

International Equities Corporation Ltd
and Controlled Entities

ABN 97 009 089 696

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2014

APPENDIX 4E

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2014

Name of entity

INTERNATIONAL EQUITIES CORPORATION LTD

ABN or equivalent company reference

97 009 089 696

Year ended ('current period')

30 JUNE 2014

Results for announcement to the market

\$A'000

Revenues and other income	Increase	3.00%	to	27,668
Profit (loss) from ordinary activities after tax attributable to members	Decrease	55.41%	to	1,411
Net profit (loss) for the period attributable to members	Decrease	55.41%	to	1,411

Dividends	Amount per security	Franked amount per security
Interim dividend	N/A	N/A
Previous corresponding period	N/A	N/A

⁺Record date for determining entitlements to the dividend

N/A

Brief explanation of any of the figures reported above and short details of any other item(s) of importance not previously released to the market:

Please refer to the commentary on the results in the following pages. These results should be read in conjunction with the most recent Annual Report 2013.

PRELIMINARY FINAL REPORT

DIRECTORS' REPORT

Your directors submit the preliminary final report of International Equities Corporation Limited for the year ended 30th June 2014.

Directors

The directors in office during or since the end of the year are:

Marcus Peng Fye Tow (Chairman / Chief Executive Officer)
Tow Kong Liang
Krishna Ambalavanar
Aubrey George Menezes (Chief Financial Officer / Company Secretary)

Company Secretary

The company secretary in office during or since the end of the year is:

Aubrey George Menezes

Review of operations

A summary of the consolidated revenues and results by industry segments is set out below:

	2014	2013
	Segment Revenue	Segment Revenue
	\$'000	\$'000
Property Development	5,147	3,734
Tourism	21,379	21,875
Leasing	1,142	1,253
	<u>27,668</u>	<u>26,862</u>

Comments on the operations and the results of those operations are set out below:

Commentary on results

The company's 2014 results are summarised as follows:

		2014	2013
		\$'000	\$'000
Profit (loss) after tax:	Property development	(1,029)	1,091
	Tourism	1,678	1,216
	Leasing	762	858
Earnings per security		1.10c	2.47c
Net tangible asset backing		15.69c	14.52c

PRELIMINARY FINAL REPORT

Commentary on results (continued)

For much of this financial year International Equities Corporation Ltd (IEQ) continued to concentrate on lowering operational and funding cost. Where possible operational activities have been centralised and re-defined to provide a better reporting framework, revenue collection and payables. Low interest rates and better terms from financial institutions have also allowed for more cash flow to pay down loans.

Confidence in the property sector is recovering. Tourism has remained robust but challenging.

During the year the Company did clear more of its stock of residential property with no new stock developed for the year. The Company will continue a sell down program for the coming year.

Last financial year saw the hotel division grow further. Demand for accommodation has been reasonable despite greater competition for the tourism dollar. Yields have also improved. With continued competition the Company will continue to make its presence felt through advertising and marketing. Confidence in the sector remains stable for the year ahead. This segment resulted in an after tax profit of \$1.678 million.

On Sales and Leasing activities profit after tax grew to \$0.762 million from long term leases and commissions. The outlook for the year ahead remains stable.

Last financial year, the Company generated revenues of \$27.668 million from sales of property, hotel accommodation and related activities. This resulted in an after tax profit of \$1.411 million due mainly to profits from hotel tourism and leasing activities.

PRELIMINARY FINAL REPORT

DIRECTORS' REPORT

For the financial year ended 30th June 2014 the company continued to focus on sales of residential properties and non – core investments. The full impact of these financials has been included in the 2014 financial report.

Sales of apartment stock have been encouraging, greatly assisted by low interest rates. Our sales team will continue to sell down stock to retire borrowings.

The Company will also continue and develop further our presence in the hospitality and tourism sector and return to property development when conditions improve.

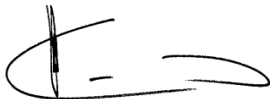
This financial year Profit after tax per security and Net tangible asset backing were 1.10c and 15.69c (2013: Profit per security and Net Tangible Asset backing were 2.47c and 14.52c), respectively.

Rounding of accounts

The consolidated entity is of a kind referred to in class order 98/0100 issued by the Australian Securities & Investments Commission relating to the “rounding off” of amounts in the directors’ report and the financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars in accordance with that class order.

