APPENDIX 4E
PRELIMINARY FINAL REPORT

1. Company details

Name of entity:	**Ideas International Limited**
ABN:	70 002 128 716
Reporting period:	**Year ended 31 December 2011**
Previous corresponding period:	Year ended 31 December 2010

2. Results for announcement to the market

Revenues from ordinary activities	up	6.2%	to	$ 8,740,832
Profit from ordinary activities after tax attributable to the owners of Ideas International Limited	up	60.4%	to	$ 1,905,205
Profit for the period attributable to the owners of Ideas International Limited	up	60.4%	to	$ 1,905,205

Dividends

Final dividend totalling $549,088 for the year ended 31 December 2010 of 4 cents per ordinary share paid on 11 April 2011 franked at 75% based on a tax rate of 30% to registered shareholders as at 24 March 2011.

On 24 February 2012, the directors of Ideas International Limited declared a final dividend on ordinary shares in respect of the 2011 financial year. The total amount of the dividend is $681,527 which represents 5 cents per share on 13,619,999 shares outstanding. The dividend will be 55% franked. The conduit foreign income component of this dividend was $nil.

The dividend has not been provided for in the 31 December 2011 Annual Report.

The dividend will be paid on 13 April 2012 to registered holders as at 23 March 2012. Shares will trade ex dividend on 16 March 2012.

Comments

The profit for the consolidated entity after providing for income tax amounted to $1,905,205 (31 December 2010: $1,187,558).

Sales revenues of $8,413,304 were up 6.0% over sales revenue of $7,939,884 from 2010.

Revenue from all sources totalled $8,740,832 and was up 6.2% from $8,234,181 in 2010.

A detailed review of operations is included in the directors' report in the attached Annual Report.

Share buy-back

An on-market share buy back was in place over the course of the financial year and 147,021 shares were bought back at an average cost of 85.3 cents (2010: 77,999 shares at an average of 49.1 cents).

3. NTA backing

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	24.24 cents	14.40 cents

4. Dividends

Current period
Final dividend totalling $549,088 for the year ended 31 December 2010 of 4 cents per ordinary share paid on 11 April 2011 franked at 75% based on a tax rate of 30% to registered shareholders as at 24 March 2011.

On 24 February 2012, the directors of Ideas International Limited declared a final dividend on ordinary shares in respect of the 2011 financial year. The total amount of the dividend is $681,527 which represents 5 cents per share on 13,619,999 shares outstanding. The dividend will be 55% franked. The conduit foreign income component of this dividend was $nil.

The dividend has not been provided for in the 31 December 2011 Annual Report.

The dividend will be paid on 13 April 2012 to registered holders as at 23 March 2012. Shares will trade ex dividend on 16 March 2012.

Previous corresponding period
There were no dividends paid or declared during the previous financial period.

5. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The accounts have been audited and an unqualified opinion has been issued.

7. Attachments

Details of attachments (if any):

The Annual Report of Ideas International Limited for the year ended 31 December 2011 is attached.

8. Signed

Signed: _____ Date: 24 February 2012

Paul Sowerby
Company Secretary and Chief Financial Officer
Sydney

Ideas International Limited

ABN 70 002 128 716

Annual Report - 31 December 2011

Ideas International Limited
Corporate directory
31 December 2011

Directors	Peter F. Wallace - Chairman Ian T. Birks Robert J. McKelvey Stephen J. Bowhill
Company secretary	Paul Sowerby
Notice of annual general meeting	The annual general meeting of Ideas International Limited:
	will be held at: Computershare Investor Services Level 4, 60 Carrington Street Sydney NSW 2000
	time: 10:30 AM date: Tuesday 29 May 2012
Registered office	Level 3, 20 George Street Hornsby NSW 2077 Tel: (02) 9472 7777 Fax: (02) 9472 7788
Principal place of business	Level 3, 20 George Street Hornsby NSW 2077 Also trading in the following countries at: Milton Park Innovation Centre, 99 Milton Park, Abingdon, Oxon, OX14 4RY, UK Suite N337, 800 Westchester Avenue, Rye Brook, NY 10573, USA
Share register	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000 Tel: +61 (0) 2 8234 5000 Fax: +61 (0) 2 8235 8150
Auditor	Ernst & Young Ernst & Young Centre 680 George Street Sydney NSW 2000
Solicitors	Pym's Technology Lawyers Level 6, 60 Pitt Street Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Martin Place Sydney NSW 2000
Stock exchange listing	Ideas International Limited shares are listed on the Australian Securities Exchange (ASX code: IDE)
Website address	www.ideasinternational.com Ideas International Limited's public website contains information regarding its products and the company, including an investor section. E-mail us at: investors@ideasinternational.com

Ideas International Limited
Directors' report
31 December 2011

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Ideas International Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 31 December 2011.

Directors
The following persons were directors of Ideas International Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter F. Wallace - Chairman
Ian T. Birks
Robert J. McKelvey
Stephen J. Bowhill

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:

- the development and sale of subscription access IT research materials for pricing and performance comparisons;
- the development and sale of subscription access to information technology research reports; and
- the development and sale of specialist information technology consulting reports.

Dividends
Dividends paid during the financial year were as follows:

	2011 $	2010 $
Final dividend for the year ended 31 December 2010 of 4 cents per ordinary share paid on 11 April 2011 franked at 75% based on a tax rate of 30% to registered shareholders as at 24 March 2011.	549,088	-

On 24 February 2012, the directors of Ideas International Limited declared a final dividend on ordinary shares in respect of the 2011 financial year. The total amount of the dividend is $681,527 which represents 5 cents per share on 13,619,999 shares outstanding. The dividend will be 55% franked. The conduit foreign income component of this dividend was $nil.

The dividend has not been provided for in the 31 December 2011 Annual Report.

The dividend will be paid on 13 April 2012 to registered holders as at 23 March 2012. Shares will trade ex dividend on 16 March 2012.

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $1,905,205 (31 December 2010: $1,187,558).

Sales revenues of $8,413,304 were up 6.0% over sales revenue of $7,939,884 from 2010. Revenue from all sources totalled $8,740,832 and was up 6.2% from $8,234,181 in 2010.

The performance of the consolidated entity was strong for the year, particularly when viewed against the backdrop of uncertain trading conditions and an Australian Dollar which has remained strong throughout the year against the US Dollar and the Euro, our major billing currencies.

After tax earnings for 2011 were positively impacted through accounting for a credit in tax expense of $320,000 in the Australian entity arising from a review of research and development tax incentives for the period 2009 and 2010.

The consolidated entity was cash flow positive for the year, with net cash provided by operating activities of $2,823,872 up by 39.5% on $2,024,797 from last year.

The net assets of the consolidated entity at 31 December 2011 were $5,649,607. This is a 30.4% increase from net assets of $4,331,488 at 31 December 2010 and reflects the continued improvement in operating performance of the consolidated entity.

Share buy-back
An on-market share buy back was in place over the course of the financial year and 147,021 shares were bought back at an average cost of 85.3 cents (2010: 77,999 shares at an average of 49.1 cents).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The increased business generated in 2011 will contribute to revenues during the 2012 year. We are expecting the Australian dollar to remain strong over the course of 2012 and remain at levels well above par with the US dollar. Assuming we renew the business with our major customers through 2012, we expect the company will deliver a similar level of profit to that of 2011.

The overall aim of management and the Board of Directors remains unchanged, maintaining focus on increasing penetration into untapped areas of the computer vendor, reseller and partner market and to grow revenues in the large corporate sector of the end user market.

Further information or developments concerning anticipated future results will be provided at the Annual General Meeting of the company to be held on 29 May 2012.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Peter F. Wallace
Title:	Chairman and Non-Executive Director
Age:	52
Qualifications:	BCom, CA, MBA, FAICD
Experience and expertise:	Mr Wallace was appointed to the board in March 2004, and became Chairman in December 2007. He is the founder and Managing Director of Endeavour Capital, and is currently Chairman of Ambertech Limited.
Other current directorships:	Ambertech Limited
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Management Committee, Member of Nomination Committee, Member of Human Resources Committee and Member of Governance Committee
Interests in shares:	183,027 ordinary shares
Interests in options:	None

Name:	Ian T. Birks
Title:	Non-Executive Director
Age:	53
Qualifications:	BSc (Tech) (Hons), University of Manchester (UK), MAICD
Experience and expertise:	Mr Birks joined Ideas International Limited in 1987, and was appointed to the Board in 1988. He was appointed Managing Director and Chief Executive Officer in January 2002, retiring from that role in January 2007.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Nominations Committee, Member of Audit and Risk Committee, Member of Human Resources Committee and Member of Governance Committee
Interests in shares:	1,858,564 ordinary shares
Interests in options:	None

Name:	Robert J. McKelvey
Title:	Non-Executive Director
Age:	62
Qualifications:	BA, MAICD, CMC
Experience and expertise:	Mr McKelvey was appointed to the Board in June 2005.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Governance Committee and Human Resource Committee, Member of Audit and Risk Committee and Member of Nomination Committee
Interests in shares:	None
Interests in options:	None

Name:	Stephen J. Bowhill
Title:	Chief Executive Officer and Managing Director
Age:	47
Qualifications:	BSc (Hons) Physics, University of Birmingham (UK), MAICD
Experience and expertise:	Mr Bowhill joined Ideas International Limited in November 2007 and was appointed to the Board in May 2010. Mr Bowhill has a broad business background in IT, information and software solutions having being employed in similar sectors for over 20 years and has held senior positions in Australia, Asia-Pacific and the UK.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,350,262 ordinary shares
Interests in options:	500,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
Paul Sowerby (BCom, University of Auckland (NZ), CPA, MAICD), has worked for Ideas International Limited for the past twelve years as their Chief Financial Officer and was appointed Company Secretary on 10 March 2000. Paul has over 27 years' experience in senior finance and administration roles.

Meetings of directors

The number of meetings of the company's Board of Directors and of each board committee held during the year ended 31 December 2011, and the number of meetings attended by each director were:

	Full Board		Audit and Risk		Governance	
	Attended	Held	Attended	Held	Attended	Held
Peter Wallace	10	10	2	2	1	1
Robert McKelvey	10	10	2	2	1	1
Ian Birks	10	10	2	2	1	1
Stephen Bowhill	10	10	* 2	* 2	* 1	* 1

	Human Resources		Nominations	
	Attended	Held	Attended	Held
Peter Wallace	2	2	1	1
Robert McKelvey	2	2	1	1
Ian Birks	2	2	1	1
Stephen Bowhill	* 2	* 2	* 1	* 1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Attended by invitation

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, key management personnel ('KMP') of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the parent company and the consolidated entity receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives, general managers and secretaries of the company and the consolidated entity.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

A Principles used to determine the nature and amount of remuneration

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

The Board's policy for determining the nature and amount of remuneration for key management personnel is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel was developed by the Human Resource Committee and approved by the Board after seeking professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The Human Resources Committee reviews key management personnel packages annually by reference to the consolidated entity's performance, key management personnel performance and comparable information from industry sectors and other listed companies in similar industries.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Human Resources Committee. The Human Resources Committee may seek advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Non-executive directors' fees are not linked to performance of the consolidated entity. However to align non-executive directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

ASX listing rules requires that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 29 April 2004, where the shareholders approved an aggregate remuneration of $250,000.

