceutical and allied industries.

Review of Operations

During the year, the company continued to provide consulting research and development services and products for clients in the pharmaceutical and allied industries. A detailed review is given on pages 2 and 3 of this annual report.

Results

The net result of operations after applicable income tax expense was a loss of \$6.626m (2013: \$5.354m loss).

Dividends

No dividends were paid during the course of the financial year. There are no dividends or distributions recommended or declared for payment to members, but not yet paid, during the year.

Significant Changes in the State of Affairs

In the opinion of the Directors, there have been no significant changes in the state of affairs of the company during the financial year under review not otherwise disclosed in this report or the financial statements.

During 2014, the Company raised net proceeds of \$5.846m from new and existing investors and consequently holds cash balances of \$2.415m at 30 June 2014 which the Company considers sufficient to support organic product and business development opportunities during 2015.

Matters Subsequent to the End of the Financial Year

The Company signed a binding Memorandum of Understanding in July 2014 with Mayne Pharma Group Limited's US Products division appointing them exclusively to distribute the Company's generic Temozolomide product in the USA. Temozolomide is indicated for the treatment of melanoma and glioblastoma multiforme and had US sales of approximately USD340 million in the 12 months ending 31 May 2014. It is anticipated that manufacture of this product will commence at the Company's Boronia facility in 2016.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year and the date of this report that has significantly affected, or may significantly affect, the operations of the Company, or the state of affairs of the company in future financial years.

Likely Developments

The Company's objective is to deliver superior organic revenue growth and generate free cashflow through execution of the core strategy of identifying, successfully tendering for and completing new manufacturing and service projects, particularly, but not limited to, the Boronia site. Regulatory activity to support commercialisation of new products for US markets for launch in subsequent years will continue.

Environmental Regulations

The company is subject to environmental regulations and other licenses in relation to its manufacturing operations, including obligations to comply with provisions of the Environment Protection Act and a Trade Waste Agreement with South East Water. The Company is also subject to environmental audits by local and international clients. Systems are in place to ensure compliance with federal, state and local environmental regulations and as at the date of this report, the Directors are not aware of any breach.

Indemnification of Officers

During the financial year, the Company paid an insurance premium insuring all officers of the company, including the Directors. Liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Share Options

No options were granted or exercised under the Executive Share Option Plan during the year ended 30 June 2014.
(2013: 500,000 granted, nil exercised)

Details of unissued shares or interest under option at the date of this report are :

Option series	Number	Grant date	Expiry date	Exercise price
(1) Granted 15 April 2013	250,000	15/04/2013	15/04/2017	\$0.298
(2) Granted 15 April 2013	250,000	15/04/2013	15/04/2017	\$0.373

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2014, and the number of meetings attended by each Director.

Director	Board		Audit Committee		Remuneration and Nomination Committee	
	A	B	A	B	A	B
R Aston (to 20/11/13)	8	7	--	--	--	--
G L Blackman	14	13	--	--	1	1
G Kaufman	14	12	4	4	1	1
G F Lord	14	13	--	--	1	1
P MacLeman (from 22/8/13)	11	11	--	--	--	--
R Shigeno	14	14	4	4	--	--
D Williams	14	14	4	4	--	--

A = Meetings held while a director or member.

B = Meetings attended while a director or member.

-- = Not a member of relevant committee

Information on Directors

Graeme Kaufman

Qualifications: BSc, MBA

Experience: Formerly Executive Vice-President of Mesoblast Limited and Chief Financial Officer of CSL Limited. Non Executive Director since 1 June 2013

Other Current Directorships: Non-executive Chairman of Bionomics Limited (since 2012), Director of Cellmid Limited (since 2012), non-executive Chairman of Paradigm BioPharmaceuticals Limited (since 2014)

Former Directorships in Last 3 Years: nil

Responsibilities: Chairman, Member of Audit and Nomination and Remuneration Committees

Equity interests in company: 185,000 fully paid ordinary shares.

Geoffrey F Lord

Qualifications: BEc(Hons), MBA(Distn), ASSA, AICD

Experience: Formerly Chief Executive and Deputy Chairman of Elders Resources Limited. Non executive Director since 1998

Other Current Directorships: Presently Chairman and Chief Executive of Belgravia Group Pty Ltd. Non Executive Chairman of UXC Limited (since 2002), Chairman of LCM Litigation Fund, Director of Maxitans Industries Limited (since 2000) and Auto Group Limited (since 1999)

Former Directorships in Last 3 Years: Northern Energy Corporation Limited (2007-2011)

Responsibilities: Deputy Chairman from 2008. Member of Nomination and Remuneration Committee

Equity interests in company: 6,831,907 fully paid ordinary shares (indirect).

Dr Graeme L Blackman OAM

Qualifications: BSc(Hons), PhD, FRACI, FAICD, FTSE, FloD.

Experience: Formerly Professor of Pharmaceutical Chemistry, Victorian College of Pharmacy. Extensive experience in research and development and commercial scientific consulting. Chairman (1986-2013), Managing Director (1986-2007)

Other Current Directorships: None

Former Directorships in Last 3 Years: None

Responsibilities: Member of Nomination and Remuneration Committee

Equity interests in company: 6,996,376 fully paid ordinary shares

Reo Shigeno

Qualifications: BA, Dip Financial Services

Experience: Currently Chief Financial Officer of Healthy Clinical Research, a subsidiary of I'ROM Holding Group. Non Executive Director since 1 June 2013

Other Current Directorships: nil

Former Directorships in Last 3 Years: nil

Responsibilities: Member of Audit Committee

Equity interests in company: nil.

David Williams

Qualifications: B.Ec(Hons), M.Ec, FAICD

Experience: Managing Director of Kidder Williams Ltd, with over 30 years' experience in investment banking. Non Executive Director since 21 December 2010

Other Current Directorships: Chairman of Medical Developments International Limited, Chairman of Calzada Ltd

Former Directorships in Last 3 Years: Clever Communications Limited (2007-2011)

Responsibilities: Chair of Audit Committee

Equity interests in company: nil.

Dr Roger Aston (resigned 20th November 2013)

Qualifications: BSc(Hons), PhD

Experience: Formerly Chief Executive Officer of Mayne Pharma Group Limited. Non Executive Director from 20 March 2012

Other Current Directorships: Non-executive Chairman of Immuron Limited, executive Chairman of Oncosil Medical Limited, executive Chairman of Pharmaust Ltd, Director of Regeneus Ltd, Director Calzada Ltd

Former Directorships in Last 3 Years: Mayne Pharma Group Limited (2007-2011)

Responsibilities: Member of Nomination and Remuneration Committees.

Equity interests in company: nil.

Paul Macleman (appointed 22nd August 2013)

Qualifications: MBA, BVSc, Grad Dip Tech, Grad Cert Eng, FAICD, MATTA

Experience: Managing Director, IDT Australia Limited

Other Current Directorships: nil

Former Directorships in Last 3 Years: G Tech International Limited

Responsibilities: Managing Director (MD)

Equity interests in company: 111,000 fully paid ordinary shares, 500,000 options.

Information on Secretaries

Dr David Sparling and Ms Joanna Johnson were jointly appointed to the role of Company Secretary in March 2014. Both have extensive commercial experience in the pharmaceuticals industry and respectively bring considerable legal and financial skills.

Remuneration Report

The Directors of the Company are pleased to present the following Remuneration Report which forms part of the Report of Directors and has been prepared in accordance with s300A of the Corporations Act 2001. The Remuneration report has been audited as required by s308 (3C) of the Corporations Act 2001 and sets out remuneration information for the Company's key management personnel.

The Remuneration and Nomination Committee advises the Board on remuneration policies and practices generally, making specific recommendations on the remuneration framework and other terms of employment for executive Directors, non-executive Directors and senior executives, including incentives and share ownership plans.

The Corporate Governance Statement provides further information on the role of this committee and its membership.

Directors' Remuneration

Fees and payments to non-executive Directors reflect the demands made on, and the responsibilities of, the Directors. They are set at market rates for our industry and size of the Company in order to attract Directors with expertise in our industry and Australian capital markets. Non-executive Directors' fees are reviewed annually by the Remuneration and Nomination Committee.

The Chairman's and MD's fees were determined independently to the fees of non-executive Directors based on comparative roles in the external market. The Chairman and Managing Director were not present at any discussions relating to the determination of their remuneration.

Directors' Fees

Non-executive Directors' annual base fee is \$40,000 and the Chairman received \$80,000, plus superannuation contributions, as required under the Australian superannuation guarantee legislation.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, periodically recommended for approval by shareholders. The current maximum aggregate Directors' fee pool is \$400,000 for non-executive Directors.

Details of the nature and amount of each element of emoluments of each Director and the key management personnel are set out in the following tables.

Key Management Personnel Remuneration

Remuneration packages are set at levels intended to attract and retain first class executives capable of managing the Company's operations and achieving the Company's strategic objectives. It is also designed to align achievement of Company goals with long-term shareholder value. The Company is committed to adhering to appropriate corporate governance standards for remuneration of executives with regard to ASX Corporate Governance Council's Recommendations.