This report is made out in accordance with a resolution of directors:

For and on behalf of the
Board of Directors of
International Equities Corporation Ltd.



Aubrey Menezes
Company Secretary

Perth, Western Australia
25th August 2014

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The preliminary final report attached:
 - (a) complies with accounting standards and the corporations regulations; and
 - (b) gives a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that International Equities Corporation Ltd will be able to pay its debts as and when they become due and payable.

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

For and on behalf of the
Board of Directors of
International Equities Corporation Ltd.



Aubrey Menezes
Company Secretary

Perth, Western Australia
25th August 2014

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

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

	Note	Consolidated entity 30 June 2014 \$'000	30 June 2013 \$'000
Continuing Operations			
Revenue	1(i)	27,566	26,767
Other Income		102	95
Gain on sale of Yarracity investment	1(ii)	-	1,404
Property development costs		(4,920)	(3,374)
Hotel cost of goods sold		(13,538)	(14,515)
Sales commission		-	(103)
Borrowing costs expense	1(ii)	(1,509)	(1,707)
Administrative expenses		(5,750)	(4,713)
Depreciation and amortisation expenses		(540)	(598)
Impairment of land & buildings and inventories		-	(91)
Profit/(loss) before income tax expense		1,411	3,165
Income tax expense		-	-
Net Profit/(loss) from continuing operations		1,411	3,165
Discontinued Operations			
Profit/(Loss) from discontinued operations after tax		-	-
Net Profit for the year		1,411	3,165
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of land and buildings		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,411	3,165

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

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

	Note	Consolidated entity 30 June 2014 \$'000	30 June 2013 \$'000
		<u> </u>	<u> </u>
Net profit attributable to:			
Members of the parent entity		1,411	3,165
Non-controlling interest		-	-
		<u>1,411</u>	<u>3,165</u>
Total comprehensive income attributable to:			
Members of the parent entity		1,411	3,165
Non-controlling interest		-	-
		<u>1,411</u>	<u>3,165</u>
 Earnings Per Share			
From continuing and discontinued operations:			
Basic earnings per share		1.10c	2.47c
Diluted earnings per share		1.10c	2.47c
 From continuing operations:			
Basic earnings per share		1.10c	2.47c
Diluted earnings per share		1.10c	2.47c
 From discontinued operations			
Basic earnings per share		-	-
Diluted earnings per share		-	-

The above income statement should be read in conjunction with the accompanying notes.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT
OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Consolidated Group	
		2014	2013
1(i). REVENUE FOR THE PERIOD		\$'000	\$'000
Operating activities			
-Sale of apartments		5,040	3,655
-Sales services & accommodation		21,105	21,605
-Property management fees		730	824
-Rental revenue		641	651
-Interest received – other persons		50	32
-Other revenue		102	95
		27,668	26,862
1(ii). EXPENSES AND OTHER GAINS /(LOSSES)			
(a) Expenses			
Borrowing costs			
- Other persons		1,509	1,707
		5,750	4,713
Administration costs		5,750	4,713
Hotel costs and cost of goods sold		13,538	14,515
Depreciation and amortisation of non-current assets		540	598
Development costs – apartments		4,920	3,374
		-	103
Commissions		-	103
		24,748	23,303
(b) Significant Revenues and Expenses			
The following significant revenue and expense items, included above, are relevant in explaining the financial performance:			
Gain on Sale of Yarracity investment		-	1,404
Impairment of land & buildings and inventories		-	(91)

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$'000	\$'000
CURRENT ASSETS		
Cash assets	4,349	2,068
Receivables	1,914	2,447
Inventories	6,607	8,412
Other	259	259
TOTAL CURRENT ASSETS	13,129	13,186
NON CURRENT ASSETS		
Property, plant and equipment	39,902	43,252
Intangible assets	316	405
TOTAL NON CURRENT ASSETS	40,218	43,657
TOTAL ASSETS	53,347	56,843
CURRENT LIABILITIES		
Payables	1,599	2,268
Interest-bearing liabilities	4,652	27,897
Provisions	381	444
TOTAL CURRENT LIABILITIES	6,632	30,609
NON CURRENT LIABILITIES		
Interest-bearing liabilities	26,279	7,209
TOTAL NON CURRENT LIABILITIES	26,279	7,209
TOTAL LIABILITIES	32,911	37,818
NET ASSETS	20,436	19,025
EQUITY		
Contributed equity	12,093	12,093
Reserves	16,746	16,746
Retained earnings / (accumulated losses)	(8,403)	(9,814)
TOTAL EQUITY	20,436	19,025