Executive remuneration
The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework is described below.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Human Resources Committee, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI') being achieved. The performance is measured against KPI's agreed biannually with each key management personnel and is based predominately on the forecast growth of the consolidated entity's profit and shareholders value. All bonuses and incentives must be linked to predetermined performance criteria. The KPI's are focussed on areas the Board believes hold greatest potential for the consolidated entity's expansion and profit, covering financial and non-financial as well as short and long term goals. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Human Resources Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.

Performance of the Chief Executive Officer ('CEO') and key management personnel in relation to their KPI's is assessed annually; CEO performance is reviewed by the Human Resources Committee and performance of each key management person is reviewed by the CEO. The level of bonus paid to the CEO is determined by the Human Resources Committee and is based on the overall level of profitability of the company and achievement of personal KPI's.

The long-term incentives ('LTI') includes long service leave, superannuation and share-based payments. Australian based key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation. Key management personnel are also entitled to participate in the employee share and option arrangements.

The company does not have a policy which prohibits executives from entering into arrangements to protect the value of unvested LTI awards.

All remuneration paid to key management personnel is valued at the cost to the consolidated entity and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Options are valued using the Black-Scholes methodology.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity.

A performance based remuneration plan was in operation during the year ended 31 December 2011 and will be continued during the year ending 31 December 2012. Details of the operation of the plan are as follows:

- The remuneration package for the CEO contains a performance-based component, consisting of personal key performance indicators ('KPI's') and company performance oriented goals. Other key management personnel participate in a profit share plan, a component of which is tied to KPI's specifically tailored to the areas in which the key management personnel is involved and has a level of control over.
- Bonuses paid to key management personnel are part of a bonus pool calculated and approved by the Human Resources Committee. The level of bonus pool is based on the overall profitability of the company, and is determined by the Human Resources Committee. Each KMP's share of the pool is determined by the combined effect of their salary is in relation to total salaries of the company and their performance against agreed KPI's for the year.
- All bonus payments are made at the discretion of the Board and are not contractual in nature.
- After payment of bonuses each year, all KPI's are reviewed by the Human Resources Committee in light of the desired and actual outcomes, and their efficiency will be assessed in relation to the consolidated entity's goals and shareholder wealth, before the KPI's are set for the following year.
- In determining whether or not a financial KPI has been achieved, the company bases the assessment on audited figures.

Consolidated performance, shareholder wealth and director and executive remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to directors and selected executives to encourage the alignment of personal and shareholder interests.

The table in section E shows the gross revenue, profit/(loss) after tax and basic earnings per share for the last five years for the company as well as the share price at the end of the respective financial years. The Board is of the opinion that the continued improved results for 2010 and 2011 can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

B Details of remuneration

Amounts of remuneration
Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and specified executives of Ideas International Limited are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Ideas International Limited:

- Peter Wallace - Chairman and Non-Executive Director
- Ian Birks - Non-Executive Director
- Robert McKelvey - Non-Executive Director
- Stephen Bowhill - Chief Executive Officer and Managing Director

And the following executives:

- Gary Burgess - Senior Vice President Research Operations
- Peter Cullen - Senior Vice President Product Development and Information Services
- Paul Sowerby - Chief Financial Officer and Company Secretary
- Ewan Thompson - Chief Technology Officer
- Stephen Williams - Senior Vice President and General Manager EMEA Operations
- Anthony Iams - Senior Vice President and Senior Analyst, System Software Research

2011	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Commission $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
P Wallace - Chairman	62,385	-	-	5,615	-	-	68,000
I Birks	45,872	-	-	4,128	-	-	50,000
R McKelvey	45,872	-	-	4,128	-	-	50,000
	154,129	-	-	13,871	-	-	168,000
Executive Directors:							
S Bowhill	275,230	281,370	-	47,056	3,245	83,880	690,781
	275,230	281,370	-	47,056	3,245	83,880	690,781
Other Key Management Personnel:							
G Burgess	151,788	12,990	-	14,598	3,087	-	182,463
P Cullen	152,516	13,050	-	14,668	2,841	-	183,075
P Sowerby	175,527	15,010	-	16,880	3,264	-	210,681
E Thompson	147,268	11,994	-	14,109	2,726	-	176,097
S Williams *	141,538	-	107,118	11,906	-	-	260,562
A Iams **	125,880	10,462	-	-	-	-	136,342
	894,517	63,506	107,118	72,161	11,918	-	1,149,220
	1,323,876	344,876	107,118	133,088	15,163	83,880	2,008,001

* Converted from UK pounds
** Converted from US dollars

2010	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Commission $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
P Wallace - Chairman	56,146	-	-	5,053	-	-	61,199
I Birks	41,296	-	-	3,717	-	-	45,013
R McKelvey	41,296	-	-	3,717	-	-	45,013
	138,738	-	-	12,487	-	-	151,225
Executive Directors:							
S Bowhill	247,707	265,790	-	38,404	2,386	36,361	590,648
	247,707	265,790	-	38,404	2,386	36,361	590,648
Other Key Management Personnel:							
G Burgess	147,436	9,878	-	14,041	4,965	-	176,320
P Cullen	139,342	9,929	-	14,109	3,760	-	167,140
P Sowerby	173,056	11,426	-	16,237	4,327	-	205,046
E Thompson	145,451	9,579	-	13,865	4,483	-	173,378
S Williams *	152,956	-	150,682	11,923	-	-	315,561
A Iams **	135,755	10,623	-	-	-	-	146,378
	893,996	51,435	150,682	70,175	17,535	-	1,183,823
	1,280,441	317,225	150,682	121,066	19,921	36,361	1,925,696

* Converted from UK pounds
** Converted from US dollars

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2011	2010	2011	2010	2011	2010
Non-Executive Directors:						
P Wallace - Chairman	100%	100%	- %	- %	- %	- %
I Birks	100%	100%	- %	- %	- %	- %
R McKelvey	100%	100%	- %	- %	- %	- %
Executive Directors:						
S Bowhill	47%	49%	41%	45%	12%	6%
Other Key Management Personnel:						
G Burgess	93%	95%	7%	5%	- %	- %
P Cullen	93%	94%	7%	6%	- %	- %
P Sowerby	93%	94%	7%	6%	- %	- %
E Thompson	93%	94%	7%	6%	- %	- %
S Williams	59%	52%	41%	48%	- %	- %
A Iams	92%	93%	8%	7%	- %	- %

The proportion of cash bonus paid, payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
Name	2011	2010	2011	2010
Executive Directors:				
S Bowhill	100%	100%	- %	- %
Other Key Management Personnel:				
G Burgess	100%	100%	- %	- %
P Cullen	100%	100%	- %	- %
P Sowerby	100%	100%	- %	- %
E Thompson	100%	100%	- %	- %
A Iams	100%	100%	- %	- %

The 2011 cash bonuses included above are approved but not yet paid as at 31 December 2011. The 2010 cash bonuses were paid in the financial year to 31 December 2011.

C Service agreements

The employment conditions of the Chief Executive Officer, Mr Stephen Bowhill and specified executives are formalised in contracts of employment. All executives are permanent employees of Ideas International Limited. No contract of employment for any executive is for a fixed period of time.

The employment contracts for each key management personnel stipulate a range of resignation periods. The consolidated entity may terminate an employment contract without cause by providing written notice or making payment in lieu of notice, based on the individual's notice provision, annual remuneration package, together with a redundancy payment based on the employee's length of service. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the consolidated entity can terminate employment at any time. Any options not exercised before or on the date of termination will lapse.

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Stephen Bowhill
Title:	Managing Director and Chief Executive Officer
Term of agreement:	Continuous
Details:	3 month termination notice by either party. 3 month maximum redundancy benefit entitlement.

Name:	Gary Burgess
Title:	Senior Vice President Research Operations
Term of agreement:	Continuous
Details:	2 month termination notice by either party. 12 month maximum redundancy benefit entitlement.

Name:	Peter Cullen
Title:	Senior Vice President Product Development and Information Services
Term of agreement:	Continuous
Details:	3 month termination notice by either party. 12 month maximum redundancy benefit entitlement.

Name:	Paul Sowerby
Title:	Chief Financial Officer and Company Secretary
Term of agreement:	Continuous
Details:	3 month termination notice by either party. 12 month maximum redundancy benefit entitlement.

Name:	Ewan Thompson
Title:	Chief Technology Officer
Term of agreement:	Continuous
Details:	3 month termination notice by either party. 12 month maximum redundancy benefit entitlement.

Name:	Stephen Williams
Title:	Senior Vice President and General Manager EMEA Operations
Term of agreement:	Continuous
Details:	4 month termination notice by either party. 12 month maximum redundancy benefit entitlement.

Name:	Anthony Iams
Title:	Senior Vice President and Senior Analyst, System Software Research
Term of agreement:	Continuous
Details:	2 month termination notice by either party. 2 month maximum redundancy benefit entitlement.

The Human Resources Committee determines the proportion of fixed and variable compensation for each key management personnel. Refer to Section B for further details.

D Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2011.

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

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
19 January 2004 *	19 January 2005	18 January 2014	$0.26	$0.260
31 December 2008 **	31 December 2008	31 December 2018	$0.20	$0.200
30 March 2011 ***	28 February 2012	28 February 2022	$1.20	$0.470
30 March 2011 ***	28 February 2013	28 February 2022	$1.20	$0.470
30 March 2011 ***	28 February 2014	28 February 2022	$1.20	$0.470

* Relates to 13,200 ordinary shares under option.
** Relates to 1,000,000 ordinary shares under option which were exercised in the financial year ended 31 December 2010.
*** Relates to 500,000 ordinary shares. Vesting 200,000 on 28 February 2012, 150,000 by 28 February 2013 and 150,000 by 28 February 2014.

The options granted on 30 March 2011 will only vest if the company meets or exceeds certain EPS (earnings per share) targets, namely;
• For the year ended 31 December 2011, EPS 9.0 cents
• For the year ended 31 December 2012, EPS 10.0 cents
• For the year ended 31 December 2013, EPS 11.0 cents

In the event that EPS thresholds are not achieved in a particular year, then the options that otherwise may have lapsed can vest if cumulative EPS is achieved in future years. For example, if EPS of 9 cent is not achieved for the 2011 year then 200,000 options will vest in the 2012 year provided the combined EPS for 2011 and 2012 is more than 19 cents per share. The EPS calculation may be adjusted for one off items, approved by the board.
• All options will vest in full upon a change in control on the company.
• All vested but unexercised options will lapse 3 months after the date employment ceases
• The terms and conditions of the Ideas International Limited Director and Employee Option Plan were approved by shareholders at the Annual General Meeting of Ideas International Limited on 11 May 2005.

Options granted carry no dividend or voting rights.

Details of options over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2011 are set out below:

	Number of options granted during the year		Number of options vested during the year	
Name	2011	2010	2011	2010
S Bowhill	500,000	-	-	250,000

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel during the year ended 31 December 2011 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
S Bowhill	119,433	-	-	12
I Birks *	-	-	8,000	-

* The number of options lapsed was 8,000.

