FACILITATE DIGITAL HOLDINGS LIMITED (FAC)
ABN 84 093 823 253
AND CONTROLLED ENTITIES

APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2008	2007	Movement	
	$	$	$	%
Revenue from ordinary activities	9,030,140	3,890,610	5,139,530	132.1
Net profit/(loss) from ordinary activities after tax attributable to members	165,915	858,282	(692,367)	(80.7)
Net profit/(loss) for the period attributable to members	165,915	(54,096)	220,011	406.7

Dividends

Neither Facilitate Digital Holdings Limited, nor any of the controlled entities, proposes to declare or pay any dividends. There are no divided or distribution re-investment plans in operation.

Audit

The Preliminary Final Report is based upon accounts which are in the process of being audited by AFS Chartered Accountants & Advisors. At the date of this report, there is neither any dispute with the auditors or likelihood that the accounts will be subject to qualification.

Review of Operations

The Market

The growth of digital media and advertising continues to outpace that of any other media. With annual growth rates in 2008 of between 20 and 30% in all developed markets around the world, the next several years are expected to deliver similar levels of growth, sufficient in many countries to push digital advertising to the number one spot ahead of newspaper and TV advertising.

This global trend is resistant to financial market conditions, as marketers of all shapes and sizes direct traditional advertising dollars into more measurable – and therefore more accountable – digital channels such as online display, search, affiliate and mobile marketing. Even the largest of multinational brand advertisers are actively migrating their budgets to digital media as they secure better results, more efficiently and at a lower cost per acquisition. As a result, the business case for digital is now compelling for the most traditional of advertisers.

These dynamics see Facilitate Digital positioned strongly, both in terms of growth opportunity and future profitability.

FY08 Highlights

The dominant strategic initiative remains to successfully export our winning product technology to the world. Having grown from less than 10% to over 50% agency market share in Australia, and with agencies around the world all working with the same toolsets and to the same business process, the opportunity for Facilitate Digital is global.

In FY08 the company expanded into various markets, targeted against criteria including market size, containable footprint, marketing sophistication and growth rate, including the United Kingdom (8 times the size of the Australian market) and Asia (the single fastest growing region in the world).

With operations now established in London and Singapore, strong growth is expected for these businesses over coming months, both on track to be profitable in FY09. Early success in UK is particularly encouraging, with major clients secured and several others in the advanced stages of negotiation. First UK revenues were generated in May 08, and have more than quadrupled month on month since.

In Q4 substantial new clients were also secured in Europe, the revenue implications of which are being seen in the first months of FY09. In total, Q4 delivered several wins for the group in UK and Europe, which in combination secure the future viability of these operations. These include:

- i-level (largest independent media agency in greater Europe)
- William Hill (one of the largest online advertisers in UK)
- UPC (tier one telecommunications provider in Europe)
- Blue Barracuda (UK based media agency)
- Enterprise Inns (UK hospitality group)
- Mediaxplain (European media agency)

The basis on which Facilitate Digital is able to target new markets with confidence remains our technology. Recognising the need to internationalise the product offering, substantial investment was dedicated throughout Q1 to Q3 to future proofing product platforms.

This investment focused on four main areas:

(a) Amending existing systems to meet international standards of best practice

(b) Re-architecting code and product sets to ensure superior scalability

(c) Expanding the workflow management product *Symphony* to maintain competitive advantage

(d) Integrating the user experience across all products (*FacilitateOne*)

Management determined a commitment to this investment as essential in order to compete on the global stage. As a result we are able to compete in even the largest and most demanding markets, and with confidence in our ability to differentiate, scale the technology to meet growing demand and demonstrate thought leadership to the client community.

In tandem with globalisation and technical development, the company continues to explore meaningful partnerships with complementary technology offerings.

Facilitate Digital recently announced a global partnership with EyeWonder, a leading US based provider of rich media technology. The partnership constitutes an outstanding outcome for the company, including:

- Exclusive rights to distribute the EyeWonder platform across APAC
- EyeWonder to invest up to AUD $2.0 million in Facilitate Digital
- EyeWonder will resell the Facilitate Digital product suite into the US market
- Facilitate Digital and EyeWonder will collaborate on large client opportunities across UK and Europe

The terms of the agreement will see Facilitate Digital and secure a revenue share on all revenue generated by EyeWonder in APAC territories.

Group performance saw revenue increase from $3.890 million in FY07 to $9.030 million for FY08, an increase of 132% compared with industry growth of 34.5% in CY07. This result is 9.7% below expectation, the variance largely attributable to delays in establishing UK operations rather than any change in the market opportunity or capacity to execute. These delays relate principally to procuring suitably qualified personnel given an industry wide shortfall of world class talent with digital media/marketing credentials.