The above balance sheet should be read in conjunction with the accompanying notes.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

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

	Share capital \$'000	Asset revaluation \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2013	12,093	16,746	(9,814)	19,025
Net loss for the year	-	-	1,411	1,411
Gain on Property Plant and Equipment	-	-	-	-
Total recognised income & expense for the period	12,093	16,746	(8,403)	20,436
Revaluation Reserve	-	-	-	-
Total Reserve for the period	12,093	16,746	(8,403)	20,436
Dividends paid or declared	-	-	-	-
Issue of share capital	-	-	-	-
Equity share options issued	-	-	-	-
Balance at 30 June 2014	12,093	16,746	(8,403)	20,436

	Share capital \$000	Asset revaluation \$000	Retained earnings \$000	Total equity \$000
Balance at 1 July 2012	12,093	16,746	(12,979)	15,860
Net loss for the year	-	-	3,165	3,165
Gain on Property Plant and Equipment	-	-	-	-
Total recognised income & expense for the period	12,093	16,746	(9,814)	19,025
Revaluation Reserve	-	-	-	-
Total Reserve for the period	12,093	16,746	(9,814)	19,025
Dividends paid or declared	-	-	-	-
Issue of share capital	-	-	-	-
Equity share options issued	-	-	-	-
Balance at 30 June 2013	12,093	16,746	(9,814)	19,025

Ratios	2014	2013
Net Tangible Asset Backing		
Net tangible asset backing per ordinary security	15.69c	14.52c
Dividends		
No dividends were declared or paid during the year	-	-

The above statement of equity should be read in conjunction with the accompanying notes.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30 JUNE 2014**

	Consolidated entity	
	30 June 2014	30 June 2013
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	28,094	28,095
Payments to suppliers and employees	(20,020)	(19,750)
Interest received	50	32
Borrowing costs paid	(1,509)	(1,707)
Other - Property development costs	-	-
Net cash used in operating activities	<u>6,615</u>	<u>6,670</u>
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	-	1,465
Purchase of intangibles	-	(113)
Purchase of property, plant & equipment	(158)	(568)
Purchase of investments	-	-
Net cash used in investing activities	<u>(158)</u>	<u>784</u>
Cash flows from financing activities		
Proceeds from borrowings	-	27,510
Repayment of borrowings	(4,176)	(35,839)
Net cash provided by financing activities	<u>(4,176)</u>	<u>(8,329)</u>
Net increase/(decrease) in cash held	2,281	(875)
Cash at start of period	<u>2,068</u>	<u>2,943</u>
Cash at end of period	<u>4,349</u>	<u>2,068</u>

The above statement of cash flows should be read in conjunction with the accompanying note

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE STATEMENTS OF CASH FLOWS

1. CASH FLOW INFORMATION	Consolidated Entity	
	2014 \$'000	2013 \$'000
Reconciliation of Cash flow from Operations with Operating Profit after Income Tax		
Operating Profit/(Loss) after Income Tax	1,411	3,165
Non-cash flows in operating profit:		
Depreciation and amortisation of non-current assets	540	598
Impairment of land & buildings and inventories	-	91
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	532	(80)
(Increase)/Decrease in prepayments	-	(66)
(Increase)/Decrease in inventories	1,805	3,141
(Increase)/Decrease in other non-current assets	3,058	242
(Decrease)/Increase in accounts payable	(830)	214
(Decrease)/Increase in accrued expenses	161	(647)
Increase/(Decrease) in provisions	(62)	12
	6,615	6,670
Net Cash provided by/(used in) operating activities	6,615	6,670

2. CASH	Consolidated Entity	
	2014 \$'000	2013 \$'000
Cash at bank and on hand	4,349	2,068
Short term deposits	-	-
	4,349	2,068
	4,349	2,068
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash (as above)	4,349	2,068
Bank Overdrafts	-	-
	4,349	2,068
	4,349	2,068

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: BASIS OF PREPARATION

It is recommended that this financial report be read in conjunction with any public announcements made by International Equities Corporation Limited and its controlled entities during the year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this financial report as were applied in the 30 June 2013 annual report, unless otherwise stated below.