E Additional information

The earnings of the consolidated entity for the five years to 31 December 2011 are summarised below:

	2007 $	2008 $	2009 $	2010 $	2011 $
Total revenue	6,488,399	6,860,033	6,944,580	8,234,181	8,740,832
Profit/(loss) after income tax	(316,087)	566,592	997,289	1,187,558	1,905,205

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

	2007	2008	2009	2010	2011
Share price at financial year end ($A)	0.14	0.11	0.20	0.75	0.89
Basic earnings per share (cents per share)	(2.50)	4.40	7.57	9.05	13.93

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Ideas International Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
19 January 2004	18 January 2014	$0.26	13,200
30 March 2011	28 February 2022	$1.20	500,000
			513,200

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no shares of Ideas International Limited issued on the exercise of options during the year ended 31 December 2011.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor’s independence for the following reasons:

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

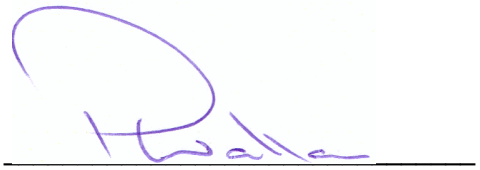
Officers of the company who are former audit partners of Ernst & Young
There are no officers of the company who are former audit partners of Ernst & Young.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Peter Wallace
Director

24 February 2012
Sydney

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Auditor's Independence Declaration to the Directors of Ideas International Limited

In relation to our audit of the financial report of Ideas International Limited for the financial year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gamini Martinus

Gamini Martinus
Partner
24 February 2012

Ideas International Limited
Corporate Governance Statement
31 December 2011

The Board of directors of Ideas International Limited ('Board') is responsible for establishing the corporate governance framework of the consolidated entity having regard to the ASX Corporate Governance Council published guidelines as well as its corporate governance principles and recommendations. The Board guides and monitors the business and affairs of Ideas International Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the company's compliance with the ASX Corporate Governance Council's Revised Principles and Recommendations.

Principles & Recommendations		Compliance	Comply
Principle 1 - Lay solid foundations for management and oversight			
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	The Board is responsible for the overall corporate governance of the company. The Board has adopted a Board charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management. The Board has adopted a Delegations of Authority that sets limits of authority for the CEO and managing Director. On appointment of a director, the company issues a letter of appointment setting out the terms and conditions of appointment to the Board.	Complies
1.2	Disclose the process for evaluating the performance of senior executives.	Senior executives prepare strategic objectives that are reviewed and signed off by the Board. These objectives must then be met by senior executives as part of their key performance targets. The chief executive officer (CEO) then reviews the performance of the senior executives against those objectives. The Board reviews the CEO's compliance against their and the company's objectives. These reviews occur annually.	Complies
1.3	Provide the information indicated in the *Guide to reporting on Principle 1*.	A Board charter is summarised in this Corporate Governance Statement.	Complies
		A performance evaluation process is included in the Board Charter and is summarised in this Corporate Governance Statement.	Complies
		Performance evaluations for the CEO and senior executives were conducted in the financial year in accordance with the process above.	Complies

Principles & Recommendations		Compliance	Comply
Principle 2 - Structure the Board to add value			
2.1	A majority of the Board should be independent directors.	The majority of the Board's directors are not independent as two Board Members are substantial shareholders, including one being an executive director of the Company. Mr Peter Wallace and Mr Robert McKelvey are independent Non-Executive Directors. Mr Ian Birks is a Non-Executive Director but not independent due to being a substantial shareholder and Mr Stephen Bowhill is CEO, an executive director and substantial shareholder.	Does not comply however the skills and experience of both the independent and non-independent directors allow the Board to act in the best interests of shareholders.
2.2	The chair should be an independent director.	Mr Peter Wallace is an independent Non-Executive Director.	Complies.
2.3	The roles of Chair and Chief Executive Officer ('CEO') should not be exercised by the same individual.	Mr Peter Wallace is Chairman and an independent Non-Executive Director. Mr Stephen Bowhill is CEO and an executive director.	Complies.
2.4	The Board should establish a nomination committee.	The company has established a Nomination Committee. Details on the composition and function of the Nomination Committee are contained in this Corporate Governance Statement. The Board has undertaken a review of the mix of skills and experience on the Board in light of the company's principal activities and direction, and has considered diversity in succession planning. The Board supports the nomination and re-election of the directors at the company's forthcoming Annual General Meeting.	Complies.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	The Board conducts an annual review of the performance of the Board, its committees and individual directors.	Complies.
2.6	Provide the information indicated in the *Guide to reporting on Principle 2.*	This information has been disclosed (where applicable) in the directors' report attached to this Corporate Governance Statement.	Complies.

Principles & Recommendations		Compliance	Comply
Principle 3 - Promote ethical and responsible decision-making			
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Board has adopted a code of conduct. The code establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. The code is detailed in this Corporate Governance Statement.	Complies.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	The Board has adopted a Diversity Policy that considers the benefits of diversity, factors to be taken into account in the selection process of candidates for Board, senior management and other positions in the company.	Does not comply. The board has adopted a diversity policy and the board monitors gender and other diversity. However due to the small number of employees, the Company does not have specific measurable objectives for gender diversity.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	The board has adopted a diversity policy and the board monitors gender and other diversity. However due to the small number of employees, the Company does not have specific measurable objectives for gender diversity	Does not comply. Due to the small number of employees, the Company does not have specific measurable objectives for gender diversity
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Statement included in this corporate governance statement.	Complies.
3.5	Provide the information indicated in the *Guide to reporting on Principle 3.*	Departures from Recommendations 3.1, 3.2, 3.3 and 3.4 have been disclosed above.	Complies

Principles & Recommendations		Compliance	Comply
Principle 4 - Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	The Board has established an Audit and Risk Management Committee which operates under an audit and risk management committee charter to focus on issues relevant to the integrity of the company's financial reporting.	Complies.
4.2	The audit committee should be structured so that it consists of only non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and have at least 3 members.	The audit and risk committee did not comply with Recommendation 4.2 in that the committee does not have an independent chairman.	Does not comply due to the composition of the Board. However, the Board considers the directors to be the most appropriate members to constitute the audit and risk committee given their technical, finance and accounting expertise and broad knowledge of the industry in which the company operates within.
4.3	The audit committee should have a formal charter.	The Board has adopted an Audit and Risk Management Committee charter which is detailed in this Corporate Governance Statement.	Complies.
4.4	Provide the information indicated in the *Guide to reporting on Principle 4.*	Details of the Audit and Risk Management Committee are shown in this Corporate Governance Statement.	Complies.
Principle 5 - Make timely and balanced disclosure			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The company has adopted a continuous disclosure policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001.	Complies.
5.2	Provide the information indicated in the *Guide to reporting on Principle 5*.	The company's continuous disclosure policy is shown in this Corporate Governance Statement.	Complies.

Principles & Recommendations		Compliance	Comply
Principle 6 - Respect the rights of shareholders			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	The company has adopted a shareholder communications policy. The company uses its website (www.ideasinternational.com), annual report, market announcements, and media disclosures to communicate with its shareholders, as well as encouraging participation at general meetings.	Complies.
6.2	Provide the information indicated in the *Guide to reporting on Principle 6.*	Examples of shareholders communications can be seen on the company website.	Complies.
Principle 7 - Recognise and manage risk			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of these policies.	The company has adopted a risk management statement within the audit and risk committee charter. The audit and risk committee is responsible for managing risk; however, ultimate responsibility for risk oversight and risk management rests with the Board. The audit and risk management charter is summarised in this Corporate Governance Statement.	Complies.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The company has identified key risks within the business. In the ordinary course of business, management monitor and manage these risks. Key operational and financial risks are presented to and reviewed by the Board at each Board meeting.	Complies.
7.3	The Board should disclose whether it has received assurance from the chief executive officer and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	The Board has received a statement from the chief executive officer and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	Complies.

Principles & Recommendations		Compliance	Comply
7.4	Provide the information indicated in *Guide to reporting on Principle 7*.	The company has adopted a risk management statement within the audit and risk committee charter. The company has identified key risks within the business and has received a statement of assurance from the chief executive officer and chief financial officer.	Complies
Principle 8 – Remunerate fairly and responsibly			
8.1	The Board should establish a remuneration committee.	The Board has established a Human Resources Committee and its charter is summarised in this Corporate Governance Statement. The Human Resources Committee: • consists of a majority of independent directors; • is chaired by an independent director; • and has three members.	Complies.
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The company complies with the guidelines for executive remuneration packages and non-executive director remuneration. No senior executive is involved directly in deciding their own remuneration. Details of structure of Human Resources Committee are contained in this Corporate Governance Statement.	Complies.
8.3	Provide the information indicated in the *Guide to reporting on Principle 8.*	The Board has adopted a Human Resources Committee charter. The company does not have any schemes for retirement benefits other than superannuation for non-executive directors.	Complies.

The corporate governance practices of Ideas International Limited were in place throughout the year ended 31 December 2011.

Various corporate governance practices are discussed within this statement.

Board Functions

The role of the Board is as follows:

- Representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the company. This includes over-viewing the financial and human resources the company has in place to meet its objectives and the review of management performance;
- Protecting and optimising company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the company's constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- Responsible for the overall Corporate Governance of Ideas International Limited and its controlled entities, including monitoring the strategic direction of the company and those entities, formulating goals for management and monitoring the achievement of those goals;
- Setting, reviewing and ensuring compliance with the company's values (including the establishment and observance of high ethical standards);
- Ensuring shareholders are kept informed of the company's performance and major developments affecting its state of affairs.

Responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the chief executive officer (CEO);
- reviewing procedures in place for appointment of senior management and monitoring of its performance, and for succession planning. This includes ratifying the appointment and the removal of the chief financial officer and the company secretary;
- input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing and guiding systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes in place aimed at ensuring the integrity of financial and other reporting;
- monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards and;
- performing such other functions as are prescribed by law or are assigned to the Board.
- monitor continuous disclosure policy & procedures.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director, employee or other person subject to ultimate responsibility of the directors under the Corporations Act 2001.

Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a Chair;
- appointment and removal of the CEO;
- appointment of directors to fill a vacancy or as additional directors;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- development and review of corporate governance principles and policies;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders and;
- any other specific matters nominated by the Board from time to time.

Structure of the Board

The company's constitution governs the regulation of meetings and proceedings of the Board. The Board determines its size and composition, subject to the terms of the constitution. The Board does not believe that it should establish a limit on tenure other than stipulated in the company constitution.

The company's constitution states the company shall have not less than 3 and not more than 9 directors. The company's constitution also specifies that at every Annual General Meeting one-third of the directors shall retire from office but shall be eligible re-election. The directors to retire from office in every year shall be those who have been longest in office since their last election or re-election. Mr Ian Birks will retire by rotation at the 2012 Annual General Meeting, and being eligible, will offer himself for re-election.

It is intended that the Board should comprise a majority of non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. It is also intended that the chair should be an independent non-executive director. The Board regularly reviews the independence of each director in light of the interests disclosed to the Board.

For details of the qualifications of each director, please refer to the Directors' Report.

The Board considers directors to be independent where:

- they directly or indirectly hold less than 10% of the shares on issue in the company;
- they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Ideas International Limited are considered to be independent:

Mr Peter Wallace	Non-Executive Director, Chairman
Mr Robert McKelvey	Non-Executive Director

There are procedures in place, agreed by the Board, to enable directors in furtherance of their duties to seek independent professional advice at the company's expense**.**

The appointment date of each director in office at the date of this report is as follows:

Name	**Position**	**Appointment Date**
Peter Wallace	Non-Executive Director, Chairman	March 2004
Ian Birks	Non-Executive Director	December 1988 (non-executive director from January 2008)
Robert McKelvey	Non-Executive Director	June 2005
Stephen Bowhill	Chief Executive Officer & Managing Director	May 2010

Directors Code of Conduct

It is expected that each director will:

- Act honestly, in good faith and in the best interests of the company as a whole;
- Accept their duty of care and diligence in fulfilling the functions of office and exercising the powers of that office;
- Recognise that the primary responsibility is to all shareholders but should, where appropriate have regard for the interests of all stakeholders;
- Not take improper advantage of the position of director or of information provided;
- Be independent in judgement and actions, and take all reasonable steps to be satisfied as to the soundness of decisions made by the Board; and
- Comply with the spirit and principles of this code as well as the letter of the Law.