Key Management Personnel remuneration and other terms of employment are reviewed annually by the remuneration committee having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice where necessary.

The executive pay and reward framework comprises :

- Base salary, including superannuation,
- Short term performance incentives
- Long term incentives via participation in the Company's Share Plans.

There are no service agreements or special terms of employment for Key Management Personnel, except for the MD, Paul MacLeman. The MD has an Executive Employment agreement specifying duties and obligations to be fulfilled and provides the Board and MD will, early each financial year, consult and agree objectives for achievement that year. The terms of his Executive Employment agreement are:

Term of agreement	3 years
Base salary	\$300,000 pa
STI	Up to 30% of base salary upon achievement of KPIs
LTI	nil
Notice period	3 months

Remuneration Details 2014

	Short-term employee benefits			Post-employment benefits		Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non monetary benefits	Super-annuation	Termination benefits	Long Service Leave	Options / Shares	
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors			-		-	-	-	
G Kaufman – Chairman **	70,000	-	-	6,475	-	-	-	76,475
R Aston - resigned 20 November 2013	16,666	-	-	1,541	-	-	-	18,207
G F Lord	40,000	-	-	-	-	-	-	40,000
R Shigeno	40,000	-	-	3,670	-	-	-	43,670
D Williams	40,000	-	-	-	-	-	-	40,000
Sub-total - non-executive Directors	206,666	-	-	11,686	-	-	-	218,352
Executive Directors								
G L Blackman *	27,499	-	14,972	27,125	-	-	-	69,596
P MacLeman, MD	301,040	-	-	27,750	-	7,500	-	336,290
Other key management personnel								
J Johnson Chief Financial Officer - appointed 18 March 2014 ***	57,000	-	-	5,272	-	1,425	36,996	100,693
R Najdecki Chief Financial Officer - resigned 20 March 2014	164,890	-	-	49,187	-	5,035	-	219,112
D Sparling VP Legal & Corporate Development ***	196,040	-	-	18,037	-	4,875	36,996	255,948
Sub-total - executive management	746,469	-	14,972	127,371	-	18,835	73,992	981,639
Total key management personnel compensation	953,135	-	14,972	139,057	-	18,835	73,992	1,199,991

* Dr Blackman resigned as Chairman effective 30 September 2013

** Mr Kaufman elected Chairman effective 30 September 2013

*** On 15 May 2014 Dr Sparling and Ms Johnson were each granted 222,222 Ordinary Shares under the Employee Share Plan at the current market value at the date of issue, \$0.27. This issue was funded by an interest free limited recourse loan from the Company, repayable on sale of the shares.

There is no performance related remuneration for any Key Management Personnel other than P MacLeman, whose performance related remuneration was 0% of his total remuneration for the year.

Remuneration Details 2013

	Short-term employee benefits			Post-employment benefits		Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non monetary benefits	Super-annuation	Termination benefits	Long Service Leave	Options / Shares	
	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors								
R Aston	40,000	-	-	3,600	-	-	-	43,600
A D Blackman (resigned 30th June 2013)	36,666	-	-	6,934	-	-	-	43,600
R Burnet (resigned 30th June 2013)	40,000	-	-	3,600	-	-	-	43,600
G Kaufman (appointed 1st June 2013)	3,333	-	-	300	-	-	-	3,633
G F Lord	56,667	-	-	-	-	-	-	56,667
R Shigeno (appointed 1st June 2013)	3,333	-	-	300	-	-	-	3,633
D Williams	40,000	-	-	-	-	-	-	40,000
Sub-total - non-executive Directors	219,999	-	-	14,734	-	-	-	234,733
Executive Directors								
G L Blackman	113,733	-	79,145	21,806	-	8,267	-	222,951
R Elliott MD (resigned 28th February 2013)	328,363	-	31,703	23,417	-	8,471	-	391,954
P MacLeman MD (appointed 15th April 2013)*	63,846	-	-	5,746	-	1,772	41,809	113,173
Other key management personnel								
P Elliott (resigned 7th May 2013), Quality Manager	150,989	-	-	13,485	-	4,273	-	168,747
J Kelly, General Manager, CMAX	180,606	-	18,548	16,165	-	4,984	-	220,303
R Najdecki Chief Financial Officer	186,721	-	-	24,269	-	5,346	-	216,336
D Sparling (appointed 1st May 2013), VP Legal & Corporate Development	32,500	-	-	2,925	-	902	-	36,327
Sub - total executive management	1,056,758	-	129,396	107,813	-	34,015	41,809	1,369,791
Total key management personnel compensation	1,276,757	-	129,396	122,547	-	34,015	418,809	1,604,524

* Dr MacLeman was appointed Managing Director effective 22nd August 2013.

Share Based Compensation

Employee Share Plan

Executive management were invited to participate in the Employee Share Plan (ESP) whereby shares of the Company were issued at the current market value at the date of issue and funded by an interest free limited recourse loan from the Company. Grants within the framework of the ESP were determined by the MD together with the Remuneration and Nomination Committee, and subject to approval by the Board.

The amounts disclosed for emoluments relating to these shares are the assessed fair values at issue date determined using a Black-Scholes option pricing model taking into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Other staff, were invited to participate in the allocation of up to \$1,000 of shares granted for no consideration and escrowed for 3 years whilst participants remain employees of the Company.

Executive Option Plan

Options are granted under the terms and conditions of the Executive Option Plan. Options are granted under the plan for no consideration, for a four year period vesting immediately upon granting and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

During the 2014 financial year no options were issued. In the 2013 financial year 500,000 options were issued to Dr MacLeman.

The amounts disclosed for emoluments relating to options above are the assessed fair values at grant date, allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Other Transactions with Key Management Personnel

There were no other transactions or loans provided to key management personnel other than interest free limited recourse loans provided in association with the Employee Share Plan.

Key Management Personnel Equity Holdings

The number of shares in the Company held during the financial year by Directors and each of the specified executives are set out below.

2014

Directors

Name	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
G Kaufman	-	-	185,000	185,000
G F Lord	5,693,254	-	1,138,652	6,831,907

Executive Directors

Name	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
G L Blackman	5,830,313	-	1,116,063	6,996,376
P MacLeman	-	-	111,000	111,000

Other Executives

Name	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
D Sparling	-	222,222	37,637	259,859
J Johnson	-	222,222	-	222,222

2013

Directors

Name	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
A D Blackman (resigned 30 June 2013)	129,600	-	-	129,600
R Burnett (resigned 30 June 2013)	417,400	-	-	417,400
G F Lord	5,693,254	-	-	5,693,254

Executive Directors

Name	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
G L Blackman	5,830,313	-	-	5,830,313
R Elliot (resigned 28 February 2013)	6,851	-	-	6,851

Other Executives

Name	Balance at Start of Year	Employee Share Issue	Other Changes During the Year	Balance at the end of the Year
P Elliott	3,916	-	-	3,916
J Kelly	4,428	-	-	4,428

Unlisted Options

The number of unlisted options in the company held during the financial year by Directors and each of the key executives are set out below.

2014

Name	Balance at Start of Year	Granted During the Year	Lapsed During the Year	Balance at the end of the Year
P MacLeman, MD	500,000	-	-	500,000

2013

Name	Balance at Start of Year	Granted During the Year	Lapsed During the Year	Balance at the end of the Year
P MacLeman, MD	-	500,000	-	500,000

Company Performance

The table below sets out summary information concerning the Company's movements in shareholder wealth for the five years to 30 June 2014 :

	30 June 2014	30 June 2013	30 June 2012	30 June 2011	30 June 2010
Share price (ASX:IDT)					
Start of year	\$0.20	\$0.24	\$0.35	\$0.62	\$1.38
End of year	\$0.20	\$0.20	\$0.24	\$0.35	\$0.62
High for year	\$0.50	\$0.32	\$0.43	\$0.77	\$1.70
Low for year	\$0.19	\$0.19	\$0.22	\$0.34	\$0.52
# Shares on issue	77,374,248	53,192,059	43,192,059	43,096,294	43,096,294
Market capitalisation as at 30 June	\$15.47m	\$10.64m	\$10.37m	\$15.08m	\$26.72m
Increase / (decrease)	\$4.83m	\$0.37m	(\$4.71m)	(\$11.64m)	(\$32.66m)
Dividend paid	-	-	-	-	-

Non-Audit Services

The Directors have considered the position and are satisfied the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and are satisfied this did not compromise the auditor independence requirements for the following reasons:

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

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are as follows:

	2014 \$	2013 \$
Total amounts receivable by RSM Bird Cameron Partners for:		
(a) Audit and review of the company's financial statements	-	80,000
(b) Other Services	-	5,075
	-	85,075
Total amounts receivable by Deloitte Touche Tohmatsu for:		
(a) Audit and review of the company's financial statements	80,850	-
(b) Other Services	6,100	-
	86,950	-

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included after this report.

Proceedings on Behalf of the Company

The *Corporations Act 2001*, allows specified persons to bring, or intervene in, proceedings on behalf of the company.