This report does not include full disclosures of the type normally included in an annual financial report.

New and Amended Accounting Policies Adopted by the Group

Consolidated financial statements

The Group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013:

- AASB 10: *Consolidated Financial Statements*;
- AASB 12: *Disclosure of Interests in Other Entities*; and
- AASB 127: *Separate Financial Statements*.

AASB 10 provides a revised definition of “control” and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The Group has applied these Accounting Standards with retrospective effect in accordance with their transitional requirements. The Group has:

- presented quantitative information of the comparative period reflecting the adoption of AASB 10; and
- with respect to any previously unconsolidated investee that is a business, measured the assets, liabilities and non-controlling interests as if the investee had been consolidated in accordance with the applicable version of AASB 3: *Business Combinations* from the date when the Group gained control of the investee. When the date that control was obtained was earlier than the beginning of the immediately preceding period, the Group recognises, as an adjustment to equity at the beginning of the comparative period, any difference between:
 - the amount of assets, liabilities and non-controlling interests recognised; and
 - the previous carrying amount of the Group’s involvement with the investee.

The first-time application of AASB 10 did not result in any changes to the Group’s financial statements.

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTE 1: BASIS OF PREPARATION (CONTINUED)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

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

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

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

Types of products and services by segment

Property Development

The property development and re-sale segment is responsible for identifying, costing and financing potential development opportunities, developing acquisitions and finding buyers for completed developments.

Tourism

Tourism relates to the Group's own hotel operations and to leasing and operating a hotel cum serviced apartment for a fee.

Leasing Rental Property

This relates to long term leases of apartments for a fixed lease income

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: OPERATING SEGMENTS (Continued)

(i) Segment performance

	Property Development \$'000	Tourism \$'000	Leasing \$'000	Total \$'000
Twelve months ended 30.06.2014				
Revenue				
Total segment revenue	5,919	22,198	1,163	29,280
Interest income	27	23		50
Less: intersegment elimination	(799)	(842)	(21)	(1,662)
Total segment revenue	<u>5,147</u>	<u>21,379</u>	<u>1,142</u>	<u>27,668</u>
Segment results	<u>(1,029)</u>	<u>1,678</u>	<u>762</u>	<u>1,411</u>
Profit from operations before income tax expense				<u>1,411</u>
Twelve months ended 30.06.2013				
Revenue				
Total segment revenue	5,366	22,717	1,353	29,436
Interest income	7	25		32
Less: intersegment elimination	(1,639)	(867)	(100)	(2,606)
Total segment revenue	<u>3,734</u>	<u>21,875</u>	<u>1,253</u>	<u>26,862</u>
Segment results	<u>1,091</u>	<u>1,216</u>	<u>858</u>	<u>3,165</u>
Profit from operations before income tax expense				<u>3,165</u>

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: SEGMENTAL INFORMATION

Primary reporting business segments

	Property Development \$'000	Tourism \$'000	Leasing \$'000	Consolidated \$'000
2014				
Revenue	5,147	21,379	1,142	27,668
Segment operating (loss)/profit after tax	(1,029)	1,678	762	1,411
Segment assets	19,131	34,076	140	53,347
Segment liabilities	16,332	16,494	85	32,911
2013				
Revenue	3,734	21,875	1,253	26,862
Segment operating (loss)/profit after tax	1,091	1,216	858	3,165
Segment assets	20,986	35,658	199	56,843
Segment liabilities	20,480	17,201	137	37,818

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: SEGMENTAL INFORMATION (CONTINUED)

Secondary Reporting

Geographical Segments	Australia	South East Asia	Inter-Segment Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000
2014				
Revenue	27,668	-	-	27,668
Segment operating (loss)/profit after tax	1,411	-	-	1,411
Segment assets	53,347	-	-	53,347
Segment liabilities	32,911	-	-	32,911
2013				
Revenue	26,862	-	-	26,682
Segment operating (loss)/profit after tax	3,165	-	-	3,165
Segment assets	56,843	-	-	56,843
Segment liabilities	37,818	-	-	37,818

The economic entity effectively operates in one geographical segment being Australia with operations across Western Australia, South Australia, New South Wales and Victoria.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3: ISSUED AND QUOTED SECURITIES AT THE END OF CURRENT PERIOD

Category of securities	Total Number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Preference securities	Nil			
Changes during current period				
- Increases through issues	Nil			
- Decreases through returns of capital, buybacks	Nil			
Ordinary securities	128,223,577			
Changes during current period				
- Increases through issues	Nil			
- Decreases through returns of capital, buybacks	Nil			
Convertible debt securities				
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			
Options	Nil			
Issued during current period	Nil			
Exercised during current period	Nil			
Expired during current period	Nil			
Debentures				
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			
Unsecured notes	Nil			
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: DISPOSAL OF CONTROLLED ENTITY

During the year there were no disposals of entities within the group.