Securities Trading Policy

Under the company's Guidelines for Dealing in Securities Policy, directors, officers and employees of the company should not trade in the company's securities when he or she is in possession of price sensitive information that is not generally available to the market.

Directors and senior management are likely to be in possession of unpublished price sensitive information concerning the company by virtue of their position within the company. Trading in securities of the company while in possession of such knowledge could constitute a breach of the insider trading provisions of the Corporations Act.

In addition, directors, officers and employees can only deal in the company's securities after having first obtained clearance from the company, and must notify the company secretary when a trade has occurred.

In addition, employees, executives or directors who wish to trade in shares of the company are only permitted to do so during the six-week period after the company publicly announces its half-yearly or annual results, or during any other period during which, in the opinion of directors, the market is fully informed of the company's state of affairs.

As required by the ASX Listing Rules, the company notifies the ASX of any transaction conducted by directors in the securities of the company within five days of the transaction taking place. The Securities Trading Policy has been issued to ASX and can be found on the company's website.

Diversity Policy

The diversity statement adopted by the board is summarised as follows:

Ideas International Limited recognises that its staff is its greatest asset, and aims to attract and retain the very best people. The Company respects people as individuals and values their differences. It is committed to creating a working environment that is fair and flexible, promotes personal and professional growth, and benefits from the capabilities of its diverse workforce. This Diversity Policy provides guidance for the development and implementation of relevant plans, programs and initiatives to recognise and promote diversity across all work areas of the Company.

Diversity in the context of the Company includes, but is not limited to, gender, age, ethnicity, sexual orientation, religion, and cultural background. This policy does not form part of an employee's contract of employment nor does it give rise to contractual obligations.

Important foundations for the Diversity Policy, plans and implementation strategies require:

- that staff are selected for positions on merit;
- provision of equitable access to employment, professional development and workplace participation for people
- in our workforce; and
- ensuring that workplaces are free from all forms of unlawful discrimination and harassment.

The Diversity Policy provides a framework for the Company to achieve:

- a diverse and skilled workforce that leads to continuous improvement in service delivery.
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff.
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity.
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Diversity Policy applies to all staff employed by the Company, contractors and people applying for employment. The Managing Director and senior officers are responsible for implementing and monitoring Diversity.

Gender Diversity

Position	No. of Males	No. of Females	Total	% Female
Board and Managing Director	4	-	4	0%
Key management personnel	6	-	6	0%
All other employees	22	11	33	33%
Total	**32**	**11**	**43**	
% male to female	74%	26%		

ASX Announcements

The company's policy is to immediately lodge with ASX, any information concerning the company that a reasonable person would expect to have a material effect on the price or value of its shares.

The Board will seek to ensure that all investors have equal and timely access to material information concerning the company including its financial position, performance, ownership and governance; and the company's announcements are factual, presented in a clear and balanced way, are made in a timely manner and do not omit material information.

Board committees

Audit and Risk Management Committee

At the date of this report the company had an Audit and Risk Management Committee consisting of the following directors:

Peter Wallace (Chairman)
Ian Birks
Robert McKelvey

Ex officio attendees of the Audit and Risk Management Committee meetings are:

Stephen Bowhill (Chief Executive Officer & Managing Director)
Paul Sowerby (Chief Financial Officer & Company Secretary)

The Audit and Risk Management Committee is to meet at least twice each reporting year. Key executives of the company may be invited to attend part of the Audit and Risk Management Committee meetings. Minutes will be kept of each meeting.

Details of attendance at the Audit and Risk Management Committee meetings can be found in the Directors' report and for details of the qualifications of each director, also please refer to the Directors' Report.

The role and responsibilities of the Audit and Risk Management Committee include:

- Providing a link between external auditors and the Board;
- Reviewing performance and independence of the external auditors;
- Ensuring any matters brought to the Audit and Risk Management Committee's attention during the course of the audit are appropriately dealt with in the company's financial reports;
- Reviewing the integrity of the company's financial reports, including systems of internal control and risk management, with management advisors and auditors;
- Reviewing and recommending for adoption by the Board interim and annual reports;
- Reviewing current and proposed accounting policies;
- Ensuring the company and its subsidiaries comply with appropriate laws and regulations in relation to financial disclosures;
- Review and approval of the scope of the external audit, including terms and conditions of external audit engagement; and
- Review and approval of all non-audit related services provided by the external audit company.

Nomination Committee

At the date of this report the company had a Nomination Committee consisting of the following directors:

Ian Birks (Chairman)
Peter Wallace
Robert McKelvey

Ex officio attendees of the Nominations Committee meetings are:

Stephen Bowhill (Chief Executive Officer & Managing Director)
Paul Sowerby (Chief Financial Officer & Company Secretary)

The Nomination Committee is to meet at least once each reporting year and minutes will be kept of each meeting.

The Nomination Committee charter is to act as an independent body to recommend candidates for Board vacancies to the main Board for consideration.

The company's policies regarding the terms and conditions for remuneration relating to the appointment and retirement of Board Members are approved by the Nomination Committee following professional advice.

Details of attendance at the Nomination Committee meetings can be found in the Directors' report.

Human Resources Committee

At the date of this report the company had a Human Resources Committee consisting of the following directors:

Robert McKelvey (Chairman)
Peter Wallace
Ian Birks

Ex officio attendees of the Human Resources meetings are:

Stephen Bowhill (Chief Executive Officer & Managing Director)
Paul Sowerby (Chief Financial Officer & Company Secretary)

The Human Resources Committee is to meet at least once each reporting year and minutes will be kept of each meeting.

The role and responsibilities of the Human Resources Committee include making recommendation to the Board on:

- Remuneration and incentive policies for key executives, including the Managing Director;
- Company recruitment, remuneration, and retention policies for senior management and key roles;
- Incentive plans for employees not covered in executive or key management plans;
- Executive and employee share and /or option schemes; and
- Remuneration framework for non-executive directors.

Details of attendance at the Human Resources Committee meetings can be found in the Directors' report.

Details of the remuneration of directors and key management personnel can be found in the Directors’ report.

Governance Committee

At the date of this report the company had a Governance Committee consisting of the following directors:

Robert McKelvey (Chairman)
Peter Wallace
Ian Birks

Ex officio attendees of the Governance Committee meetings are:

Stephen Bowhill (Chief Executive Officer & Managing Director)
Paul Sowerby (Chief Financial Officer & Company Secretary)

The Governance Committee is responsible for providing advice to the Board on corporate governance matters generally and in particular:

- To approve the company's corporate governance statement;
- To review and provide recommendations to the Board on Corporate Governance arrangements including the creation, composition and charters of other Board committees including the Audit, Nominations and Human Resources Committees;
- To review all material external correspondence prior to release, that requires lodgement with a regulatory body or is otherwise material unless already approved by the Board or sub-committee thereof;
- To undertake an annual review of the effectiveness with which the Board committees have discharged their function;
- To determine the independence of directors (including the criteria for determination) and to monitor the ongoing status of such directors;
- To review developments in corporate governance in Australia and to ensure the Board is aware of and can appropriately position the company relative to stakeholder expectations;
- To review annually and provide recommendations to the Board on the alignment of Board operations with best corporate governance practice;
- To consider questions of possible conflict of interest arising for directors; and
- To review existing behaviour and ethical guidelines for directors and recommend changes for adoption by the Board.

Details of attendance at the Governance Committee meetings can be found in the Directors' report.

Chief Executive Officer and Chief Financial Officer Certification

The chief executive officer and chief financial officer have given a written declaration to the Board required by section 295A of the Corporations Act 2001 that in their view:

- the company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board;
- the company's risk management and internal compliance and control system is operating effectively in all material respects;
- the company's financial statements and notes thereto comply with the accounting standards; and
- the company's financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the financial year ended on that date.

Performance

The performance of the Board and key executives is reviewed regularly using both measurable and qualitative indicators. On an annual basis, directors will provide written feedback in relation to the performance of the Board and its Committees against a set of agreed criteria.

- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- Feedback will be collected by the chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- The chief executive officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of Board performance review.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.

Remuneration

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board, in assuming the responsibilities of assessing remuneration to employees, partially links the nature and amount of executive director's and senior management's remuneration to the company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the company; and
- performance incentives that allow executives to share in the success of Ideas International Limited.

For a more comprehensive explanation of the company's remuneration framework and the remuneration received by directors and key executives in the current period, please refer to the remuneration report, which is contained within the directors' report.

There is no scheme to provide retirement benefits to executive or non-executive directors.

The Human Resources Committee is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and executive team.

Ideas International Limited
Financial report
For the year ended 31 December 2011

Contents

General information

The financial report covers Ideas International Limited as a consolidated entity consisting of Ideas International Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Ideas International Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Ideas International Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office
Level 3, 20 George Street
Hornsby NSW 2077

Principal place of business
Level 3, 20 George Street
Hornsby NSW 2077

Also trading in the following countries at:
Milton Park Innovation Centre, 99 Milton Park, Abingdon, Oxon, OX14 4RY, UK
Suite N337, 800 Westchester Avenue, Rye Brook, NY 10573, USA

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 24 February 2012. The directors have the power to amend and reissue the financial report.

Ideas International Limited
Statement of comprehensive income
For the year ended 31 December 2011

	Note	Consolidated 2011 $	2010 $
Revenue	4	8,740,832	8,234,181
Expenses			
Employee benefits expense		(4,563,612)	(4,507,897)
Professional and outside services expense		(871,951)	(680,130)
General and administrative expense		(261,868)	(249,578)
Occupancy expense		(264,864)	(265,445)
Depreciation expense	5	(47,555)	(62,293)
Marketing expense		(354,482)	(464,083)
Computers and communication expense		(206,845)	(209,827)
Finance costs	5	-	(7,682)
Profit before income tax expense		2,169,655	1,787,246
Income tax expense	6	(264,450)	(599,688)
Profit after income tax expense for the year attributable to the owners of Ideas International Limited	27	1,905,205	1,187,558
Other comprehensive income			
Foreign currency translation		4,059	(168,833)
Other comprehensive income for the year, net of tax		4,059	(168,833)
Total comprehensive income for the year attributable to the owners of Ideas International Limited		1,909,264	1,018,725
		Cents	**Cents**
Basic earnings per share	40	13.93	9.05
Diluted earnings per share	40	13.92	9.04

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

Ideas International Limited
Statement of financial position
As at 31 December 2011