No proceedings have been brought or intervened in on behalf of the company with leave of the court under Section 237 of the *Corporations Act 2001*.

Rounding of Amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Report of Directors. Amounts in the Report of Directors have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Directors Resolution

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



Graeme Kaufman
Chairman
19 August 2014, Melbourne

19 August 2014

The Board of Directors
IDT Australia Limited
45 Wadhurst Drive
BORONIA VIC 3155

Dear Members of the Board

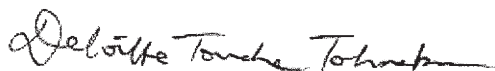
AUDITOR'S INDEPENDENCE DECLARATION TO IDT AUSTRALIA LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of IDT Australia Limited.

As lead audit partner for the audit of the financial statements of IDT Australia Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Biermann
Partner
Chartered Accountants

For the year ended 30 June 2014

Corporate Governance Statement

IDT Australia Limited (the Company) and the Board are committed to achieving and demonstrating high standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of all stakeholders.

A description of the Company's main corporate governance practices is set out below. All these practices unless otherwise stated, were in place for the entire year.

Principle 1: Lay Solid Foundations for Management and Oversight

Directors are responsible to the shareholders for the Company's performance in both the short and longer terms and seek to balance competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and ensure the Company is properly managed.

The functions of the Board include:

- providing strategic guidance to the Company including contributing to development of and approving the corporate strategy
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital initiatives
- overseeing and monitoring:
 - organisational performance and achievement of the Company's strategic goals and objectives
 - progress of major capital expenditures and significant corporate projects including acquisitions and divestments
- monitoring financial performance including approval of the annual and half-yearly financial reports and liaison with the Company's auditors
- appointment and performance assessment of the MD and members of the senior management team against annually set key performance indicators
- enhancing and protecting the reputation of the organisation
- ensuring significant risks facing the Company have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place
- reporting to shareholders, and
- ensuring appropriate resources are available to the executive team.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the MD and Executive team.

Specific limits of authority delegated to the MD and the Executive team are outlined in a formal Delegation of Authority Policy and approved by the Board.

Principle 2: Structure the Board to Add Value

The Board of Directors

The Board operates in accordance with the following broad principles that:

- it should comprise both executive and non-executive Directors, ideally with a majority of non-executive Directors. Non executive Directors bring fresh perspective to the Board's consideration of strategic, risk and performance matters.
- recognising the importance of independent views and the Board's role in supervising management's activities, independence of the Board assists exercising judgment and review and constructively challenging management's performance
- the Chair is elected by the Board and meets regularly with the MD
- the Company benefits from having Directors with different backgrounds, possessing complementary skills and experience
- the Board should consider its effectiveness and undertake an annual Board performance review
- Directors should exercise independent judgment when making Board decisions. There are processes in place to enable Directors to seek independent professional advice where required, at the Company's expense.

The Board seeks to ensure:

- its membership represents an appropriate balance between Directors with experience and knowledge of the Company and directors with an external position
- the size of the Board is conducive to effective discussions with efficient decision making.

Responsibilities of the Chairman and MD

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives. The MD is responsible for implementing Company strategies and policies.

Corporate Governance Statement (Continued)

Directors' Independence

The Board has adopted specific principles in relation to Directors' Independence. These state that to be deemed independent, a Director must be a non-executive and:

- not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- within the last three years not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment
- within the last three years not been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the service provided
- not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- must have no material contractual relationship with the Company other than as a director of the Company
- free from any business or other relationship which could reasonably be perceived to materially interfere with the Director's independent exercise of their judgment.

In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the Director's performance.

In line with the Directors' Independence Policy, Mr Geoffrey Lord's indirect shareholdings, Dr Graeme Blackman's recent role as Managing Director and his shareholdings and Dr Paul MacLeman's role as MD deems these Directors to not to be independent.

The Chairman is considered to be an independent Director.

The Board has established two committees to assist execution of its duties and allow detailed consideration of complex issues. Current committees of the Board are the Nomination and Remuneration Committee and the Audit Committee, the composition of each being disclosed in the Report of Directors. All matters determined by committees are submitted to the full Board as recommendations for Board decision.

Recent thinking on corporate governance has introduced the view that a Director's independence may be perceived to be impacted by length of service on the Board. The Board considers it is fortunate to have long serving Directors who have contributed significantly to the Company over the years. As shareholders have freely re-elected these Directors, the Board does not currently consider length of service to be an impairment to independence. The Nomination and Remuneration Committee will continue to consider independence of Directors and recommend future changes in relation to composition and appointments of suitable candidates.

At the date of signing the Report of Directors, the Board consists of three independent Directors and three non-independent Directors. The Board understands the ASX Corporate Governance recommendation that the majority of the Board should be independent Directors and will, through its Nomination and Remuneration Committee seek to address this matter over time.

Term of Office

The Company's Constitution specifies one-third of Directors (other than the MD) must retire from office at the Annual General Meeting. They may offer themselves for reelection at this time.

Performance Assessment

The Board undertakes annual self assessment of its performance in relation to its leadership, structure, functionality, systems, meetings and relationship with management.

Commitment

The Board meets approximately monthly throughout the year. The number of meetings of the Company's Board of Directors and of each Board committee held, and the number attended by each Director is disclosed on page 5.

Board Committees

The Board has established a number of committees to assist performance of its duties and allow more detailed consideration of issues. Current committees are the Nomination and Remuneration committee and the Audit Committee.

Each committee has its own written charter setting out its responsibilities, powers, duties and the manner in which the committee is to operate. These charters are available on the Company's website. All matters determined by committees are submitted to the full Board as recommendations for Board decision. Minutes of committee meetings are tabled at the subsequent Board meeting.

Corporate Governance Statement (Continued)

Nomination and Remuneration Committee

It was resolved to combine the Nomination and Remuneration Committees effective 20 November 2013 and appoint the following Directors:

- Mr G Kaufman (Chair)
- Dr G L Blackman
- Mr G F Lord

Details of these Directors' qualifications, experience and attendance at Nomination and Remuneration Committee meetings are set out in the Report of Directors.

The main responsibilities of the Nomination and Remuneration Committee are to:

- advise the Board on remuneration policies and practices generally, making specific recommendations on remuneration packages and other terms of employment for non-executive Directors, executive Directors and senior executives
- conduct an annual review of the membership of the Board with regard to the Company's present and future needs and make recommendations on Board composition and appointments
- conduct an annual review of the independence of Directors
- propose candidates for Board vacancies
- oversee the annual performance assessment program
- oversee Board succession

When the need for a new Director is identified or an existing Director is required to stand for re-election, the committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent search consultants.

The full Board then appoints the most suitable candidate, but who must stand for election at the next Annual General Meeting of the Company. Reappointment of existing Directors is not automatic and is contingent on performance and contribution to the Company.

The Committee's objective is to ensure remuneration policies are fair and competitive. The Remuneration and Nomination Committee seeks independent advice as and when it deems necessary.

Principle 3: Promote Ethical and Responsible Decision Making

Code of Conduct

The IDT Staff Handbook is provided to all employees and outlines the Company's expectations that personnel act with utmost integrity, objectivity and in compliance with relevant legislation at all times. The IDT Staff Handbook provides guidance in specific areas, including :

- Mission Statement, including Values and Relationship Statement
- Quality Policy
- Workplace Behaviour, including Equal Opportunity and Whistleblower Policies
- Occupational Health and Safety
- Employment terms and conditions
- Share Trading Policy

Trading in Company Securities

Directors and staff members may not buy or sell shares from 1 July of the year to the release of the Company's interim financial report, from 1 January of the year to the release of the Company's interim half yearly financial report, at other times indicated by the Board of Directors or if a Director or staff member is aware of any information not released to the ASX which is likely to impact the price of the Company's securities were that information to be publicly released.

A Director or staff member wishing to buy or sell shares outside the above periods, is required to advise the Chairman of his/her intention and obtain the Chairman's approval or, in the case of the Chairman, approval of the Chair of the Company's Audit Committee.

A copy of the Share Trading Policy is available on the Company's website.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity, recognising the benefits arising from employee and Board diversity, the importance of benefiting from all available talent and has established a diversity policy which is available at the Company's website.

Corporate Governance Statement (Continued)

The Company considers diversity a priority and is committed to building a strong representation of female employees, including executive management. Specific objectives are aimed at women participating in senior leadership roles through identification and mentorship of talented female employees with a view of promotion to management. The Company continues to make good progress in achieving these objectives.

The proportion of women employees in various positions as at 30 June 2014 is as follows:

Board of Directors	0%
MD and Executive Team	29%
Other Managers	63%
All other Employees	58%
Total Organisation	57%

Principle 4: Safeguard Integrity in Financial Reporting

Audit Committee

The Audit Committee is comprised of non-executive Directors, namely:

- Mr D Williams, Chair
- Mr G Kaufman
- Mr R Shigeno

Details of these Directors' qualifications and their attendance at Audit Committee meetings are set out in the Report of Directors.