The group profit for FY08 was $165,915 against expectations of a modest profit or break even. Non-recurring operational items limiting FY08 profit include:

- Delays in set up of UK operations, including 4 month delay in procuring qualified UK MD
- Non recurring expense to develop new markets, including marketing activity, recruitment fees and infrastructure costs
- Establishing base of operations in Amsterdam from which to sell into Central Europe
- Additional development resource to accelerate completion of the *FacilitateOne* integrated product platform

<u>In Summary</u>

Facilitate Digital is well positioned to deliver a healthy profit in FY09. FY08 has been dedicated to establishing the building blocks to ensure this is achieved, including:

- Expansion into target markets around the world including the United Kingdom, Europe and Asia
- Securing world class talent to manage and grow each international operation
- Engaging with large prospects that deliver requisite scale
- Executing a global partnership with EyeWonder to broaden the offering and accelerate sales traction
- Partnering for a US market entry (EyeWonder)
- With the largely non recurring cost of developing new markets incurred in Q1 to Q3 of FY08, monthly operating costs have been reduced by more than 20% since April 2008
- A predictable and reduced cost base to ensure incremental revenue directly contributes to profitable growth

In tandem with this, prevailing market conditions and industry dynamics greatly favour Facilitate Digital into the future, most notably:

- Digital marketing and advertising spend is growing at 20-30% annually
- Advertisers will continue to redirect budgets into digital media as it is highly accountable
- Clients want to work with independent providers

- Clients are becoming increasingly dependent on technology to create value within their digital marketing activity
- Facilitate Digital offers a clearly differentiated technology that directly addresses the market's need to secure operational and process efficiencies
- Clients are looking to strike long term partnership focused agreements with technology vendors that allow them to customise and integrate with other systems

Significant Events

Acquisition

On 25 July 2007, the company announced it had reached a conditional agreement to acquire 100 per cent of the shares in leading direct marketing technology provider, Impact Data Pty Ltd on an earn-out model.

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of Entity	Percentage Held		Share of Net Profit/(Loss)	
	Current Period	Previous Period	Current Period	Previous Period
Facilitate Digital Europe Marketing Technology Limited	50%	50%	(82,197)	(9,270)

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED DURING THE PERIOD

Name of Entity	Date of gain of control	Percentage gained
Impact Data Pty Ltd	1 July 2007	100%
Look Outside The Square Pty Ltd	1 July 2007	100%
Impact Data UK Limited	1 July 2007	100%

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

		Group	
	Note	**2008**	**2007**
		$	**$**
Revenue	2	9,030,140	3,890,610
Cost of Sales		(1,480,576)	(488,252)
Distribution expenses		(2,000)	(497)
Administrative expenses		(182,970)	(184,234)
Marketing expenses		(391,131)	(113,965)
Occupancy expenses		(550,514)	(148,870)
Employee expense		(5,257,387)	(1,370,315)
Depreciation and amortisation expense		(915,903)	(258,199)
Other expenses		(1,076,938)	(532,200)
Finance costs		(13,987)	(15,726)
Employee Share Option Plan		(199,699)	-
Profit/(Loss) before income tax	4	(1,040,966)	778,352
Income tax expense	5	1,206,881	79,930
Profit from continuing operations		165,915	858,282
Profit/(loss) from discontinued operations	6	-	(912,378)
Profit/(Loss) for the year		**165,915**	**(54,096)**
Basic earnings per share (cents per share)		0.15	1.02
Diluted earnings per share (cents per share)		0.11	(.06)

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	Note	Group 2008 $	Group 2007 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,628,011	2,588,522
Trade and other receivables		1,995,848	1,039,808
Other current assets		39,705	16,063
TOTAL CURRENT ASSETS		3,663,564	3,644,393
NON-CURRENT ASSETS			
Property, plant and equipment		331,899	116,134
Deferred tax assets		2,197,366	116,801
Intangible assets	7	23,911,320	1,338,192
Other non-current assets		133,265	84,279
TOTAL NON-CURRENT ASSETS		26,573,851	1,655,406
TOTAL ASSETS		30,237,415	5,299,799
CURRENT LIABILITIES			
Trade and other payables		6,248,366	512,607
Current tax liabilities		399,752	7,308
Provisions		335,963	158,025
TOTAL CURRENT LIABILITIES		6,984,081	677,940
NON-CURRENT LIABILITIES			
Other payables		9,325,428	-
Deferred tax liabilities		954,340	(29,856)
Provisions		63,075	-
TOTAL NON-CURRENT LIABILITIES		10,342,843	(29,856)
TOTAL LIABILITIES		17,326,924	648,084
NET ASSETS		12,910,491	4,651,715
EQUITY			
Issued capital		12,698,833	4,787,209
Other Reserves		-	-
Employee Share Option Plan Reserve		181,237	-
Retained earnings/(Accumulated losses)	8	30,420	(135,494)
Parent interest		12,910,491	4,651,715
TOTAL EQUITY		12,910,491	4,651,715