	Note	Consolidated 2011 $	2010 $
Assets			
Current assets			
Cash and cash equivalents	7	5,989,067	2,101,488
Trade and other receivables	8	2,467,431	2,176,721
Income tax refund due	9	-	17,463
Other	10	327,071	2,045,782
Total current assets		8,783,569	6,341,454
Non-current assets			
Receivables	11	120,065	138,000
Property, plant and equipment	12	51,069	73,282
Intangibles	13	2,348,933	2,348,933
Deferred tax	14	227,102	196,173
Other	15	58,662	58,652
Total non-current assets		2,805,831	2,815,040
Total assets		11,589,400	9,156,494
Liabilities			
Current liabilities			
Trade and other payables	16	972,106	910,197
Borrowings	17	11,230	13,793
Income tax	18	143,810	199,043
Provisions	19	467,021	461,879
Revenue received in advance	20	4,302,923	3,177,193
Total current liabilities		5,897,090	4,762,105
Non-current liabilities			
Borrowings	21	9,235	11,299
Deferred tax	22	16,202	26,914
Provisions	23	17,266	24,688
Total non-current liabilities		42,703	62,901
Total liabilities		5,939,793	4,825,006
Net assets		5,649,607	4,331,488
Equity			
Contributed equity	24	2,793,526	2,919,463
Share options reserve	25	274,130	190,250
Foreign currency translation reserve	26	(448,228)	(452,287)
Retained profits	27	3,030,179	1,674,062
Total equity		5,649,607	4,331,488

The above statement of financial position should be read in conjunction with the accompanying notes

Ideas International Limited
Statement of changes in equity
For the year ended 31 December 2011

	Contributed equity $	Share options reserve $	Foreign currency translation reserve $	Retained profits $	Total equity $
Consolidated					
Balance at 1 January 2010	2,756,462	153,889	(283,454)	486,504	3,113,401
Other comprehensive income for the year, net of tax	-	-	(168,833)	-	(168,833)
Profit after income tax expense for the year	-	-	-	1,187,558	1,187,558
Total comprehensive income for the year	-	-	(168,833)	1,187,558	1,018,725
Transactions with owners in their capacity as owners:					
Share-based payments	-	36,361	-	-	36,361
Conversion of options to shares	200,000	-	-	-	200,000
Share buy-back	(36,999)	-	-	-	(36,999)
Balance at 31 December 2010	2,919,463	190,250	(452,287)	1,674,062	4,331,488

	Contributed equity $	Share options reserve $	Foreign currency translation reserve $	Retained profits $	Total equity $
Consolidated					
Balance at 1 January 2011	2,919,463	190,250	(452,287)	1,674,062	4,331,488
Other comprehensive income for the year, net of tax	-	-	4,059	-	4,059
Profit after income tax expense for the year	-	-	-	1,905,205	1,905,205
Total comprehensive income for the year	-	-	4,059	1,905,205	1,909,264
Transactions with owners in their capacity as owners:					
Share-based payments	-	83,880	-	-	83,880
Share buy-back	(125,937)	-	-	-	(125,937)
Dividends paid	-	-	-	(549,088)	(549,088)
Balance at 31 December 2011	2,793,526	274,130	(448,228)	3,030,179	5,649,607

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

Ideas International Limited
Statement of cash flows
For the year ended 31 December 2011

	Note	Consolidated 2011 $	2010 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,340,656	8,722,249
Payments to suppliers (inclusive of GST)		(6,423,354)	(6,735,207)
		2,917,302	1,987,042
Interest received		221,385	127,156
Interest and other finance costs paid		-	(7,682)
Income taxes paid		(314,815)	(81,719)
Net cash from operating activities	38	2,823,872	2,024,797
Cash flows from investing activities			
Payments for property, plant and equipment	12	(25,465)	(13,348)
Payments for short-term investments		-	(1,750,000)
Proceeds from sale of short-term investments		1,750,000	-
Repayment of employee share purchase plan loan		17,935	15,000
Net cash from/(used in) investing activities		1,742,470	(1,748,348)
Cash flows from financing activities			
Proceeds from exercise of share options		-	200,000
Payments for share buy-backs		(125,937)	(36,999)
Dividends paid	28	(549,088)	-
Repayment of bank loan		-	(105,651)
Repayment of finance lease liability		(4,627)	(16,470)
Net cash from/(used in) financing activities		(679,652)	40,880
Net increase in cash and cash equivalents		3,886,690	317,329
Cash and cash equivalents at the beginning of the financial year		2,101,488	1,782,287
Effects of exchange rate changes on cash		889	1,872
Cash and cash equivalents at the end of the financial year	7	5,989,067	2,101,488

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

Note 1. Significant accounting policies

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

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

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

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
The consolidated entity has applied Interpretation 19 from 1 January 2011. The interpretation clarified that equity instruments issued to a creditor to extinguish a financial liability qualifies as consideration paid. The equity instruments issued are measured at their fair value, or if not reliably measured, at the fair value of the liability extinguished, with any gain or loss recognised in profit or loss.

AASB 2009-10 Amendments to AASB 132 - Classification of Rights Issues
The consolidated entity has applied AASB 2009-10 from 1 January 2011. The amendments clarified that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendment therefore provided relief to entities that issue rights in a currency other than their functional currency from treating the rights as derivatives with fair value changes recorded in profit or loss.

AASB 2009-12 Amendments to Australian Accounting Standards
The consolidated entity has applied AASB 2009-12 from 1 January 2011. These amendments make numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, which had no major impact on the requirements of the amended pronouncements. The main amendment was to AASB 8 'Operating Segments' and required an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
The consolidated entity has applied AASB 2010-4 amendments from 1 January 2011. The amendments made numerous non-urgent but necessary amendments to a range of Australian Accounting Standards and Interpretations. The amendments provided clarification of disclosures in AASB 7 'Financial Instruments: Disclosures', in particular emphasis of the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments; clarified that an entity can present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes in accordance with AASB 101 'Presentation of Financial Instruments'; and provided guidance on the disclosure of significant events and transactions in AASB 134 'Interim Financial Reporting'.

Note 1. Significant accounting policies (continued)

AASB 2010-5 Amendments to Australian Accounting Standards
The consolidated entity has applied AASB 2010-5 amendments from 1 January 2011. The amendments made numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.

AASB 124 Related Party Disclosures (December 2009)
The consolidated entity has applied AASB 124 (revised) from 1 January 2011. The revised standard simplified the definition of a related party by clarifying its intended meaning and eliminating inconsistencies from the definition. A subsidiary and an associate with the same investor are related parties of each other; entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Ideas International Limited ('company' or 'parent entity') as at 31 December 2011 and the results of all subsidiaries and special purpose entities for the year then ended. Ideas International Limited, its subsidiaries and special purpose entities together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Special purpose entities ('SPEs') are those entities where the consolidated entity, in substance, controls the SPE so as to obtain the majority of benefits without having any ownership interest.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial report is presented in Australian dollars, which is Ideas International Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximates the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 1. Significant accounting policies (continued)

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Subscription revenue
Revenue from subscription sales is recognised over the period of the contract. Unearned revenue from subscriptions at the end of a financial reporting period are recorded as a current liability in the statement of financial position.

Consulting services
Revenue from the provision of consulting services is recognised in stages upon completion of key components of the contract, with a final component upon delivery of the service to the customers.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Note 1. Significant accounting policies (continued)

Ideas International Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime as at 1 July 2010. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

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

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30-60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets
Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 1. Significant accounting policies (continued)

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	3 years
Plant and equipment	2-7 years
Leased plant and equipment	2-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Note 1. Significant accounting policies (continued)

Intangible assets

Goodwill
Where an entity or operation is acquired in a business combination, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:
- interest on finance leases

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 1. Significant accounting policies (continued)

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees. There is currently one plan in place to provide these benefits, which is the Employee Share Option Plan ('ESOP'), for employees including key management personnel, but excluding non-executive directors.

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

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

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

Note 1. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Equity-settled awards by the parent to employees of subsidiaries are recognised in the parent's individual financial statements as an increase in investment in the subsidiary with a corresponding credit to equity and not as a charge to profit or loss. The investment in subsidiary is reduced by any contribution by the subsidiary.

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

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

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

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

Contributed equity
Ordinary shares are classified as equity.

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

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 1. Significant accounting policies (continued)

Business combinations

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

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

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

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

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

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

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Ideas International Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2011. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 January 2013 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 1053 Application of Tiers of Australian Accounting Standards
This standard is applicable to annual reporting periods on or after 1 July 2013. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. Even though it qualifies as a Tier 2, the consolidated entity will not adopt this standard for reduced disclosure.

Note 1. Significant accounting policies (continued)

AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets
These amendments are applicable to annual reporting periods beginning on or after 1 July 2011. These amendments add and amend disclosure requirements in AASB 7 about transfer of financial assets, including the nature of the financial assets involved and the risks associated with them. The adoption of these amendments from 1 January 2012 will increase the disclosure requirements on the consolidated entity when an asset is transferred but is not derecognised and new disclosure required when assets are derecognised but the consolidated entity continues to have a continuing exposure to the asset after the sale or transfer.

AASB 2010-8 Amendments to Australian Accounting Standards- Deferred Tax: Recovery of Underlying Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2012 and a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life. The consolidated entity is yet to quantify the tax effect of adopting these amendments from 1 January 2012.

AASB 10 Consolidated Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 January 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 11 Joint Arrangements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint Operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 January 2013 will not have a material impact on the consolidated entity.

AASB 12 Disclosure of Interests in Other Entities
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation – Special Purpose Entities'. The adoption of this standard from 1 January 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgements and assumptions made by the consolidated entity in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

Note 1. Significant accounting policies (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 January 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised)
AASB 128 Investments in Associates and Joint Ventures (Reissued)
These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 January 2013 will not have a material impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 January 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation
These amendments are applicable to annual reporting periods beginning on or after 1 July 2011. These amendments extend relief from consolidation, the equity method and proportionate consolidation where the ultimate or intermediate parent applies not-for-profit Aus paragraphs in Australian IFRSs as adopted in Australia. The adoption of these amendments from 1 January 2012 will not have impact on the consolidated entity.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income
These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 January 2013 will impact the consolidated entity's presentation of its statement of comprehensive income.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Long service leave provision
As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers 'CODM') in assessing performance and determining the allocation of resources.

The consolidated entity is managed primarily on the basis of geographical location.

The information reported to the CODM is on at least a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Subscriptions	Subscription products refer to the consolidated entity's Competitive Profiles product. Customers are contracted to a subscription supply period generally not less than 12 months.
Consulting	Consulting products refer to a range of products that are developed in accordance with customers specifications. Consulting products are supplied over varying contracted periods, depending on customer requirements.

The accounting policies used by the company in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior year except as detailed below.

Intersegment transactions
An internally determined transfer price is set for revenue derived from sales of subscription products by subsidiary and branch entities. For the year ended 31 December 2011 this transaction was processed in December. For future periods, it is expected transactions will be processed monthly.

In addition, any costs incurred by branch and subsidiary entities in assisting in the production of subscription products will be charged back to the parent entity, also on a monthly basis.

Corporate charges are allocated to reporting segments based on an estimate of actual costs incurred by head office in the administration of operating subsidiaries within the consolidated entity. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Segment assets and liabilities
Segment assets and liabilities are recorded in the operating entity which purchased the asset or incurred the liability.

Major customers
The consolidated entity has a number of customers to which it provides both products and services. The consolidated entity supplies one single external customer which accounts for 45.2% of external revenue (2010: 43.9%). The next most significant client accounts for 10.6% (2010: 11.0%) of external revenue.