The Audit Committee's main responsibilities include :

- review, assess and approve the annual report, the half-yearly financial report and all other financial information published by the Company or released to the market;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
 - effectiveness and efficiency of operations
 - reliability of financial reporting
 - compliance with applicable laws and regulations;
- oversee the effective operation of the risk management framework
- recommend to the Board the appointment, removal and remuneration of the external auditors, review the terms of their engagement and the scope and quality of the audit.
- consider the independence and competence of the external auditor on an ongoing basis.
- review and approve non audit services provided by the external auditors to ensure it does not adversely impact auditor independence.
- review and monitor related party transactions and assess their propriety.
- report to the board on matters relevant to the Committee's role and responsibilities.

In fulfilling its responsibilities, the Audit Committee:

- receives regular reports from management and the external auditors
- meets with external auditors at least twice a year – more frequently if necessary
- reviews the processes the MD and CFO have in place to support their certifications to the board
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved
- provides the external auditors with a clear line of direct communication at any time to either the Chair of the Audit Committee or the Chair of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External Audits

It is policy of the Company and the Audit Committee to appoint external auditors who demonstrate quality and independence. Performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. Deloitte Touche Tohmatsu was appointed in 2013. It is policy to rotate audit engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including fees for non-audit services, is provided in the Report of Directors and note 20 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Corporate Governance Statement (Continued)

Principles 5 and 6: Make Timely and Balanced Disclosures and Respect the Rights of Shareholders

Continuous Disclosure

The Chairman has been appointed as the person responsible for communications with the ASX. He is also responsible for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public. Management are responsible for ensuring all potential corporate information that could materially affect the price or value of the Company's shares is brought to the Chairman's attention immediately it becomes known. This is then assessed in liaison with the Board and management in regards to the ASX listing rule requirements of 3.1.

All information disclosed to the ASX is posted on the Company's web site as soon as it is disclosed to the ASX and email alerts are available to shareholders via the Company website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Shareholder Communication

The Company recognises the value of providing current and relevant information to its shareholders through effective communication.

All information disclosed to the ASX announcements platform is available to shareholders on the Company website including prior year announcements. The website also holds the latest Company broker presentation used in analyst's briefings and current and historical share price details. Shareholders can subscribe to email alerts of ASX announcements.

Shareholders may elect to receive the Company's Annual Report in hard or soft copy. Current and prior years' Annual Reports are also available on the Company's website.

Where possible, advance notice of significant briefings is given, including but not limited to results announcements, and makes them widely available through the Company's website.

Principle 7: Recognise and Manage Risk

Risk Assessment and Management

The Company's focus on risk management recognises that risk management is, prima facie, an issue for line management. The current risk management framework supports this focus, providing a structured context to review past performance of and to profile current and future risks. Management is required to ensure appropriate controls are in place to effectively manage identified risks. Importance is placed on maintaining a strong control environment within the framework of the Company Quality Policy and the organisation structure has clear lines of accountability with authority formally delegated. Adherence to the control environment is required at all times and the Board actively promotes a culture of quality and integrity.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management, compliance and internal control. Management formally presents the Company's Risk Register to the Board on a quarterly basis and provides more frequent updates where items have been identified which materially impact the risk environment.

The Board requires each major proposal submitted to the Board for decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

The Environment, Occupational Health and Safety

The Company recognises the importance of Environmental and Occupational Health and Safety (OH&S) issues and is committed to the highest levels of performance. To help meet this objective the Company has regular monitoring to facilitate the systematic identification of environmental issues and the OH&S committee meets monthly to review and discuss specific health and safety issues. This system allows the Company to:

- monitor compliance with all relevant legislation
- continually assess and improve the impact of its operations on the environment
- encourage employees to actively participate in the management of environmental and OH&S issues
- work with trade associations representing the Company's businesses to raise standards, and
- use energy and other resources efficiently.

Information on compliance with significant environmental regulations is set out in the Report of Directors.

Corporate Governance Statement (Continued)

Corporate Reporting

Integrity of the Company's financial reporting depends on existence of sound risk oversight systems, management and internal control which are enhanced by certifications to the Board made by the MD and Chief Financial Officer :

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards and Corporations Act 2001 provisions.
- that the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Principle 8: Remunerate Fairly and Responsibly

The Nomination and Remuneration Committee advises the Board on remuneration and incentives policies and practices generally, making specific recommendations on remuneration packages and other terms of employment for executive Directors and non-executive Directors.

Executive remuneration and other terms of employment are reviewed annually by the committee with regard to performance, relevant comparative information and independent expert advice. As well as base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits. Eligible employees also participate in the Employee Share Plan.

Remuneration packages are set at levels intended to attract and retain first class executives capable of managing the Company's operations and achieving the Company's strategic objectives.

The Remuneration and Nomination Committee is also responsible for reviewing any transactions between the organisation and Directors, or any interests associated with Directors, to ensure the structure and terms of the transaction comply with Corporations Law and are appropriately disclosed.

Further information on Directors' and executives' remuneration is set out in the Report of Directors and note 25 to the financial statements.

For the year ended 30 June 2014

Statement of Profit or Loss and Other Comprehensive Income

	Note	2014 \$000	2013 \$000
Revenue from ordinary activities	2	13,374	13,376
Raw materials		2,886	3,100
Employee benefits expense		8,947	7,195
Depreciation and amortisation expense		2,321	2,723
Impairment of development costs		621	1,016
Borrowing costs expense		31	128
Utilities		778	798
Repairs and maintenance		684	600
Subject and screenings		1,197	725
Insurance		355	418
Waste removal		70	116
Consumables		152	115
Travel		181	56
Share registry		65	51
Accounting		125	151
Consultants		291	430
Rent		262	296
Other expenses		991	875
(Loss) before income tax	3	(6,583)	(5,417)
Income tax (benefit)	4	43	(63)
(Loss) for the year		(6,626)	(5,354)
Other comprehensive Income			
Items that will not be reclassified to profit or loss:			
Revaluation gain on land & buildings		-	2,217
Income tax relating to components of other comprehensive income		-	(665)
Total comprehensive income		(6,626)	(3,802)
Basic earnings per share	28	(9.5¢)	(12.1¢)
Diluted earnings per share	28	(9.5¢)	(12.1¢)

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

As at 30 June 2014

Statement of Financial Position

	Note	2014 \$000	2013 \$000
Assets			
Current Assets			
Cash and cash equivalents	5	2,415	578
Trade and other receivables	6	1,916	3,664
Current tax asset	7	169	271
Inventories	8	647	675
Total Current Assets		5,147	5,188
Non Current Assets			
Property, plant and equipment	9	21,210	23,159
Deferred tax assets	15	-	-
Intangible assets	10	1,938	2,359
Total Non Current Assets		23,148	25,518
Total Assets		28,295	30,706
Liabilities			
Current Liabilities			
Trade and other payables	11	1,432	1,662
Borrowings	12	39	1,931
Provisions	16	1,048	984
Total Current Liabilities		2,519	4,577
Non Current Liabilities			
Borrowings	13	49	18
Provisions	16	176	82
Total Non Current Liabilities		225	100
Total Liabilities		2,744	4,677
Net Assets		25,551	26,029
Equity			
Contributed equity	17	22,877	17,031
Reserves	18	3,565	3,263
Retained profits / (accumulated losses)	19	(891)	5,735
Total Equity		25,551	26,029

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

For the year ended 30 June 2014

Statement of Changes in Equity

	Contributed Capital \$000	Asset Revaluation Reserve \$000	Share-based Payment Reserve \$000	Retained Profits/ (Accumulated Losses) \$000	Total Equity \$000
Balance at 1 July 2012	15,377	-	1,669	11,089	28,135
Profit / (loss) for the year	-	-	-	(5,354)	(5,354)
Other comprehensive income for the year	-	1,552	-	-	1,552
Shares issued during the year	2,000	-	-	-	2,000
Transaction costs	(354)	-	-	-	(354)
Share options	-	-	42	-	42
Prior year adjustment	8	-	-	-	8
Balance at 30 June 2013	17,031	1,552	1,711	5,735	26,029
Balance at 1 July 2013	17,031	1,552	1,711	5,735	26,029
Profit / (loss) for the year	-	-	-	(6,626)	(6,626)
Shares issued during the year	6,260	-	-	-	6,260
Transaction costs	(414)	-	-	-	(414)
Vesting of arrangements involving limited recourse loans	-	-	302	-	302
Balance at 30 June 2014	22,877	1,552	2,013	(891)	25,551

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

For the year ended 30 June 2014

Statement of Cash Flows

	Note	2014 \$000	2013 \$000
Cash flows from Operating Activities			
Receipts from customers (inclusive of goods and services tax)		14,989	13,469
Payments to suppliers and employees (inclusive of goods and services tax)		(16,862)	(15,294)
		(1,873)	(1,825)
			-
Interest and other costs of finance paid		(38)	(128)
Income taxes (paid) / refund		271	771
Interest received		64	-
Net Cash Inflow / (Outflow) from Operating Activities	27	(1,576)	(1,182)
Cash flows from Investing Activities			
Payments for property, plant and equipment		(221)	(547)
Proceeds from sale of property, plant and equipment		22	164
Payments for development costs		(291)	(587)
Net Cash Outflow from Investing Activities		(490)	(970)
Cash flows from Financing Activities			
Proceeds from issue of equity		6,260	2,000
Payments for issue of equity		(414)	(354)
Repayment bills payable		(1,850)	-
Proceeds from borrowings		-	1,100
Repayment of lease liabilities		(93)	(29)
Net Cash Inflow from Financing Activities		3,903	2,717
Net Increase / (Decrease) in Cash and Cash Equivalents Held		1,837	565
Cash and cash equivalents at the beginning of the financial year		578	13
Cash and Cash Equivalents at the End of the Financial Year	5	2,415	578

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

Notes To And Forming Part Of The Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1 Statement of Compliance

These financial statements are general purpose financial statements prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS).