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Group 2008 $	Group 2007 $
Cash flows from operating activities			
Receipts from customers		8,620,948	2,867,148
Payments to suppliers and employees		(8,963,951)	(2,903,845)
Interest received		134,517	30,722
R&D Tax Concession		109,345	-
Finance costs		(12,847)	(15,726)
Income tax paid		(143,525)	(74,178)
Net cash provided by (used in) operating activities		(255,513)	(95,879)
Cash flows from investing activities			
Purchase of property, plant and equipment		(354,100)	(102,775)
Purchase of other non-current assets		(1,928,296)	(1,475,505)
Part acquisition of Impact Data Pty Ltd		(3,187,089)	
Payment for post-acquisition costs		-	(103,610)
Opening cash received following the acquisition of Impact Data Pty Ltd		158,228	
Opening cash received following the acquisition of Purus Energy Ltd		-	3,928,318
Net cash provided by (used in) investing activities		(5,311,257)	2,246,428
Cash flows from financing activities			
Proceeds from issue of shares		5,000,000	55,000
Repayment of borrowings		(93,219)	-
Dividend paid		(65,000)	-
Cost of equity raising		(235,522)	-
Net cash provided by (used in) financing activities		4,606,259	55,000
Net increase/(decrease) in cash held		(960,511)	2,205,549
Cash at beginning of financial year		2,588,522	382,973
Cash at end of financial year	11	1,628,011	2,588,522

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	Group 2008 $	Group 2007 $

Reconciliation of Cash

For the purposes of the statement of cash flows, cash included cash on hand and in banks. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the balance sheet as follows.

	2008 $	2007 $
Cash at the beginning of the financial year		
Cash at bank	2,588,522	382,973
	2,588,522	382,973
Cash at the end of the financial year		
Cash at bank	1,628,011	2,588,522
	1,628,011	2,588,522

NOTES TO THE PRELIMINARY FINAL REPORT

NOTE 1: BASIS OF PREPARATION OF PRELIMINARY FINAL REPORT

The Preliminary Final Report has been prepared in accordance with ASX listing rule 4.3A and has been derived from the unaudited Financial Report. The Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the Financial Report. The accounting policies have been consistently applied, unless otherwise stated.

This Financial Report has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (A-IFRS). Please note that unless stated otherwise, the accounts are for Facilitate Digital. The discontinued operations of Purus Energy Ltd are covered in note 6.

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Report:

Accounting Policies

a. **Principles of Consolidation**

(i) Controlled entities

A controlled entity is any entity Facilitate Digital Holdings Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

The financial statements of controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

NOTES TO THE PRELIMINARY FINAL REPORT

NOTE 1: BASIS OF PREPARATION OF PRELIMINARY FINAL REPORT

(ii) Investments in joint venture entities

The Group's interests in joint venture entities are accounted for, where material, using the equity method. In the Company's financial statements investments in joint venture entities are carried at cost.

b. **Income Tax**

Taxation has been calculated based upon a grouping of companies for tax purposes, where available.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c. **Property, Plant and Equipment**

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

d. **Plant and equipment**

Plant and equipment is measured on the cost basis.

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

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

e. **Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

NOTES TO THE PRELIMINARY FINAL REPORT

NOTE 1: BASIS OF PREPARATION OF PRELIMINARY FINAL REPORT

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	25%
Office/Computer Equipment	33%
Furniture	100%
In-House Software	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. **Interests in Joint Ventures**

Interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements.

g. **Intangibles**

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents, trademarks and licences

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is charged on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes being recognised as a change in accounting estimate.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project once the products or services to which the costs relate have been commercialised or are being sold to customers.

NOTES TO THE PRELIMINARY FINAL REPORT

NOTE 1: BASIS OF PREPARATION OF PRELIMINARY FINAL REPORT

h. **Employee Benefits**

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

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within *1* year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than *1* year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The cost to the company of the employee share option plan is expensed in the income statement using the Black-Scholes method.

i. **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

When some or all of the economic benefits require to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain the reimbursement will be received and the amount of the receivable can be measured reliably.

j. **Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. They are held for the purposes of meeting short term cash commitments (rather than for investment or other purposes) and include: cash and liquid assets, amounts, and bank overdrafts.

k. **Revenue**

Revenue from services and the sale of goods is recognised upon the delivery of those services or goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

l. **Goods and Services Tax (GST)**

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 2: REVENUE

	2008 $	2007 $
Revenue		
— Revenue from Operations	8,821,587	3,166,917
— Interest received	134,882	30,722
— Discount on the acquisition of Purus Energy Ltd	-	692,971
— Grants received	73,671	-
Total Revenue	9,030,140	3,890,610

NOTE 3: SEGMENT INFORMATION

Revenue segments will be published within the Annual Report.