Note 3. Operating segments (continued)

Operating segment information

2011	Australia $	UK $	USA $	Intersegment eliminations/ unallocated $	Consolidated $
Revenue					
Sales to external customers	3,694,324	1,123,897	3,595,083		8,413,304
Total sales revenue	3,694,324	1,123,897	3,595,083	-	8,413,304
Other revenue	325,917	(8,104)	9,715	-	327,528
Total revenue	4,020,241	1,115,793	3,604,798	-	8,740,832
Segment result	1,371,698	116,879	507,248	-	1,995,825
Depreciation and amortisation	(19,847)	(7,484)	(20,224)	-	(47,555)
Interest revenue	219,022	212	2,151	-	221,385
Profit before income tax expense	1,570,873	109,607	489,175	-	2,169,655
Income tax expense					(264,450)
Profit after income tax expense					1,905,205
Assets					
Segment assets	6,782,433	1,351,671	3,543,552	-	11,677,656
Intersegment eliminations					(88,256)
Total assets					11,589,400
Total assets includes:					
Acquisition of non-current assets	8,171	3,128	14,166	-	25,465
Liabilities					
Segment liabilities	2,843,190	640,036	2,458,900	-	5,942,126
Intersegment eliminations					(2,333)
Total liabilities					5,939,793

Note 3. Operating segments (continued)

2010	Australia $	UK $	USA $	Intersegment eliminations/ unallocated $	Consolidated $
Revenue					
Sales to external customers	3,605,507	1,330,452	3,003,925	-	7,939,884
Total sales revenue	3,605,507	1,330,452	3,003,925	-	7,939,884
Other revenue	729,027	(241,416)	(193,314)	-	294,297
Total revenue	4,334,534	1,089,036	2,810,611	-	8,234,181
Segment result	1,020,463	104,419	605,183	-	1,730,065
Depreciation and amortisation	(33,326)	(6,102)	(22,865)	-	(62,293)
Interest revenue	125,810	108	1,238	-	127,156
Finance costs	(7,682)	-	-	-	(7,682)
Profit before income tax expense	1,105,265	98,425	583,556	-	1,787,246
Income tax expense					(599,688)
Profit after income tax expense					1,187,558
Assets					
Segment assets	5,855,989	925,261	2,375,244	-	9,156,494
Total assets					9,156,494
Total assets includes:					
Acquisition of non-current assets	2,995	1,218	22,729	-	26,942
Liabilities					
Segment liabilities	2,795,851	318,976	1,710,179	-	4,825,006
Total liabilities					4,825,006

Inter-segment revenue is eliminated upon consolidation and reflected in the ‘adjustments and eliminations’ column.

Note 4. Revenue

	Consolidated	
	2011	**2010**
	$	**$**
Sales revenue		
Subscription revenue	6,277,278	5,767,067
Non-subscription revenue	2,136,026	2,172,817
	8,413,304	7,939,884
Other revenue		
Interest	221,385	127,156
Other revenue	106,143	167,141
	327,528	294,297
Revenue	8,740,832	8,234,181

Note 5. Expenses

	Consolidated	
	2011	**2010**
	$	**$**
Profit before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	1,144	2,342
Plant and equipment	31,128	45,605
Leased plant and equipment	15,283	14,346
Total depreciation	47,555	62,293
Finance costs		
Interest and finance charges paid/payable	-	7,682
Net foreign exchange loss		
Net foreign exchange loss	129,925	304,397
Net fair value loss		
Net fair value loss on other financial assets	-	2,877
Rental expense relating to operating leases		
Minimum lease payments	232,006	226,013
Superannuation expense		
Defined contribution superannuation expense	241,986	263,536
Share-based payments expense		
Share-based payments expense	83,880	36,361

Note 6. Income tax expense

	Consolidated 2011 $	Consolidated 2010 $
Income tax expense		
Current tax	736,446	280,390
Deferred tax - origination and reversal of temporary differences	(41,641)	308,236
Adjustment recognised for prior periods	(430,355)	11,062
Aggregate income tax expense	264,450	599,688
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (note 14)	(30,929)	355,065
Decrease in deferred tax liabilities (note 22)	(10,712)	(46,829)
Deferred tax - origination and reversal of temporary differences	(41,641)	308,236
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	2,169,655	1,787,246
Tax at the statutory tax rate of 30%	650,897	536,174
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	4,391	6,531
Legal expenses	5,101	14,943
R&D tax credit received	(10,346)	-
Share-based payment expense	25,164	10,908
	675,207	568,556
Adjustment recognised for prior periods	(111,202)	11,062
R&D tax credits prior periods	(319,153)	-
Difference in overseas tax rates	19,598	20,070
Income tax expense	264,450	599,688

Note 7. Current assets - cash and cash equivalents

	Consolidated 2011 $	Consolidated 2010 $
Cash at bank and on hand	480,522	552,887
Cash on deposit	5,508,545	1,548,601
	5,989,067	2,101,488

The effective average interest rate on short-term bank deposits was 4.31% (2010: 2.85%). The deposits are at call.

Note 8. Current assets - trade and other receivables

	Consolidated	
	2011	**2010**
	$	**$**
Trade receivables	2,440,585	2,144,394
Less: Provision for impairment of receivables	(13,427)	-
	2,427,158	2,144,394
Other receivables	40,273	32,327
	2,467,431	2,176,721

Impairment of receivables
The consolidated entity has recognised a loss of $13,427 (2010: $nil) in profit or loss in respect of impairment of receivables for the year ended 31 December 2011.

The ageing of the impaired receivables provided for above are as follows:

	Consolidated	
	2011	**2010**
	$	**$**
Over 6 months overdue	13,427	-

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2011	**2010**
	$	**$**
Additional provisions recognised	13,427	-

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $790,406 as at 31 December 2011 ($311,060 as at 31 December 2010).

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2011	**2010**
	$	**$**
0 to 3 months overdue	747,773	233,145
3 to 6 months overdue	42,633	77,915
	790,406	311,060

Note 9. Current assets - income tax refund due

	Consolidated	
	2011	2010
	$	$
Income tax refund due	-	17,463

Note 10. Current assets - other

	Consolidated	
	2011	2010
	$	$
Prepayments	327,071	293,332
Security deposits	-	2,450
Term deposits	-	1,750,000
	327,071	2,045,782

The term deposit has an effective interest of 5.5% (2010: 5.9%).

Note 11. Non-current assets - receivables

	Consolidated	
	2011	2010
	$	$
Executive share acquisition plan loan	120,065	138,000

Executive share acquisition plan loan receivables do not contain impaired amounts and are not past due. It is expected that these balances will be received when due. The loans are full recourse interest free and are repayable by dividends or voluntary payments.

$114,865 (2010: $132,000) of executive share acquisition plan loans relate to key management personnel and the terms are disclosed in note 34.

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	2011	**2010**
	$	**$**
Leasehold improvements - at cost	14,447	15,076
Less: Accumulated depreciation	(14,031)	(13,499)
	416	1,577
Plant and equipment - at cost	321,669	328,193
Less: Accumulated depreciation	(290,636)	(281,799)
	31,033	46,394
Plant and equipment under lease	134,699	137,666
Less: Accumulated depreciation	(115,079)	(112,355)
	19,620	25,311
	51,069	73,282

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements	Plant and equipment	Leased plant & equipment	Total
	$	$	$	$
Consolidated				
Balance at 1 January 2010	4,189	82,073	27,993	114,255
Additions	-	13,348	13,594	26,942
Disposals	-	(2,597)	-	(2,597)
Exchange differences	(270)	(825)	(1,930)	(3,025)
Depreciation expense	(2,342)	(45,605)	(14,346)	(62,293)
Balance at 31 December 2010	1,577	46,394	25,311	73,282
Additions	-	15,644	9,821	25,465
Exchange differences	(17)	123	(229)	(123)
Depreciation expense	(1,144)	(31,128)	(15,283)	(47,555)
Balance at 31 December 2011	416	31,033	19,620	51,069

Property, plant and equipment secured under finance leases
Refer to note 33 for detailed information on property, plant and equipment secured under finance leases.

Note 13. Non-current assets - intangibles

	Consolidated	
	2011	**2010**
	$	**$**
Goodwill - at cost	2,348,933	2,348,933

Impairment
Goodwill is allocated to cash-generating units which are based on the consolidated entity's reporting subsidiaries. Goodwill arose on the acquisition of the US subsidiary Ideas International, Inc. (formerly D H Brown & Associates, Inc.) and has been allocated to the USA cash generating unit.

Note 13. Non-current assets - intangibles (continued)

Impairment testing is based on the discounted cash flows specific to this cash generating unit.

	Consolidated	
	2011	2010
	$	$
Ideas International, Inc.	2,348,933	2,348,933

The recoverable amount is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. The discount rate reflects management's estimate of the time value of money and risks specific to the cash generating unit not already reflected in the cash flows. In determining an appropriate discount rate, regard has been given to the weighted average cost of capital to the entity as a whole, adjusted for the specific country and business risks in the cash generating unit. The growth rate used in the value-in-use calculation was 2.5% (2010: 2.5%) which is based on past experience and consumer price index and the pre-tax discount rate was 14.7% (2010: 17.6%).

Note 14. Non-current assets - deferred tax

	Consolidated	
	2011	2010
	$	$
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provisions and accrued expenses	172,850	196,173
Restructure costs deductible over 5 years	18,659	-
Unrealised exchange losses	35,593	-
Deferred tax asset	227,102	196,173
Movements:		
Opening balance	196,173	551,238
Credited/(charged) to profit or loss (note 6)	30,929	(355,065)
Closing balance	227,102	196,173

Note 15. Non-current assets - other

	Consolidated	
	2011	2010
	$	$
Security deposits	58,662	58,652

Note 16. Current liabilities - trade and other payables

	Consolidated	
	2011	**2010**
	$	**$**
Trade payables	103,299	97,741
Sundry payables and accrued expenses	868,807	812,456
	972,106	910,197

Refer to note 29 for detailed information on financial instruments.

Note 17. Current liabilities - borrowings

	Consolidated	
	2011	**2010**
	$	**$**
Lease liability	11,230	13,793

Refer to note 21 for further information on assets pledged as security and financing arrangements and note 29 for detailed information on financial instruments.