1.2 Basis of Preparation

These financial statements have been prepared under the basis of historical cost, except for certain items that are measured at fair value at the end of the reporting period, as explained in the notes below.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined in such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2.

After consideration of forecasts of future activity made by management, the Directors consider it reasonably foreseeable that the Company will continue as a going concern and accordingly adopts the going concern basis in the preparation of the financial report. All amounts are presented in Australian dollars unless otherwise noted.

1.3 Change in Accounting Policy

The Company has adopted new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the previous reporting period and are detailed in Note 1.22. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent significant change in information from that previously made available.

The Company incurs certain costs directly associated with income generation which are passed through to customers and which have not historically been separately disclosed in revenue or expense. As the Company is responsible for incurring the cost and recovering the funds from the customer it is considered that both revenue and expense should be reflected in the Financial Statements. This policy change does not impact total reported profit or loss, but sales revenue and cost of goods sold have each been increased by \$2.462m (2013: \$2.716m).

There have been no other significant changes in accounting policies during the reporting period.

1.4 Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company incurs eligible expenditure to support a R&D Tax Incentive Claim. This receivable balance is accounted for as a current tax asset and income tax expense.

Notes To And Forming Part Of The Financial Statements (Continued)

1.5 Foreign Currency Translation

Foreign currency transactions are translated into functional currency (Australian Dollars) using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Foreign exchange gains and losses resulting from settlement of such transactions and from translation at period end exchange rates of foreign currency monetary assets and liabilities denominated are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

1.6 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. A sale is recorded when manufactured goods have been despatched to a customer pursuant to a sales order and title has passed.

Service revenue is recognised in accordance with percentage of completion method. The stage of completion is determined with reference to key milestones achieved to date as a percentage of total contractual value.

Government grants from are recognised at fair value where there is reasonable assurance the grant will be received and the company will comply with all attached conditions.

1.7 Trade and Other Receivables

These amounts represent amounts receivable relating to the provision of goods and services to a customer pursuant to a valid order or contract. All receivables are recognised at the full amounts receivable, as they are due for settlement within 60 days of invoice date and therefore do not require re-measurement.

Collectability of receivable balances is reviewed on an ongoing basis and a provision is raised where collection in full is no longer considered probable. Debts which are known to be uncollectable are written off.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value with the cost determined on a first-in-first-out basis. Net realisable value reflects the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

1.9 Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases (note 21). Finance leases are capitalised as Assets at fair value at the lease's inception, or if lower, at the present value of the minimum lease payments. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 21). Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.10 Property, Plant and Equipment

Freehold land and buildings are shown at their revalued amounts being the fair value at date of revaluation less subsequent depreciation for buildings. Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the revaluation reserve within equity. Decreases that offset previous increases of the same asset are recognised against revaluation reserve directly in equity; all other decreases are recognised in profit or loss.

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment. The cost of non-current assets constructed by the company includes the costs of all materials used in construction, direct labour on the project, and an appropriate proportion of directly attributable variable and fixed overheads.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land) over their estimated useful lives, net of their residual values, using the straight line method, as follows:

- Buildings 40 years
- Machinery 10-15 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 5-10 years

Notes To And Forming Part Of The Financial Statements (Continued)

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Plant is regularly overhauled through an ongoing cyclical maintenance program. Maintenance costs are expensed as incurred, except where they relate to replacement of a component of an asset, in which case the cost is capitalised and depreciated. Routine operating maintenance, repair costs and minor renewals are charged as expenses as incurred.

1.11 Intangible Assets - Research and Development

Research expenditure is recognised as an expense as incurred.

An internally generated intangible asset arising from development is recognised if all of the following conditions can be demonstrated:

- technical feasibility of completing the project that it will be available for use or sale
- intention to complete the intangible asset and use it or sell it
- ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- availability of adequate technical, financial and other resources to complete the development
- and the ability to measure reliably the expenditure attributable to the development of the asset.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date the asset first met the recognition criteria. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Developments costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Subsequent to initial recognition, internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, typically ten years or contract life, whichever is shorter. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change accounted for on a prospective basis.

1.12 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine if there is any indication the assets may have suffered an impairment loss. Such indication could reflect loss of a key commercial contract or material physical damage to an asset

The Company's intangible assets are tested at least annually, and whenever there is an indication the asset may be impaired. The Company's tangible assets being its property, plant and equipment are only tested for impairment when there is an indication that the asset may be impaired.

In testing for impairment, the recoverable amount of the Company's intangible assets is determined using a value-in-use approach based on discounted cash flows for each project, and the recoverable amount of the Company's property, plant and equipment is determined using a fair value less costs of disposal approach, based on either independent valuations or insured replacement cost.

An impairment loss is recognised in the statement of profit or loss immediately after identification and the asset is derecognised when no future economic benefits are estimated from use or disposal.

1.13 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition.

1.14 Provisions

Provisions are recognised when the Company has a present obligation (legal and constructive) as a consequence of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Notes To And Forming Part Of The Financial Statements (Continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking account of the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows where the effect of the time value of money is material.

A restructuring provision is recognised where the Company has developed a detailed plan for the restructuring and raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. Measurement of the restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

1.15 Short and Long Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they can be reliably measured.

Liabilities recognised in respect of short term benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured at the present value of the estimated future outflows to be made by the Company in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

1.16 Share-based payments

Share-based compensation benefits are provided to employees via the IDT Australia Limited Executive Option Plan (EOP) and the Employee Share Plan (ESP).

(i) Executive Option Plan

The fair value of options granted under the EOP is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options and is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(ii) Employee Share Plan

The ESP provides an annual value of up to \$1000 of shares may be issued to employees for no consideration. The market value of shares issued to employees for no cash consideration under the ESP is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

Additionally within the ESP, Executive managers were offered shares in the Company issued at the current market value at the date of issue and funded by an interest free limited recourse loan from the Company. Grants within the framework of the ESP were determined by the MD together with the Remuneration and Nomination Committee, and subject to approval by the Board.

Amounts disclosed for emoluments relating to these shares are the assessed fair values at issue date determined using a Black-Scholes option pricing model taking into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

1.17 Cash and Cash Equivalents

For purposes of the statement of cashflows, cash and cash equivalents includes deposits which are readily convertible to cash on hand and in banks and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Notes To And Forming Part Of The Financial Statements (Continued)

1.18 Earnings per Share

(i) Basic Earnings per Share - Basic earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings per Share - Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1.19 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables on the Balance Sheet.

Cashflows are included in the statement of cashflow on a gross basis. The GST component of cashflows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as operating cashflows.

1.20 Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

1.21 Rounding of Amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

1.22 Application of New and revised Accounting Standards

In the current year, the Company applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'

This standard removes individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures'. As a result the Company only discloses key management personnel compensation in total and for each of the categories required in AASB 124.

In the current year the individual key management personnel disclosure previously required by AASB 124 is now disclosed in the remuneration report due to amendment to Corporations Regulations 2001 issued in June 2013.

AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

The Company has applied the amendments to AASB 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Company does not have any offsetting arrangements in place, the application of the amendments does not have any material impact on the financial statements.

AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'

The Annual Improvements to AASBs 2009 - 2011 have made a number of amendments to AASBs. The amendments relevant to the Company are the amendments to AASB 101 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or

Notes To And Forming Part Of The Financial Statements (Continued)

reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

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

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 July 2013. In accordance with these transitional provisions, the Company has not made any new disclosures required by AASB 13 for the 2013 comparative period (refer notes 9 and 20 for 2014 disclosures). Application of AASB 13 does not materially impact amounts recognised in the financial statements.