NOTE 4: PROFIT FROM CONTINUING ACTIVITIES

Profit before income tax has been determined after:	2008 $	2007 $
Expenses:		
Finance costs	13,987	15,726
Foreign currency translation losses	1,289	3,140
Bad and doubtful debts	66,554	48,045
Depreciation of plant and equipment	129,957	44,187
Amortisation of non-current assets	785,946	214,012
Remuneration of the auditors:		
— AFS	107,200	41,040
— Pitcher	-	17,100

NOTE 5: INCOME TAX EXPENSE

	2008 $	2007 $
a. The components of tax expense comprise:		
Current tax	16,503	-
Deferred tax	(1,600,421)	(83,690)
Over/Under provision in respect of prior years	377,037	3,760
	(1,206,881)	(79,930)
Deferred income tax (revenue)/expense included in income tax comprises: Increase in deferred tax assets	(1,206,881)	(79,930)

NOTE 5: INCOME TAX EXPENSE

			2008 $	2007 $
b.	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
	Prima facie tax payable on profit from ordinary activities before income tax at 30% (2006 - 30%)		(183,160)	236,505
	Add/(deduct): Tax effect of amounts which are not deductible/(assessable)			
	Tax effect of:			
	—	Entertainment	4,859	4,239
	—	Over/Under provision in respect of prior years	377,037	-
	—	Legal Fess	3,015	-
	—	Share based payments	56,408	-
	—	Equity raising costs	(17,410)	-
	—	Research & development claim	(818,414)	(623,842)
	—	Deferred tax assets not recognised	-	515,325
	—	Deferred tax recognised on prior year losses	(1040,965)	-
	—	Movement in deferred tax assets	232,550	-
	—	Prior year tax losses utilised	-	(8,026)
	—	Intercompany dividend	(18,000)	-
	—	Timing difference	197,199	-
	—	Discount on acquisition of Purus Energy Ltd	-	(207,891)
	—	Share of income tax expense of joint venture	-	3,760
	Income tax attributable to entity		(1,206,881)	(79,930)

		2008 $	2007 $
c.	Current Tax Liability		
	Balance at the beginning of the year	(29,856)	44,322
	Income Tax	16,503	-
	Tax payments	-	(74,178)
	Over provision in prior year	29,856	-
		16,503	(29,856)

		2008 $	2007 $
d.	Deferred Tax Asset Balances		
	Accruals	165.713	63,025
	Provisions for doubtful debts	30,222	16,910
	Employee benefits	156.676	47,406
	Tax benefit current year losses	792,007	-
	Tax benefit prior year losses	1,040,965	-
	Prior year adjustment	11,783	(10,540)
		2,197,366	116,801

Deferred tax asset not brought to account		
Tax Losses	-	560,952
Timing Differences	-	-
Accruals	-	-
	-	560,952

Deferred Tax Liability Balances		
Capitalised development costs	954,340	-
	954,340	-

NOTE 6: DISCONTINUED OPERATIONS

The financial performance of the discontinued operations of Purus Energy Ltd to the date of acquisition have been eliminated on consolidation and therefore do not appear in the group income statement. They were:

	2008 $	2007 $
Revenue	-	212,582
Expenses	-	(1,124,960)
Profit/(loss) before income tax	-	(912,378)
Profit/(loss) attributable to members of the parent entity	-	(912,378)
Income tax expense	-	-
Profit/(loss) after income tax	-	(912,378)
Cash Flow		
The net cash flows of the discontinued operations of Purus Energy Ltd which have been incorporated into the statement of cash flows are as follows:		
Net cash inflow/(outflow) from operating activities	-	(473,246)
Net cash inflow/(outflow) from investing activities	-	(896,361)
Net cash inflow/(outflow) from financing activities	-	300,000
Net cash increase in cash generated by the discontinuing division	-	(1,069,607)

NOTE 7: INTANGIBLE ASSETS

	2008 $	2007 $
Development		
Cost	3,795,306	1,429,483
Accumulated amortisation and impairment	(905,541)	(145,611)
Net carrying value	2,889,764	1,283,872
Trademarks and licences		
Cost	163,516	162,595
Accumulated amortisation and impairment	(136,717)	(108,275)
Net carrying value	26,799	54,320
Goodwill		
Cost	20,994,757	-
Accumulated amortisation and impairment	-	-
Net carrying value	20,994,757	-
Total intangibles	23,911,320	1,338,192

NOTE 8: RETAINED EARNINGS\ACCUMULATED LOSSES

	2008 $	2007 $
Accumulated losses at the beginning of the financial year	(134,494)	(81,398)
Net profit attributable to members of the Company	165,915	(54,096)
Accumulated losses at the end of the financial year	30,420	(134,494)

NOTE 9: EVENTS AFTER BALANCE DATE

There were no significant events between balance date and the date of this report.