Note 18. Current liabilities - income tax

	Consolidated	
	2011	**2010**
	$	**$**
Provision for income tax	143,810	199,043

Note 19. Current liabilities - provisions

	Consolidated	
	2011	**2010**
	$	**$**
Annual leave	228,889	232,817
Long service leave	238,132	229,062
	467,021	461,879

Note 20. Current liabilities - revenue received in advance

	Consolidated	
	2011	**2010**
	$	**$**
Revenue received in advance	4,302,923	3,177,193

Note 21. Non-current liabilities - borrowings

	Consolidated	
	2011	**2010**
	$	**$**
Lease liability	9,235	11,299

Refer to note 29 for detailed information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2011	**2010**
	$	**$**
Lease liability	20,465	25,092

Assets pledged as security
The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2011	**2010**
	$	**$**
Total facilities		
Bank overdraft	250,000	250,000
Used at the reporting date		
Bank overdraft	-	-
Unused at the reporting date		
Bank overdraft	250,000	250,000

Note 22. Non-current liabilities - deferred tax

	Consolidated	
	2011	**2010**
	$	**$**
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Other	16,202	26,914
Deferred tax liability	16,202	26,914
Movements:		
Opening balance	26,914	73,743
Credited to profit or loss (note 6)	(10,712)	(46,829)
Closing balance	16,202	26,914

Note 23. Non-current liabilities - provisions

	Consolidated	
	2011	**2010**
	$	**$**
Long service leave	17,266	24,688

Note 24. Equity - contributed

	Consolidated		Consolidated	
	2011	**2010**	**2011**	**2010**
	Shares	**Shares**	**$**	**$**
Ordinary shares - fully paid	13,616,999	13,764,020	2,793,526	2,919,463

Note 24. Equity - contributed (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 January 2010	12,842,019		2,756,462
Share buy-back	17 June 2010	(5,000)	$0.42	(2,100)
Share buy-back	23 June 2010	(15,000)	$0.43	(6,375)
Share buy-back	24 June 2010	(3,612)	$0.43	(1,535)
Share buy-back	30 June 2010	(1,000)	$0.44	(435)
Share buy-back	30 June 2010	(10,000)	$0.44	(4,400)
Share buy-back	6 July 2010	(5,388)	$0.45	(2,425)
Share buy-back	29 July 2010	(29,000)	$0.47	(13,630)
Issue of shares	26 August 2010	500,000	$0.20	100,000
Issue of shares	24 September 2010	500,000	$0.20	100,000
Share buy-back	14 December 2010	(3,999)	$0.65	(2,599)
Share buy-back	17 December 2010	(5,000)	$0.70	(3,500)
Balance	31 December 2010	13,764,020		2,919,463
Share buy-back	4 February 2011	(5,000)	$0.83	(4,150)
Share buy-back	7 February 2011	(3,332)	$0.83	(2,766)
Share buy-back	1 March 2011	(9,900)	$0.86	(8,514)
Share buy-back	3 March 2011	(10,000)	$0.86	(8,600)
Share buy-back	4 March 2011	(10,000)	$0.88	(8,800)
Share buy-back	25 March 2011	(14,000)	$0.85	(11,900)
Share buy-back	28 March 2011	(4,810)	$0.83	(3,992)
Share buy-back	31 March 2011	(2,080)	$0.85	(1,768)
Share buy-back	11 April 2011	(7,920)	$0.85	(6,732)
Share buy-back	11 May 2011	(3,000)	$0.86	(2,580)
Share buy-back	13 May 2011	(9,319)	$0.86	(8,014)
Share buy-back	25 May 2011	(15,000)	$0.86	(12,827)
Share buy-back	30 May 2011	(2,000)	$0.84	(1,674)
Share buy-back	2 June 2011	(15,000)	$0.85	(12,809)
Share buy-back	9 June 2011	(10,000)	$0.86	(8,600)
Share buy-back	4 October 2011	(10,000)	$0.89	(8,900)
Share buy-back	24 November 2011	(15,660)	$0.85	(13,311)
Balance	31 December 2011	13,616,999		2,793,526

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 24. Equity - contributed (continued)

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

There are no gearing ratio targets set for the company and the company has not been credit rated.

The company and consolidated entity are not subject to any externally imposed capital requirements.

The capital risk management policy remains unchanged from the 31 December 2010 Annual Report.

Treasury shares
There are 790,000 shares issued in the US entity of Ideas International Limited to which the company owns 100% of the shares issued.

Note 25. Equity - share options reserve

	Consolidated	
	2011	2010
	$	$
Share options reserve	274,130	190,250

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Note 26. Equity - foreign currency translation reserve

	Consolidated	
	2011	2010
	$	$
Foreign currency translation reserve	(448,228)	(452,287)

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

Note 27. Equity - retained profits

	Consolidated	
	2011	**2010**
	$	**$**
Retained profits at the beginning of the financial year	1,674,062	486,504
Profit after income tax expense for the year	1,905,205	1,187,558
Dividends paid (note 28)	(549,088)	-
Retained profits at the end of the financial year	3,030,179	1,674,062

Note 28. Equity - dividends

Dividends

	Consolidated	
	2011	**2010**
	$	**$**
Final dividend for the year ended 31 December 2010 of 4 cents per ordinary share paid on 11 April 2011 franked at 75% based on a tax rate of 30% to registered shareholders as at 24 March 2011.	549,088	-

On 24 February 2012, the directors of Ideas International Limited declared a final dividend on ordinary shares in respect of the 2011 financial year. The total amount of the dividend is $681,527 which represents 5 cents per share on 13,619,999 shares outstanding. The dividend will be 55% franked. The conduit foreign income component of this dividend was $nil.

The dividend has not been provided for in the 31 December 2011 Annual Report.

The dividend will be paid on 13 April 2012 to registered holders as at 23 March 2012. Shares will trade ex dividend on 16 March 2012.

Franking credits

	Consolidated	
	2011	**2010**
	$	**$**
Franking credits available at the reporting date based on a tax rate of 30%	169,503	101,476
Franking credits available for subsequent financial years based on a tax rate of 30%	169,503	101,476

Note 29. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on protecting the future financial security and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange and ageing analysis for credit risk.

Risk management is carried out by the Audit and Risk Management Committee under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. The Board reviews and agrees policies for managing each type of risk (primarily the consolidated entity's long-term and short-term debt obligations) including the setting of limits for hedging cover of foreign currency and credit allowances and future cash flow forecast projections.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. To mitigate as much as possible of the effect of foreign currency exposure, the consolidated entity requires all sales by the Australian operation which are over US$50,000 in value to be covered by forward foreign currency contracts.

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date was as follows:

	Sell Australian dollars		Average exchange rates	
	2011	2010	2011	2010
	$	$		
Buy US dollars				
Maturity:				
0 - 6 months	1,681,445	1,063,649	1.0003	0.9926
6 - 12 months	207,086	415,945	0.9851	0.9583

Note 29. Financial instruments (continued)

The carrying amount of the consolidated entity's held in foreign currency other than that entities functional currency financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2011	2010	2011	2010
	$	$	$	$
Consolidated				
US dollars	973,546	137,696	-	21,658
Euros	314,475	315,886	-	-
Pound Sterling	102,443	82,677	-	3,107
	1,390,464	536,259	-	24,765

The consolidated entity has carried out sensitivity analysis relating to its exposure to foreign currency risk at the reporting date. The sensitivity analysis demonstrates the effect on current year results and profit before tax which could result from a change in exchange rates.

The consolidated entity net assets exposed to foreign currency risks of $1,390,464 (assets $1,390,464 less liabilities $nil) as at 31 December 2011 (2010: $511,494 (assets $536,259 less liabilities $24,765)). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% (2010: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been $139,046 lower/$139,046 higher (2010: $51,149 lower/$51,149 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 31 December 2011 was $129,915 (2010: $304,397).

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from its cash on deposit and medium term deposit. Cash on deposit issued at variable rates expose the consolidated entity to interest rate risk. The term deposit of $1,750,000 (2010: $1,750,000 was included with Other Assets due to investment term of four months) has a maturity date of 15 February 2012 (2010: 14 April 2011) and will be reinvested.

As at the reporting date, the consolidated entity had the following variable rate cash positions:

	2011		2010	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Consolidated				
Cash on deposit	4.31	5,508,545	2.85	1,584,601
Net exposure to cash flow interest rate risk		5,508,545		1,584,601

An official increase/decrease in interest rates of one (2010: one) percentage point would have a favourable/adverse affect on profit before tax of $55,085 (2010: $33,346) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Note 29. Financial instruments (continued)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity trades predominately with recognised, credit-worthy third parties, and as such collateral is not requested nor is the consolidated entity policy to securitise its trade and other receivables. Credit risk is mitigated by ongoing monitoring of the consolidated entities receivables. The consolidated entity's experience of bad and doubtful debts has not been significant. The maximum exposure to credit risk at the reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2011	**2010**
	$	**$**
Bank overdraft	250,000	250,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2011	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables (excluding accruals)	-	405,966	-	-	-	405,966
Interest-bearing - fixed rate						
Lease liability	14.33	13,348	10,257	-	-	23,605
Total non-derivatives		419,314	10,257	-	-	429,571

Note 29. Financial instruments (continued)

Consolidated - 2010	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables (excluding accruals)	-	399,130	-	-	-	399,130
Interest-bearing - fixed rate						
Lease liability	13.87	16,440	12,406	-	-	28,846
Total non-derivatives		415,570	12,406	-	-	427,976

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 30. Key management personnel disclosures

Directors
The following persons were directors of Ideas International Limited during the financial year:

Peter Wallace	Non-Executive Chairman
Ian Birks	Non-Executive Director
Robert McKelvey	Non-Executive Director
Stephen Bowhill	Managing Director and Chief Executive Officer

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Gary Burgess	Senior Vice President Research Operations
Peter Cullen	Senior Vice President Product Development and Information Services
Paul Sowerby	Chief Financial Officer and Company Secretary
Ewan Thompson	Chief Technology Officer
Stephen Williams	Senior Vice President and General Manager EMEA Operations
Anthony Iams	Senior Vice President and Senior Analyst, System Software Research

Note 30. Key management personnel disclosures (continued)

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

	Consolidated	
	2011	**2010**
	$	**$**
Short-term employee benefits	1,775,870	1,748,348
Post-employment benefits	133,088	121,066
Long-term benefits	15,163	19,921
Share-based payments	83,880	36,361
	2,008,001	1,925,696

Shareholding
The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2011	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
P Wallace	183,027	-	-	-	183,027
I Birks	1,858,564	-	-	-	1,858,564
S Bowhill	1,350,262	-	-	-	1,350,262
G Burgess	25,000	-	-	-	25,000
P Cullen	74,654	-	-	-	74,654
P Sowerby	177,302	-	-	-	177,302
E Thompson	127,611	-	-	-	127,611
S Williams	416,205	-	-	-	416,205
A Iams	55,400	-	-	-	55,400
	4,268,025	-	-	-	4,268,025

2010	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
P Wallace	183,027	-	-	-	183,027
I Birks	1,858,564	-	-	-	1,858,564
S Bowhill	274,059	-	1,076,203	-	1,350,262
G Burgess	25,000	-	-	-	25,000
P Cullen	74,654	-	-	-	74,654
P Sowerby	177,302	-	-	-	177,302
E Thompson	127,611	-	-	-	127,611
S Williams	416,205	-	-	-	416,205
A Iams	55,400	-	-	-	55,400
	3,191,822	-	1,076,203	-	4,268,025

Note 30. Key management personnel disclosures (continued)

Option holding
The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2011	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
I Birks	8,000	-	-	(8,000)	-
S Bowhill	-	500,000	-	-	500,000
A Iams	6,600	-	-	-	6,600
	14,600	500,000	-	(8,000)	506,600

2011	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
A Iams	6,600	-	6,600
	6,600	-	6,600

2010	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
I Birks	8,000	-	-	-	8,000
S Bowhill	1,000,000	-	(1,000,000)	-	-
A Iams	6,600	-	-	-	6,600
	1,014,600	-	(1,000,000)	-	14,600

2010	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
I Birks	8,000	-	8,000
A Iams	6,600	-	6,600
	14,600	-	14,600

Loans to key management personnel
Loans to key management personnel are set out in note 34.

Related party transactions
Related party transactions are set out in note 34.

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	Consolidated	
	2011	**2010**
	$	**$**
Audit services - Ernst & Young		
Audit or review of the financial statements	120,000	107,750
Other services - Ernst & Young		
Tax compliance services and government grant assistance	15,000	15,825
Restructure services	5,250	9,298
GST advice	1,470	-
	21,720	25,123
	141,720	132,873

Note 32. Contingent liabilities

	Consolidated	
	2011	**2010**
	$	**$**
Cash security deposit for office leases	58,662	58,652

Deposit guarantees above will be refunded on expiry of lease, 31 January 2012.