1.23 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 135 – Recoverable Amount Disclosures for Non- Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015
INT 21 'Levies'	1 January 2014	30 June 2015

Notes To And Forming Part Of The Financial Statements (Continued)

2. Revenue	2014	2013
	\$000	\$000
Sales revenue	13,171	13,309
Other revenue		
- Government grants	67	-
- Interest	64	-
- Sale of property, plant and equipment	-	-
- Royalties	72	67
	203	67
Total Revenue	13,374	13,376
3. Expenses		
Loss from ordinary activities before income tax expense includes the following expenses:		
Cost of goods sold	4,943	4,533
Finance charges relating to finance leases	6	-
Depreciation of property, plant and equipment	2,202	2,326
Amortisation		
- Finance leases capitalised	28	25
- Development costs	91	398
Repairs and maintenance	684	623
Impairment of development costs	621	1,016
Net foreign currency loss	7	5
4. Income Tax		
(a) Income Tax Expense		
Current tax	(63)	(271)
Deferred tax	-	(199)
Under (over) provided in prior years	106	407
	43	(63)
Deferred income tax (revenue) expense included in income tax expense comprises		
Decrease (increase) in deferred tax assets (note 15)	-	(21)
(Decrease) Increase in deferred tax liabilities (note 15)	(152)	(178)
	(152)	(199)

Notes To And Forming Part Of The Financial Statements (Continued)

4. Income Tax (Continued)	2014 \$000	2013 \$000
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	(6,584)	(5,417)
Prima facie tax expense / (benefit) at 30%	(1,975)	(1,625)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
– Non deductible entertainment expenses	2	2
– Research and development tax concessions	33	(271)
– Motor vehicle depreciation	(6)	2
– Employee share issue	104	-
– Capital raising costs	-	(21)
	(1,842)	(1,913)
Under/(over) provision in previous year	106	407
De-recognition of deferred tax losses	-	324
Deferred tax losses not brought to account	1,779	1,119
Income tax expense / (benefit) attributable to operating profit	43	(63)
5. Current Assets – Cash and Cash Equivalents		
Cash at bank and on hand	2,415	578
6. Current Assets – Trade and Other Receivables		
Trade receivables	1,493	3,103
Less: Provision for doubtful debts	-	-
	1,493	3,103
Other receivables	79	148
Prepayments	344	413
	1,916	3,664
The average collection period for sales invoices is 30-60 days from invoice date and interest is not charged on past due balances. The Company does not have a history of collection delays or defaulted balances and accordingly does not consider a Provision for doubtful debts is necessary.		
Age of receivables which are past due, but not impaired		
30-60 days	267	873
60-90 days	9	-
	276	873
7. Current Asset - Current Tax Asset		
Income tax receivable	169	271
8. Current Assets - Inventories		
Raw materials - at cost	462	534
Work in progress - at cost	185	141
	647	675
The valuation policy adopted in respect of inventories is set out in Note 1.8.		

Notes To And Forming Part Of The Financial Statements (Continued)

9. Non Current Assets – Property, Plant and Equipment	2014 \$000	2013 \$000
Land and Buildings		
Freehold land (at fair value)	4,380	4,380
Buildings (at fair value)	4,920	4,920
Less: Accumulated depreciation	(124)	-
Total Land and Buildings	9,176	9,300
Plant and Equipment		
Plant and equipment – at cost	38,912	38,710
Less: Accumulated depreciation	(26,973)	(24,932)
	11,939	13,778
Plant and Equipment under Finance Lease		
Capitalised cost	130	143
Less: Accumulated amortisation	(35)	(62)
	95	81
Total Plant & Equipment	12,034	13,859
Total Property, Plant and Equipment	21,210	23,159

The Company's freehold land and buildings are stated at revalued amounts, being fair value at the date of revaluation, less subsequent accumulated depreciation. The fair value measurement was performed by independent valuers effective 6 February 2014 and are no indicators to suggest this valuation is not also effective as at 30 June 2014. The valuations, conform to Australian Valuation Standards and were calculated based on the fair value of the land and depreciated replacement cost of the buildings.

The fair value of the land and buildings was determined based on the forced sale value approach that reflects a sale by the receiver at public auction or within a reasonable period after such auction having regard to the nature of the subject property after full and proper marketing and the valuer's view of the market conditions prevailing at the date of the valuation report, which differs to the concept of market value and represent expressions of property prices achieved under different selling conditions. There has been no change to the valuation technique during the year.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

2014	Freehold Land \$000	Buildings \$000	Plant & Equipment \$000	Leased Plant & Equipment \$000	Total \$000
Carrying amount at start of year	4,380	4,920	13,778	81	23,159
Revaluation	-	-	-	-	-
Additions	-	-	241	85	326
Disposals	-	-	(2)	(43)	(45)
Depreciation expense	-	(124)	(2,078)	(28)	(2,230)
Carrying amount at end of year	4,380	4,796	11,939	95	21,210
2013	Freehold Land \$000	Buildings \$000	Plant & Equipment \$000	Leased Plant & Equipment \$000	Total \$000
Carrying amount at start of year	2,608	4,618	15,573	85	22,884
Revaluation	1,772	445	-	-	2,217
Additions	-	14	510	23	547
Disposals	-	-	(163)	-	(163)
Depreciation expense	-	(157)	(2,142)	(27)	(2,326)
Carrying amount at end of year	4,380	4,920	13,778	81	23,159

Notes To And Forming Part Of The Financial Statements (Continued)

10. Non Current Assets – Intangible Assets	2014	2013
	\$000	\$000
Development expenditure capitalised (Note 1.11)	2,744	3,396
Less: Accumulated amortisation	(806)	(1,037)
	1,938	2,359
Reconciliation of Intangible Assets		
Carrying amount at start of year	2,359	3,186
Development expenditure capitalised during the year	291	587
Amortisation of development costs during the year	(91)	(398)
Development costs – impaired during the year	(621)	(1,016)
Carrying amount at end of year	1,938	2,359
<p>During the year, as the result of the lack of commercial viability, the Company carried out a review of the recoverable amount of intangible assets. The review led to the recognition of an impairment of \$0.6 million (2013: \$1 million), which has been recognised in profit or loss. The recoverable amount of the Company's intangible assets is determined using a value-in-use approach based on discounted cashflows for each project.</p>		
11. Current Liabilities – Trade and Other Payables		
Trade payables	574	1,086
Other payables	858	576
Total current liabilities	1,432	1,662
12. Current Liabilities – Borrowings		
Lease liabilities (Note 21)	39	81
Commercial bills payable	-	1,850
Total current borrowings	39	1,931
13. Non Current Liabilities – Borrowings		
Lease liabilities (Note 21)	49	18
Total non current borrowings	49	18
All non current interest bearing liabilities are secured.		
14. Financing Arrangements		
Total Secured Liabilities (current and non-current)		
Commercial bills	-	1,850
Total Lease liabilities	88	99
	88	1,949

Notes To And Forming Part Of The Financial Statements (Continued)

14. Financing Arrangements (Continued)	2014 \$000	2013 \$000
Unrestricted access was available at balance date to the following lines of credit with the National Australia Bank Ltd:		
Total facilities		
- Bank Overdraft	1,000	1,000
- Lease Facility	450	650
- Flexible Rate Loan	2,750	2,750
- Credit Card Facility	100	-
Used at balance date		
- Bank Overdraft	-	-
- Lease Facility	238	98
- Flexible Rate Loan	-	1,850
- Credit Card Facility	38	-
Available at balance date		
- Bank Overdraft	1,000	1,000
- Lease Facility	362	552
- Flexible Rate Loan	2,750	900
- Credit Card Facility	62	-
Security for Borrowings		
The bank overdraft, lease and business loan facilities are secured by the following:		
- A Registered Mortgage over property situated at 39 Wadhurst Drive, Boronia		
- A Registered Mortgage over property situated at 41 Wadhurst Drive, Boronia		
- A Registered Mortgage over property situated at 43-49 Wadhurst Drive, Boronia		
- A Registered Mortgage over property situated at 51-57 Wadhurst Drive, Boronia		
- A Registered Mortgage over property situated at 68 Wadhurst Drive, Boronia		
Carrying value of assets pledged as Security		
- Freehold land and buildings	9,176	9,300
- Plant and equipment under finance lease	95	81
Total assets pledged as security	9,271	9,381

Notes To And Forming Part Of The Financial Statements (Continued)

15. Non Current - Deferred Tax Asset / (Liabilities)	2014 \$000	2013 \$000
Deferred Liability	2,772	2,924
The balance comprises temporary differences attributable to:		
Depreciation	1,658	1,551
Asset revaluation	532	665
Development costs	582	708
	2,772	2,924
Movements		
Opening balance at 1 July	2,924	2,437
Increase / (reduction) current tax asset	(275)	(178)
Current year increase not recognised	123	-
Charged / (credited) to equity	-	665
Closing balance at 30 June	2,772	2,924
Deferred tax assets	2,772	2,924
The balance comprises temporary differences attributable to:		
Employee entitlements	367	312
Tax losses	2,405	2,612
Movements		
Opening balance at 1 July	2,924	3,367
Increase / (reduction) current tax asset	(275)	-
Charged / (credited) to equity	123	(443)
Closing balance at 30 June	2,772	2,924
Net deferred tax assets / (liability)		
Deferred tax liability expected to settle within 12 months	-	-
Deferred tax liability expected to settle more than 12 months	2,772	2,924
	2,772	2,924
Deferred tax asset expected to be recovered within 12 months	-	-
Deferred tax asset expected to be recovered after more than 12 months	2,772	2,924
	2,772	2,924
16. Provisions		
Current		
Employee entitlements	1,048	984
Non Current		
Employee entitlements	176	82

The provision for employee entitlements represents annual leave, vested long service leave and an estimate of long service leave payable to employees which has not yet vested.