NOTE 5: COMMENTARY ON THE RESULTES FOR THE PERIOD

The commentary on the results for the period is contained in the Director's commentary accompanying this statement.

NOTE 6: EVENTS OCCURRING AFTER REPORTING DATE

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

There have been no significant events subsequent to balance date.

NOTE 7: CONTINGENT LIABILITIES

The group has provided an unlimited corporate guarantee and indemnity as security for the loans held by the group.

Seasons Harbour Plaza Pty Ltd, a wholly owned subsidiary of the parent company, has provided a bank guarantee of up to \$775,000 as a rental bond to Landlords of the Seasons Harbour Plaza Hotel.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTE 8: FAIR VALUE MEASUREMENT

a. Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

Fair Value Measurements at 30 June 2014 Using:				
Description	Note	Quoted Prices in Active Markets for Identical Assets \$000 (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$000 (Level 2)	Significant Unobservable Inputs \$000 (Level 3)
Recurring fair value measurements				
Property, plant and equipment (at revalued amounts):				
Freehold land and buildings	(i)	-	39,338	-

Fair Value Measurements at 30 June 2013 Using:				
Description	Note	Quoted Prices in Active Markets for Identical Assets \$000 (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$000 (Level 2)	Significant Unobservable Inputs \$000 (Level 3)
Recurring fair value measurements				
Property, plant and equipment (at revalued amounts):				
Freehold land and buildings	(i)	-	42,493	-

- (i) The fair value measurement amounts of freehold land and buildings relate to the Seasons of Perth Hotel in Western Australia and the Serviced Apartments at Seasons Heritage Melbourne Hotel in Victoria. The fair values of these assets are based on the Valuation Report conducted by CBRE in 2014 for Seasons of Perth and 2012 for Serviced Apartments at Seasons Heritage Melbourne Hotel.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTE 8: FAIR VALUE MEASUREMENT (CONTINUED)

b. Valuation Techniques and Inputs Used to Determine Level 2 Fair Values

Description	Fair Value at 30 June 2014	Description of Valuation Techniques	Inputs Used
Level 2	\$000		
CBRE Valuation Report 13 June 2012	9,587	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.
CBRE Valuation Report 12 June 2014	29,751	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Description	Fair Value at 30 June 2013	Description of Valuation Techniques	Inputs Used
Level 2	\$000		
CBRE Valuation Report 13 June 2012	12,645	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.
CBRE Valuation Report 13 June 2012	29,848	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTE 9: GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

NOTE 10: INTEREST IN SUBSIDIARIES

Information about Principal Subsidiaries

Set out below are the Group's subsidiaries at 30 June 2014. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests
		At 30 June 2014	At 30 June 2013	At 30 June 2014
(IEC) Pacific Pty Ltd	Australia	100 %	100 %	0%
IEC (Management) Pty Ltd	Australia	100 %	100 %	0%
IEC Real Estate Pty Ltd	Australia	100 %	100 %	0%
Renaissance Australia Pty Ltd	Australia	100 %	100 %	0%
Seasons Heritage Melbourne Pty Ltd	Australia	100 %	100 %	0%
IEC Properties Pty Ltd	Australia	100 %	100 %	0%
Seasons Apartment Hotel Group Pty Ltd	Australia	100 %	100 %	0%
Seasons International Management Pty Ltd	Australia	100 %	100 %	0%
Seasons Darling Harbour Pty Ltd	Australia	100 %	100 %	0%
Seasons Harbour Plaza Pty Ltd	Australia	100 %	100 %	0%

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTE 11: ANNUAL GENERAL MEETING

The annual general meeting will be held at a place and date to be advised.

NOTE 12: AUDIT

This report is based on accounts which are in the process of being audited.