Note 33. Commitments

	Consolidated	
	2011	**2010**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	158,340	190,049
One to five years	8,899	60,457
	167,239	250,506
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	13,348	16,440
One to five years	10,257	12,406
Total commitment	23,605	28,846
Less: Future finance charges	(3,140)	(3,754)
Net commitment recognised as liabilities	20,465	25,092
Representing:		
Lease liability - current (note 17)	11,230	13,793
Lease liability - non-current (note 21)	9,235	11,299
	20,465	25,092

Operating lease commitments are for office premises leases for the UK, Australian and US company offices. Rental commitments are based on current payments. The Australian office lease term is 1 year from 31 January 2012. The UK office lease term is 2 years from commencement of the lease on 10 May 2010. The US office lease is a 5 year lease from commencement of the lease on 31 December 2005 with an option to renew for a further 3 year term. None of the leases contain a purchase option.

Finance leases relate to office computers and office equipment used in Ideas International, Inc. The leases are all three year terms, with $1 residuals, and expire from September 2010 through to August 2013. Interest rates are between 10.3% and 15.3%.

Australian office lease term
The 4 year term has not at the date of signing this report been exercised, however by mutual agreement with the landlord the Australian office lease was extended by one year from 31 January 2012 to 31 January 2013.

Note 34. Related party transactions

Parent entity
Ideas International Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 36.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report in the directors' report.

Note 34. Related party transactions (continued)

Transactions with related parties
There were no transactions with related parties during the current or previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current or previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2011	2010
	$	$
Non-current receivables:		
Loans to key management personnel:		
P Cullen	18,200	21,000
P Sowerby	39,000	45,000
E Thompson	31,200	36,000
S Williams	26,465	30,000

The loans relate to the Executive Share Acquisition Plan ('ESAP') which was set up in 2004. Ideas International Limited bought back 540,000 shares at 30 cents and invited selected senior employees to purchase these shares using the ESAP loan facility. The loans are interest free, and repayable through dividends and voluntary repayments. Any balance must be paid on termination of employment.

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	Parent	
	2011	2010
	$	$
Profit after income tax	1,492,667	803,076
Total comprehensive income	1,492,667	698,776

Note 35. Parent entity information (continued)

Statement of financial position

	Parent	
	2011	**2010**
	$	**$**
Total current assets	7,112,186	4,038,368
Total assets	9,951,070	6,859,677
Total current liabilities	5,268,637	3,063,897
Total liabilities	5,300,191	3,107,335
Equity		
Contributed equity	2,793,526	2,919,463
Share options reserve	274,130	190,250
Foreign currency translation reserve	(395,483)	(392,498)
Retained profits	1,978,706	1,035,127
Total equity	4,650,879	3,752,342

Contingent liabilities
The parent entity had the following cash security deposits for Sydney office leases at 31 December 2011 and 31 December 2010:

	Parent	
	2011	**2010**
	$	**$**
Bank guarantees	45,000	45,000

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at 31 December 2011 and 31 December 2010.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 36. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Equity holding	
Name of entity	**Country of incorporation**	**2011 %**	**2010 %**
Trading entities:			
Ideas International Europe (UK branch office)	Australia	100.00	100.00
Ideas International, Inc	United States of America	100.00	100.00
Non-trading entities:			
Ideas International, Inc (Colorado)	United States of America	100.00	100.00
Which Is Best Limited	United Kingdom	100.00	100.00
Competitive Profiles Limited	United Kingdom	100.00	100.00
Ideas International (UK) Limited	United Kingdom	100.00	100.00
Ideas International Holdings Pty Limited	Australia	100.00	100.00
Ideas International Asia/Pacific Pty Limited	Australia	100.00	100.00
Ideas International (EMEA) Limited	United Kingdom	100.00	100.00

Note 37. Events after the reporting period

Apart from the dividend declared as disclosed in note 28, no other matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 38. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2011	**2010**
	$	**$**
Profit after income tax expense for the year	1,905,205	1,187,558
Adjustments for:		
Depreciation	47,555	62,293
Net loss on disposal of property, plant and equipment	-	2,597
Share-based payments	83,880	36,361
Foreign exchange differences	5,732	(333,003)
Write off of employee share acquisition plan loans	-	1,920
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(290,708)	376,789
(Increase)/decrease in deferred tax assets	(30,929)	357,361
Increase in other operating assets	(33,740)	(57,053)
Increase in trade and other payables	61,909	240,101
Increase/(decrease) in provision for income tax	(37,769)	195,737
Decrease in deferred tax liabilities	(10,712)	(46,829)
Increase in other provisions	1,123,449	965
Net cash from operating activities	2,823,872	2,024,797

Note 39. Non-cash investing and financing activities

	Consolidated	
	2011	**2010**
	$	**$**
Assets acquired under lease	9,974	13,594
Write off of employee share acquisition plan loans	-	1,920
	9,974	15,514

Note 40. Earnings per share

	Consolidated	
	2011	**2010**
	$	**$**
Profit after income tax attributable to the owners of Ideas International Limited	1,905,205	1,187,558
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	13,673,536	13,116,944
Adjustments for calculation of diluted earnings per share:		
Options	9,255	13,200
Weighted average number of ordinary shares used in calculating diluted earnings per share	13,682,791	13,130,144
	Cents	**Cents**
Basic earnings per share	13.93	9.05
Diluted earnings per share	13.92	9.04

500,000 options which were granted during the financial year have been excluded from the above calculation because they would be anti-dilutive for the period.

Note 41. Share-based payments

Executive Option Plan
The company established an Executive Option Plan prior to listing in March 2001. A total of 34,000 options, with an exercise price of $1.00, were granted to directors during the year ended June 2001 under the plan. These options vest over a three year period from March 2001 and are exercisable on or before March 2011. 26,000 lapsed in the prior year and the remaining 8,000 lapsed in the year ended 31 December 2011. No options were exercised in accordance with the terms of the offer.

Employee Share Option Plan
The company established an Employee Share Option Plan ('ESOP') prior to listing in March 2001. During the financial year ended 31 December 2010, S Bowhill exercised 1,000,000 options under the plan at an exercise price of 20 cents per share. The Board approved the options to vest early prior to 31 December 2010 as the targets were met.

During the financial year ended 31 December 2011, 500,000 options were issued under the plan to S Bowhill (2010: nil).
The options will vest over 3 years as follows:
- 200,000 on 28 February 2012 and have an expiry date of 28 February 2022;
- 150,000 on 28 February 2013 and have an expiry date of 28 February 2022;
- 150,000 on 28 February 2014 and have an expiry date of 28 February 2022.

Exercise price is $1.20 per share and the options will be granted if the company meets or exceeds certain earnings per share ('EPS') targets, namely;
- For the year ended 31 December 2011, EPS 9.0 cents
- For the year ended 31 December 2012, EPS 10.0 cents
- For the year ended 31 December 2013, EPS 11.0 cents

All options will vest in full upon a change in control on the company. Vested but unexercised options will lapse 3 months after the date employment ceases.

Note 41. Share-based payments (continued)

Executive Share Acquisition Plan
The company established the Executive Share Acquisition Plan ('ESAP') in 2004 following approval by members at the 2003 Annual General Meeting. The ESAP was established to assist in the retention and motivation of senior executives and key personnel of the consolidated entity that comprises Ideas International Limited and any subsidiary or associated company.

All options granted to key management personnel are ordinary shares in Ideas International Limited, which confer a right of one ordinary share for every option held.

Set out below are summaries of options granted under the plans:

2011

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
02/02/01	02/02/11	$1.00	8,000	-	-	(8,000)	-
19/01/04	18/01/14	$0.26	13,200	-	-	-	13,200
06/05/11	28/02/22	$1.20	-	500,000	-	-	500,000
			21,200	500,000	-	(8,000)	513,200

The weighted average exercise price of the options is as follows:
- Balance at the start of the year - $0.54
- Granted - $1.20
- Exercised - $nil
- Expired/forfeited/other - $nil
- Balance at the end of the year - $1.18

2010

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
02/02/01	02/02/11	$1.00	8,000	-	-	-	8,000
19/01/04	18/01/14	$0.26	13,200	-	-	-	13,200
31/12/08	31/12/18	$0.20	1,000,000	-	(1,000,000)	-	-
			1,021,200	-	(1,000,000)	-	21,200

The weighted average exercise price of the options is as follows:
- Balance at the start of the year - $0.21
- Granted - $nil
- Exercised - $0.20
- Expired/forfeited/other - $nil
- Balance at the end of the year - $0.54

The weighted average remaining contractual life of options outstanding at the end of the financial year was 9.96 years (2010: 1.93 years).

Note 41. Share-based payments (continued)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
06/05/11	28/02/22	$0.88	$1.20	90.00%	4.50%	6.00%	$0.473

Note 42. General information

The nature of the operations and principal activities of the consolidated entity are described in the directors' report. The registered office, domicile and other information is on page 30.

Ideas International Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Peter Wallace
Director

24 February 2012
Sydney

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Independent auditor's report to the members of Ideas International Limited

Report on the financial report

We have audited the accompanying financial report of Ideas International Limited, which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.

Opinion

In our opinion:

a. the financial report of Ideas International Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 4 to 13 of the directors' report for the year ended 31 December 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Ideas International Limited for the year ended 31 December 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gamini Martinus

Gamini Martinus
Partner
Sydney
24 February 2012

Ideas International Limited
Shareholder information
31 December 2011

The shareholder information set out below was applicable as at 31 January 2012.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	22
1,001 to 5,000	133
5,001 to 10,000	38
10,001 to 100,000	50
100,001 and over	21
	264
Holding less than a marketable parcel	9

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
CastleQuest Corporation Pty Limited <The Tulloch Family A/C>	3,680,000	27.03
Mr Ian Thomas Birks	1,858,564	13.65
Mr Stephen Bowhill	1,350,262	9.92
Ruminator Pty Ltd	650,276	4.78
Contemplator Pty Ltd <ARG Pension Fund A/C>	561,089	4.12
Bell Potter Nominees Ltd <BB Nominees A/C>	400,000	2.94
Clapsy Pty Ltd <Baron Super Fund A/C>	389,854	2.86
Clapsy Pty Ltd <Baron Super Fund Account>	363,064	2.67
Stephen Ronald Williams	316,205	2.32
Illabrook Pty Ltd	284,517	2.09
Mr John Richard Snell	220,000	1.62
Oceanridge Limited	214,172	1.57
Dixson Trust Pty Limited	200,000	1.47
Ms Alison Irving	173,493	1.27
Felipe Rodriquez Svensson	169,868	1.25
IDE Share Plan Pty Limited <Account of Mr P H Sowerby>	150,000	1.10
Connaught Consultants (Finance) Pty Ltd <Super Fund A/C>	124,000	0.91
IDE Share Plan Pty Limited <Account of Mr E Thompson>	120,000	0.88
Great Northern Laundry Pty Ltd	115,384	0.85
VIP Executive Pty Ltd <VIP Executive Super Fund A/C>	105,042	0.77
	11,445,790	84.07

Unquoted equity securities
There are no unquoted equity securities.

Ideas International Limited
Shareholder information
31 December 2011

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
CastleQuest Corporation Pty Limited <The Tulloch Family A/C>	3,680,000	27.03
Mr Ian Thomas Birks	1,858,564	13.65
Mr Stephen Bowhill	1,350,262	9.92

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.