Notes To And Forming Part Of The Financial Statements (Continued)

17. Contributed Equity	2014 Shares	2013 Shares	2014 \$000	2013 \$000
(a) Paid up capital - Ordinary shares, fully paid	77,374,248	53,192,059	22,877	17,031

(b) Movements in ordinary share capital of the company during the past two years were as follows:

Date	Details	Notes	No. of Shares	\$000
30 June 2012			43,192,059	15,377
10 May 2013	Share Placement		10,000,000	1,646
30 June 2013	Share Plan Costs from Prior years		-	8
30 June 2013			53,192,059	17,031
16 August 2013	Employee Share Plan Issue	(a)	206,235	46
26 September 2013	1:5 Non-renounceable Rights Issue		10,679,659	2,884
	Costs associated with Rights Issue			(249)
22 October 2013	Sophisticated placement		11,481,482	3,100
	Costs associated with Sophisticated placement			(164)
15 May 2014	Employee Share Plan Issue	(a)	1,814,813	-
	Deferred tax impact on Share Issues			230
30 June 2014			77,374,248	22,877

(a) IDT Employee Share Plan
During the year the Company issued 2,021,049 (2013: nil) ordinary shares under the rules of the IDT Australia Limited Employee Share Plan.

Ordinary Shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

18. Reserves	2014 \$000	2013 \$000
Share-based payments reserve	2,013	1,711
Asset revaluation reserve	1,552	1,552
	3,565	3,263
Movements in share-based payment reserve		
Balance 1 July	1,711	1,669
Option expense	-	42
Employee share issue expense	302	-
	2,013	1,711

The share-based payments reserve is used to recognise the fair value of options issued but not exercised and the fair value of shares issued under the IDT Australia Limited Employee Share Plan. Refer note 24.

The asset revaluation reserve is used to recognise the value of land and buildings owned by IDT Australia Limited and valued by an independent third party valuer.

Notes To And Forming Part Of The Financial Statements (Continued)

19. Retained Profits	2014	2013
	\$000	\$000
Retained profits at the beginning of the financial year	5,735	11,089
Net (loss) attributable to members of IDT Australia Limited	(6,626)	(5,354)
Dividends provided for or paid	-	-
Retained profits / (accumulated losses) at the end of the financial year	(891)	5,735
20. Financial Reporting by Segments		
The Company operates in the pharmaceutical industry and the principal activities are the provision of products, research, development and other technical services.		
The company operates predominantly in one geographic area, being Australia.		
Sales Revenue consists of:		
Fee for Service	3,347	3,072
Manufacturing	1,483	3,722
Clinical Trials	8,341	6,515
Total Sales Revenue	13,171	13,309
Included in the above revenues are revenues of \$7.417 million which arose from sales to the Company's three largest customers. No other single customer contributes 10% or more to the Company's revenue.		
21. Commitments fo Expenditure		
(a) Finance lease commitments		
– Within one year	45	86
– Later than one year but not later than 5 years	52	19
Minimum lease payments	97	105
Less: future finance charges	(9)	(6)
Total finance lease liability	88	99
(b) Non cancellable operating lease commitments		
- Within one year	323	272
- Later than one year but not later than 5 years	348	544
- Later than 5 years	-	-
	671	816
(c) Capital Commitments		
The Company does not have any commitments for future capital expenditure outstanding as at 30 June 2014 (2013 : nil).		

Notes To And Forming Part Of The Financial Statements (Continued)

22. Auditor's Remuneration	2014	2013
	\$	\$
Total amounts receivable by RSM Bird Cameron Partners for:		
(a) Audit and review of the company's financial statements	-	80,000
(b) Other services	-	5,075
	-	85,075
Total amounts receivable by Deloitte Touche Tohmatsu for:		
(a) Audit and review of the company's financial statements	80,850	-
(b) Other services	6,100	-
	86,950	-
Total Audit Services	86,950	85,075

23. Financial Risk Management

Financial risks impacting the Company's activities fall into three categories:

- a) market risk – foreign exchange and interest rate
- b) credit risk
- c) liquidity risk

a) Market risk

The Company is exposed to foreign exchange risk when commercial transactions and assets and liabilities are denominated in a currency that is not the entity's functional currency. Due to the small value of foreign currency denominated transactions and balances the Company does not take forward contracts and therefore has exposure to foreign exchange risk arising from currency exposures to the US dollar and Euro. It is Company policy to contract and invoice in Australian dollars where possible.

The Company's exposure to foreign currency risk at 30 June 2014 is detailed below. Movements in foreign currency exchange rates are unlikely to have a material impact on the financial position of the Company

Balances denominated in foreign currencies and not hedged:

	Foreign Currency Value	AUD Equivalent
	FC'000	AUD'000
Cash at Bank (USD)	USD39	42
Receivables – Current (EUR)	EUR255	369
Receivables – Current (USD)	USD1	1
Payables – Current (USD)	USD25	27

The Company has limited exposure to interest rate risk as it holds no significant interest bearing assets or borrowings.

b) Credit risk

The Company closely manages credit risk and has procedures to review customer credit worthiness and monitors exposure to any one customer.

c) Liquidity risk

Liquidity risk is the risk that the company is not able to pay its debts as and when they fall due. The Company currently has no borrowings, other than Finance leases, and significant undrawn banking facilities. Directors ensure sufficient cash is available to meet the Company's near and long term commitments.

Notes To And Forming Part Of The Financial Statements (Continued)

23. Financial Risk Management (Continued)	2014 \$000	2013 \$000
The Company holds the following financial instruments:		
Financial Assets		
Cash and cash equivalents	2,415	578
Trade and other receivables	1,916	3,664
Total Financial Assets	4,331	4,242
Financial Liabilities		
Trade and other payables	1,432	1,662
Borrowings, current and non current	88	1,949
Total Financial Liabilities	1,520	3,611
Net Financial Position	2,811	631

The Directors consider the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

24. Share based Payments

Executive Share Option Plan

The establishment of the IDT Australia Limited Executive Share Option Plan was approved by a General Meeting of the company held on 16 May 1995. Senior executives (including Directors of the Company) are eligible to participate in the plan.

The number of unissued ordinary shares under the options at 30 June 2014 is 500,000 (2013 : 500,000).

Options are granted under the IDT Australia Limited Executive Option Plan terms and conditions. Options are granted under the plan for no consideration. Options are granted for a four year period, and vest immediately when they are granted.

No options were issued in this reporting period under the IDT Australia Limited Executive Option Plan.

Options granted under the plan carry no dividend or voting rights, when exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted or at a premium to this price as the Directors may determine.

The amounts disclosed for emoluments relating to options above are the assessed fair values at grant date of options granted to executive Directors and other executives, allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Notes To And Forming Part Of The Financial Statements (Continued)**24. Share based Payments** (Continued)**Employee Share Plan**

The new Employee Share Plan (ESP) was approved at the Annual General Meeting held on 20 November 2013.

During the year ended 30th June 2014, the Company issued 2,021,048 ordinary shares under the rules of the IDT Australia Limited ESP (2013: nil).

Under the scheme, eligible employees may be offered up to \$1,000 worth of fully-paid ordinary shares in IDT Australia Limited annually for no cash consideration. The market value of shares issued under the scheme, measured as the weighted average market price on the day of issue of the shares, is recognised in the income statement as part of employee benefit costs in the period the shares are granted.

Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment with the company. In all other respects the shares rank equally with other fully-paid ordinary shares on issue.

The number of shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the date of the offer.

Additionally within the ESP, Executive managers were offered shares in the Company issued at the current market value at the date of issue and funded by an interest free limited recourse loan from the Company. Grants within the framework of the ESP were determined by the MD together with the Remuneration and Nomination Committee, and subject to approval by the Board.

Amounts disclosed for emoluments relating to these shares are the assessed fair values at issue date determined using a Black-Scholes option pricing model taking into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Expenses arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:

	2014 \$000	2013 \$000
Options issued under executive option plan	-	42
Shares issued under employee share plan	302	-
	302	42

25. Key Management Personnel Disclosures

The following persons were Directors of IDT Australia Limited during the financial year:

Executive Directors

GL Blackman (Chairman until 30 September 2013)

P MacLeman, Managing Director (appointed 22nd August 2013)

Non Executive Directors

G Kaufman (Chairman from 30 September 2013)

R Aston (resigned 20th November 2013)

G Lord, Deputy Chairman

R Shigeno

D Williams

Key Management Personnel

The following persons also have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Name	Position
J Johnson	Chief Financial Officer (appointed 18 March 2014)
R.Najdecki	Chief Financial Officer (resigned 20 March 2014)
D Sparling	Vice President, Legal & Corporate Development

Notes To And Forming Part Of The Financial Statements (Continued)

25. Key Management Personnel Disclosures (Continued)	2014 \$	2013 \$
Directors and Key Management Personnel		
Short term employee benefits	968,107	1,406,153
Post employment benefits	139,057	122,547
Long term benefits	18,835	34,015
Share based payments	73,992	41,809
	1,199,991	1,604,524

26. Related Party Transactions**Transactions of Directors and Key Management Personnel Concerning Shares or Share Options****Directors**

The names of persons who were Directors of the company at any time during the financial year are R Aston, G L Blackman, G Kaufman, G F Lord, P MacLeman, R Shigeno and D Williams

Key Management Personnel

The following persons also have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year

Name	Position
J Johnson	Chief Financial Officer, appointed 18 March 2014
R Najdecki	Chief Financial Officer, resigned 20 March 2014
D Sparling	Vice President, Legal & Corporate Development

	2014 Shares	2013 Shares
Ordinary shares acquired	2,588,352	-
Ordinary shares disposed	-	-

The terms and conditions of transactions relating to shares were on the same basis as similar transactions with other shareholders.

Aggregate numbers of shares of IDT Australia Limited held directly, indirectly or beneficially by Directors or key management personnel at balance date were as follows:

	2014	2013
Ordinary shares	14,606,364	12,085,762
Options	500,000	500,000

Other Transactions with Directors and Key Management Personnel

A Director, Mr D Williams, is a Director of Medical Developments International Limited. In 2013 the Company entered into a contract to provide services to Medical Developments International Limited on normal commercial terms and conditions and at normal commercial rates.

A Director, Mr D Williams, is a Director of Kidder Williams Limited. In 2013 the company entered into a contract with this company to receive M&A based advice and assistance on normal commercial terms.

No such arrangements were effective in 2014.

Notes To And Forming Part Of The Financial Statements (Continued)

26. Related Party Transactions (Continued)	2014 \$	2013 \$
Aggregate Amount of Other Transactions with Directors and Key Management Personnel		
Professional services invoiced out	-	160,000
M&A based advice received	-	335,635
Reimbursement of costs	-	20,733
	-	516,368
27. Reconciliation of Net Cash (Outflow) from Operating Activities to Operating Loss after Income Tax	2014 \$'000	2013 \$'000
Net cash (outflow) from operating activities	(1,576)	(1,182)
Depreciation and amortisation	(2,321)	(2,723)
Impairment of development costs	(621)	(1,016)
Non-cash share based payment	(302)	(42)
Non cash share plan costs	-	(8)
Change in operating assets and liabilities		
(Decrease)/Increase in receivables	(1,748)	858
(Decrease)/Increase in inventories	(28)	(567)
(Decrease)/Increase in current tax asset	(102)	(443)
(Increase)/Decrease in payables	230	(317)
(Increase)/Decrease in provision for deferred income tax	-	(265)
(Increase)/Decrease in other provisions	(158)	351
Operating (loss) after income tax	(6,626)	(5,354)
28. Earnings Per Share	2014	2013
Basic earnings per share	(9.5c)	(12.1c)
Diluted earnings per share	(9.5c)	(12.1c)
Weighted average number of ordinary shares on issue during the year used in calculation of basic earnings per share	69,600,776	44,616,717
Weighted average number of ordinary shares on issue during the year used in the calculation of diluted earnings per share	69,600,776	44,616,717
	2014 \$'000	2013 \$'000
Basic Earnings per share		
(Loss) attributable to ordinary equity holders used in calculating basic earnings per share	(6,626)	(5,354)
Diluted Earnings Per Share		
(Loss) attributable to ordinary equity holders used in calculating diluted earnings per share	(6,626)	(5,354)

Information Concerning the Classification of Securities**Options**

Options granted under the IDT Australia Limited Executive Share Option Plan would be considered to be dilutive potential ordinary shares if the exercise price was less than the share price as at 30 June 2014. Accordingly no options have been included in the determination of basic earnings per share. Details relating to options are set out in Note 24.

Notes To And Forming Part Of The Financial Statements (Continued)

29. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The following critical judgements have been made in application of the entity's accounting policies.

Future economic benefit of capitalised development costs

The Company applies AASB 138 Intangible Assets to determine the adequacy of the carrying value of the capitalised development costs. Judgement is applied to periodically assess the appropriateness of the carrying value.

In making this judgement, the Company makes reasonable and supportable assumptions to represent management's estimate of the conditions that will exist over the useful life of the asset. Amongst other factors the Company evaluates technical feasibility to complete the project, existence of a commercial market and sales expectations to conclude on the probability that expected future economic benefits will flow to the entity.

Where the value of future economic benefits relative to the asset's carrying value is considered insufficient, the Company recognises an impairment in accordance with AASB 136 Impairment of Assets.

30. Events After the Reporting Period

The Company signed a binding Memorandum of Understanding with Mayne Pharma Group Limited's, US Products division appointing them exclusively to distribute the Company's generic Temozolomide product in the USA. Temozolomide is indicated for the treatment of melanoma and glioblastoma multiforme and had US sales of approximately USD 340 million in the 12 months ending 31 May 2014. It is anticipated that manufacture of this product will commence at the Company's Boronia facility in 2016.

31. Contingent Assets and Contingent Liabilities

The company has no contingent assets or liabilities to disclose at the date of this report.

For the year ended 30 June 2014

Director's Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 20 to 43 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance, as represented by the result of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the financial statements and notes thereto also comply with International Financial Reporting Standards as disclosed in Note 1.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors made pursuant to s295(5) of the *Corporations Act 2001*.

On behalf of the directors



Graeme Kaufman
Chairman



Dr Paul MacLeman
Director

Melbourne
19 August 2014

Independent Auditor's Report to the Members of IDT Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of IDT Australia Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 20 to 44.

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.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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 IDT Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

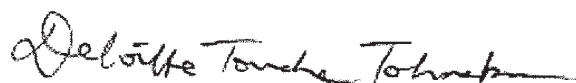
- (a) the financial report of IDT Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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



DELOITTE TOUCHE TOHMATSU



Chris Biermann

Partner

Chartered Accountants

Melbourne, 19 August 2014

For the year ended 30 June 2014

Share Holder Information

The shareholder information set out below was applicable as at 5 August 2014.

A. Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

No. of Fully Paid Ordinary Shares Held	Holders
1 - 1000	460
1,001 - 5,000	658
5,001 - 10,000	251
10,001 - 100,000	433
100,001 - over	83
	1,885

B. Twenty Largest Shareholders

The names of the twenty largest holders of ordinary shares are listed below:

	Number Held	Percentage of Issued Shares
1. FROM HOLDINGS CO LIMITED	12,460,000	16.10%
2. GRAEME LESLIE BLACKMAN	6,996,376	9.04%
3. UBS NOMINEES PTY LTD	4,794,481	6.20%
4. PAULENE BLACKMAN	4,457,737	5.76%
5. BELGRAVIA STRATEGIC EQUITIES PTY LTD	2,796,419	3.61%
6. NATIONAL NOMINEES LIMITED	2,766,419	3.58%
7. KEYGROWTH PTY LTD	2,332,116	3.01%
8. G & N LORD SUPERANNUATION PTY LTD <GNR SUPERANNUATION FUND A/C>	1,149,875	1.49%
9. MR ANTHONY HUNTLEY	1,120,654	1.45%
10. BRISPOD NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	1,049,884	1.36%
11. DEBUSCEY PTY LTD	896,160	1.16%
12. MR DAVID TERRENCE HAMILTON CLARKE & MRS JUDITH MARGARET CLARKE	850,000	1.10%
13. PICTON COVE PTY LTD	800,000	1.03%
14. COVEN-SA LTD	782,300	1.01%
15. PICHERIT'S FARM PTY LTD <HUNTLEY SUPER FUND A/C>	751,500	0.97%
16. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	688,556	0.89%
17. GEOFFREY FREDERICK LORD & NANETTE KATHLEEN LORD & RONALD CHARLES PECK <GNR SUPERANNUATION FUND A/C>	553,497	0.72%
18. MR ANTHONY JOHN HUNTLEY	532,374	0.69%
19. DIXSON TRUST PTY LIMITED	516,263	0.67%
20. RACT SUPER PTY LTD <RAND SUPER FUND A/C>	512,000	0.66%
	46,806,611	60.49%

For the year ended 30 June 2014

Share Holder Information (Continued)

C. Substantial Holders


Substantial holders in the company are set out below:

No. of Fully Paid Ordinary Shares Held	Number Held	Percentage of Issued Shares
1. IFROM HOLDINGS CO LIMITED	12,460,000	16.10%
2. GRAEME LESLIE BLACKMAN	6,996,376	9.04%
3. BELGRAVA GROUP PTY LTD	6,831,907	8.83%
4. PAULENE BLACKMAN	4,457,737	5.76%

D. Voting Rights

A registered holder of shares in the company may attend general meetings of the company in person or by proxy and on a poll may exercise one vote for each share held.

Option holders have no voting rights.



IDT Australia Limited
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